
SENATE COMMITTEE ON TRANSPORTATION
Senator Dave Cortese, Chair
2025 - 2026 Regular

Bill No:	AB 2024	Hearing Date:	6/23/2026
Author:	Nguyen		
Version:	6/15/2026 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Manny Leon		

SUBJECT: Outdoor advertising displays: permits: landscaped freeways: relocation agreements

DIGEST: This bill makes various changes to the permit application and removal / relocation processes pertaining to outdoor advertising displays (billboards) along state highways, as specified.

ANALYSIS:

Existing law:

- 1) Provides, under the Outdoor Advertising Act (OAA), for the regulation by the Department of Transportation (Caltrans) of an advertising display, as defined, within view of public highways. OAA regulates the placement of an off-premises advertising display along highways that generally advertises business conducted or services rendered, or goods produced or sold at a location other than the property where the display is located. OAA prohibits a person, as defined, from placing an advertising display within the areas affected by the Act without a permit.
- 2) OAA prohibits Caltrans from denying or delaying the acceptance of a permit application for a new advertising display along a portion of a new alignment of an interstate or primary highway on the basis that the highway project has not been accepted by the department as complete if the section of highway is open to the use of the public for vehicular travel within 1,000 feet of the location specified in the permit application.
- 3) OAA prohibits, except as provided, placing or maintaining an advertising display on property adjacent to a portion of a freeway that has a specified coverage area of landscaping or trees at the same or elevated grade of the main-traveled way. OAA further authorizes removal of an advertising display that violates that prohibition, as specified.

- 4) Provides any advertising display which is now, or hereafter becomes, in violation of current law (i.e. landscaped freeways), as defined, shall be subject to removal three years from the date the freeway has been declared a landscaped freeway by the director or the director's designee.
- 5) Provides the governing body of any city, county, or city and county may enact ordinances, including, but not limited to, land use or zoning ordinances, imposing restrictions on advertising displays adjacent to any street, road, or highway equal to or greater than those imposed by the Act, as specified. No city, county, or city and county may allow an advertising display to be placed or maintained in violation of the OAA.
- 6) Allows local governments to designate zones where advertising displays may be placed or relocated. Provides that any government entity may enter into a relocation agreement for an advertising display and that the display may be placed in the same location or a different location, including a different city or county. Further provides that a relocated or existing advertising display may be converted to a message center pursuant to a relocation agreement between the sign owner, permit owner and a local government entity that does not result in a net increase in advertising displays on a landscaped freeway.
- 7) Defines "relocation" for these purposes to include removal of an advertising display and construction of a new display to substitute for the display removed.
- 8) Grants Caltrans the ability to allow any lawfully erected display to be increased in height at its permitted location, provided the height increase or conversion would not cause a reduction in federal aid highway funds or an increase in the number of displays within the state which does not conform to OAA, as described.

This bill:

- 1) Clarifies that Caltrans shall not deny or delay the acceptance, review, processing, or determination of a permit application for a new advertising display along a portion of a new alignment of an interstate or primary highway on the basis that the highway project has not been accepted by the department as complete if the section of highway is open to the use of the public for vehicular travel within 1,000 feet of the location that is specified in the permit application.
- 2) Provides an advertising display that becomes noncompliant with OAA due to a landscaped freeway designation shall be subject to removal with payment of compensation, as required under existing law, or to relocation, as authorized by

this measure. The landscaped displays would be subject to removal or relocation three years after the adjacent section of freeway is declared landscaped by Caltrans, as specified.

- 3) States this measure would not prohibit any governmental entity from entering into a relocation agreement and would require Caltrans to issue a permit, without any additional consideration and without requiring a local entity or state agency to pay compensation, as defined, for a display that is being placed pursuant to a relocation agreement with another governmental entity, if the relocated display meets the defined requirements, as specified.
- 4) Makes technical and clarifying changes.

COMMENTS:

- 1) *Purpose of the bill.* According to the author, "AB 2024 is about making sure existing law is applied consistently. Currently, delays in processing permits and inconsistent handling of relocation create unnecessary setbacks for projects. This bill provides clear direction so permits are processed on time and projects can move forward."
- 2) *OAA: a history.* Since 1933, Caltrans has enforced the OAA which contains comprehensive standards and regulations for outdoor advertising displays. Caltrans regulates the placement of outdoor advertising displays visible from California highways. Outdoor advertising displays require a permit from Caltrans if they are within 660 feet from the edge of the right-of-way and viewed primarily by persons traveling on the main-traveled way of the freeway. In order to enforce the requirements for outdoor advertising under the federal Highway Beautification Act (HBA) and the State's OAA, Caltrans regularly inspects freeways and highways that are part of the National Highway System.

The OAA regulates the size, illumination, orientation, and location of advertising displays adjacent to and within specified distances of interstate or primary highways, and, with some exceptions, specifically prohibits any advertising display from being placed or maintained on property adjacent to a section of landscaped highway.

The Act generally does not apply to "on premises" advertising displays, which include those advertising the sale of the property upon which it is placed or that advertise the business conducted, services rendered, or goods produced or sold on the property. Local governments regulate on-premises displays, except for certain safety requirements. Lastly, existing law includes a number of

exceptions to the OAA and assigns Caltrans the responsibility of reviewing and permitting signs that qualify for these exceptions.

- 3) *Relocation of billboards.* Over the years, local cities, counties, and billboard companies have collaborated through the OAA to create mutually beneficial relocation agreements. These agreements effectively remove billboards from neighborhoods and main streets and relocate them to industrial or commercial areas along highways. As part of this process, local governments and sign companies often establish revenue-sharing arrangements that provide important funding for public programs and services. A relocated display may be upgraded to a message center at its new site, provided it complies with spacing rules and all other requirements of the OAA. Caltrans is not required to approve or sign a relocation agreement between a display owner and a local jurisdiction.

A relocation agreement enables a local entity to continue development in a planned manner without expenditure of public funds. The development may be a "taking" to accommodate a capital project, such as a street widening, or to give effect to a local law or regulation, such as one that establishes a historic district. Either type of development would require the local entity to pay fair market value for the "taking."

However, in practice, relocation provisions have not always been applied consistently, and additional requirements have at times been imposed that are not clearly supported in statute. These inconsistencies have led to increased project costs and delays. AB 1673 (Pacheco, Chapter 590, Statutes of 2023), clarified the definitions of "relocation," "relocated display," and related terms. The bill also explicitly authorizes converting an advertising display to a message center, such as a display that allows changeable digital content rather than a static image.

- 4) *Caltrans project acceptance.* The "acceptance" of a highway project is the final step in the project delivery process where Caltrans confirms the construction project has been "completed" in accordance with the agreed contract specifications, approved plans, and applicable regulations. Ultimately, this is the formal step that marks the transition from active construction to full operational use. Several components of the project acceptance process include, but are not limited to, final inspection by Caltrans engineers, "punch list" completion, and the contractor submitting the final documentation for the project. In certain instances, Caltrans may relieve the contractor of the responsibility for maintaining and protecting completed portions of a highway project. This action, otherwise known as "maintenance and protection relief," may occur when Caltrans determines that the work on a specific segment meets

contract specifications and is ready for operational use. It's important to note that while this action is available, the Caltrans Construction Manual stresses that this action should only be considered when very specific criteria are met.

Last year, SB 364 (Strickland, Chapter 313, Statutes of 2025) attempted to further clarify Caltrans review process when considering a permit application for a new outdoor advertising display (billboards) along a freeway or highway, as specified. More specifically, the bill was intended to remedy an administrative issue by directing Caltrans to review submitted outdoor advertising applications along highway project segments if the section of highway is open to the use of the public for vehicular travel within 1,000 feet of the location specified in the permit application. According to the sponsor, while prior legislation addressed permit acceptance, applications may still be accepted but not processed, creating unnecessary delays and uncertainty for both public agencies and permit holders. This measure is intended to bring further clarity to Business and Professions Code § 5367.

- 5) *Landscaped freeways.* In keeping with the policy of encouraging highway beautification, advertising is generally prohibited along freeways classified as “landscaped”, as defined in Caltrans Outdoor Advertising Regulations. The Federal Highway Administration (FHA) generally leaves the determination of “landscaped” to the states, which provides some flexibility in permitting advertising. Caltrans has an administrative process to declassify a freeway as non-landscaped, thus permitting an advertising display if all other permit requirements are met. Some are concerned that Caltrans’ process is too rigid, which results in one-off legislation to exempt individual billboards or locations from the state rules (though never from the FHA requirements).

This bill provides that when an advertising display becomes noncompliant with the OAA due to a freeway being designated as a landscaped freeway (meaning it’s upgraded with greenery and stricter visual standards), the display must either be removed with payment of compensation, as required under existing law, or relocated, as authorized by this measure. The removal or relocation must occur three years after the date on which the director (or their designee), declares the freeway to be a landscaped freeway and its character has been changed accordingly. The three-year period has been part of state law since 1953. It does not require signs to be removed within that timeframe; rather, it establishes the minimum amount of time a sign may remain before it can be required to be removed.

RELATED/PREVIOUS LEGISLATION:

AB 770 (M. González, Chapter 707, Statutes of 2025) – Authorized an ordinance adopted by the City of Los Angeles pertaining to outdoor advertising displays to provide a framework of allowable signage placement, sizing, and sequencing, as specified that is also consistent with provisions of existing outdoor advertising exemptions for Los Angeles. The bill also authorized the city to adopt implementing ordinances that sequence or phase the authorization of advertising displays over time, as specified.

SB 364 (Strickland, Chapter 313, Statutes of 2025) – Made changes to Caltrans' review process when considering a permit application for a new outdoor advertising display along a freeway or highway, as specified.

SB 783 (S. Rubio, 2025) – This bill would have allowed certain off-premises advertising displays within a redevelopment agency (RDA) project to continue to be considered an on-premises display for an additional three years, until January 1, 2029. *This bill was vetoed by the Governor.*

SB 1488 (Durazo, Chapter 897, Statutes of 2024) – Reduced the minimum duration (one year to 120 days) of a sponsorship marketing plan for outdoor advertising displays at stadiums and arenas, and requires Caltrans to include among its priorities support for the placement of advertising displays at arenas when renegotiating an agreement with the FHWA, as specified.

AB 1175 (Quirk-Silva, Chapter 361, Statutes of 2023) – Extended until January 1, 2026, the period of time during which an advertising display that was in operation as of December 31, 2022, and located within the boundaries of a former RDA project may continue to be remain, under provisions that permit such signs to be treated as an on-premises display, as specified. Under current law the advertising display could remain only until January 1, 2023.

AB 1415 (Santiago, Chapter 689, Statutes of 2023) – Exempted from OAA displays erected in specified areas of Los Angeles pursuant to specified conditions, including preapproval by Caltrans.

AB 1673 (Pacheco, Chapter 590, Statutes of 2023) – Clarified the definition of the terms "relocation," "relocated display," and all related variants of the terms. It also explicitly allows the conversion of an advertising display into a message center (e.g. an advertising display which allows changeable ads rather than a static display).

SB 1309 (Durazo, 2022) – This bill would have extended the authorization date for advertising displays for designated professional sports arenas with a capacity of 15,000 or more seats to January 1, 2028. The exemption would be limited to arenas constructed or under construction before January 1, 2023, and would require that the display be in accordance with a local ordinance or other discretionary approval, as specified. *This bill was vetoed by the Governor.*

AB 3168 (Rubio, Chapter 926, Statutes of 2018) – Revised OAA to facilitate the relocation and conversion of advertising displays adjacent to freeways. Specifically, the bill narrowed the definition of landscaped freeway and allowed displays to be relocated, increased in height, or converted to a message center, if there is not a net increase in the number of displays statewide or a reduction of federal highway funds.

AB 700 (Jones-Sawyer, Chapter 337, Statutes of 2017) – Extended the deadline by an additional two years (January 1, 2019, to January 1, 2021) for a sports arena advertising display to be authorized by local ordinance in order to qualify for an OAA exemption.

SB 1199 (Hall, Chapter 869, Statutes of 2016) – Authorized two existing advertising displays along Interstate 405 in the City of Inglewood to be considered on-premise displays, until January 1, 2023, and therefore exempt from the OAA. This authorization is valid as long as it does not cause a reduction of federal transportation funds.

AB 1373 (Santiago, Chapter 853, Statutes of 2016) – Provided an exemption from regulations of the OAA for signs allowed by a City of Los Angeles ordinance in relation to the number and location of billboards in an area bounded by West 8th Street on the northeast, South Figueroa Street on the southeast, Interstate 10 on the southwest, and State Route 110 on the northwest, and a small, adjacent parcel if certain conditions are satisfied.

SB 684 (Hill, Chapter 544, Statutes of 2013) – Provided that an advertising display advertising businesses and activities within the boundary limits of, and as a part of, an individual redevelopment agency project, as the project boundaries existed on December 29, 2011, may remain and be considered an on-premises display, until January 1, 2023, if the advertising display meets specified criteria. This bill would authorize, on and after January 1, 2022, the applicable city, county, or city and county to request from Caltrans an extension for good cause, as specified, beyond January 1, 2023, not to exceed the expiration of the redevelopment project area.

SB 694 (Correa, Chapter 545, Statutes of 2013) – Exempted from the OAA, advertising displays at a publicly owned multimodal transit facility (MTF) that is to serve as a station for the high-speed train system, as specified, and requires revenues from the advertising display to be used to support the construction, operation, and maintenance of the MTF.

SB 31 (Padilla, Chapter 542, Statutes of 2013) – Established the current authorization that allows arenas to display advertising for products, goods, or services sold on premises as well as part of a sponsorship marketing plan if the arena is on public land and has a capacity of 15,000 or more seats. The bill established the 2019 deadline for these arenas to qualify for the OAA exemption by obtaining local authorization.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, June 17, 2026.)

SUPPORT:

California Association of Realtors
California State Outdoor Advertising Association

OPPOSITION:

Scenic America

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