Office of Senate Floor Analyses
(916) 651-4171

THIRD READING

Bill No: AB 2024
Author: Nguyen (D), et al.
Amended: 6/15/26 in Senate
Vote: 21

SENATE TRANSPORTATION COMMITTEE: 13-0, 6/23/26
AYES: Cortese, Strickland, Archuleta, Arreguín, Blakespear, Dahle, Gonzalez, Grayson, Menjivar, Richardson, Seyarto, Valladares, Wiener

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

ASSEMBLY FLOOR: 71-3, 5/26/26 - See last page for vote

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

SOURCE: Author

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) Prohibits, via OAA, 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) Prohibits, via OAA, 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) Clarfies 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

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."

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 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.

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. That 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.

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.

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 nonlandscaped, 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.

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

SUPPORT: (Verified 8/3/26)

California Association of Realtors
California State Outdoor Advertising Association

OPPOSITION: (Verified 8/3/26)

Scenic America

ASSEMBLY FLOOR: 71-3, 5/26/26
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hoover, Johnson, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NOES: Irwin, Schiavo, Valencia
NO VOTE RECORDED: Bennett, Hart, Jackson, Kalra, Muratsuchi, Celeste Rodriguez

Prepared by: Manny Leon / TRANS. / (916) 651-4121
8/5/26 15:04:09

****** END ******