

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON GOVERNMENTAL ORGANIZATION

Blanca Rubio, Chair

AB 2717 (Caloza) – As Introduced February 20, 2026

SUBJECT: Outdoor advertising displays: exemptions.

SUMMARY: This bill would extend an authorization date for advertising displays for designated professional sports arenas with a capacity of 15,000 or more seats to January 1, 2032. The exemption would be limited to an arena fully constructed or under construction before January 1, 2027, and would require that the display be in accordance with a local ordinance or other discretionary approval, including, but not limited to, a specific plan or sign district that benefits the arena, as specified. **Specifically, this bill:**

- 1) Extends an authorization date for advertising displays for designated professional sports arenas, as defined, with a capacity of 15,000 or more seats to January 1, 2032, by, or in accordance with, a local ordinance or other discretionary approval, including, but not limited to, a specific plan or sign district adopted in connection with the approval of the arena that benefits the arena and that is adopted by the city, county, or city and county, bears the name or logo of the arena, and is visible when approaching offramps from the interstate, primary, or state highways used to access the premises of the arena. An arena shall not be permitted more than two advertising displays allowed under this measure.
- 2) Provides the exemption would be limited to an arena fully constructed or under construction before January 1, 2027, as specified.
- 3) Provides the advertising displays are exempt from specific provisions of the OAA, provided that the billboards are used exclusively either to advertise products, goods, or services sold by persons on the premises of an arena on a regular basis, or to advertise products, goods, or services marketed or promoted on the premises of an arena pursuant to a sponsorship marketing plan, as specified.
- 4) Provides the Department of Transportation (Caltrans) shall issue a written notice, within 60 days of receipt of an ordinance or other discretionary approval, justifying the department's determination that the proposed advertising display is inconsistent with applicable federal law, as specified. If Caltrans does not issue the notice within the 60 days, this measure would deem the proposed advertising display to be consistent with applicable federal law, as specified.
- 5) Provides an advertising display authorized pursuant to measure shall not advertise products, goods, or services related to tobacco, firearms, or sexually explicit material.
- 6) Provides, except for advertising displays located in the City of Inglewood, this bill would require certain advertising displays placed pursuant to the exemption for one arena to be located at least 5,000 feet from an advertising display authorized pursuant to the exemption for another arena.
- 7) Requires, for an advertising display authorized pursuant to the exemption and on which construction commences on or after January 1, 2027, except as specified, the payment of at least the general prevailing rate of per diem wages to all construction workers employed in the

execution of the project and the use of a skilled and trained workforce to complete the project, as provided.

8) States that the term “skilled and trained workforce” has the same meaning as defined in subdivision (d) of Section 2601 of the Public Contract Code and as described in Chapter 2.9 (commencing with Section 2600) of the Public Contract Code.

9) Defines “Premises of an arena” means either of the following:

- a) A venue for indoor or outdoor sports, concerts, or other events.
- b) Any development project or district encompassing the venue, adjacent to it, or separated from it only by public or private rights-of-way, the boundaries of which have been set by the city, county, or city and county in which the arena is located. The development project or district shall be contiguous and shall not extend more than 1,000 feet beyond the arena structure or any structure physically connected to the arena structure.

10) Defines “Sponsorship marketing plan” means an agreement between the property owner, facility owner, facility operator, or occupant of the premises of an arena and a sponsor pursuant to which the sponsor is allowed to include its logo, slogan, or advertising on advertising displays and that meets both of the following conditions:

- a) The sponsorship marketing plan is for a period of not less than 120 days.
- b) The sponsorship marketing plan grants the sponsor the opportunity to display its logo, slogan, or advertising in the interior of structures on the premises of an arena, or conduct promotions, public relations, or marketing activities on the premises of an arena.

11) Makes technical and clarifying changes.

EXISTING LAW:

1) Creates the Outdoor Advertising Act (OAA), a regulatory scheme administered by the California Department of Transportation (Caltrans) to govern installation and operation of outdoor advertising displays (i.e., billboards) that are visible from state highways. The OAA and related regulations determine 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 prohibit any advertising display from being placed or maintained on property adjacent to a section of landscaped highway.

2) Regulates, as an “off-premises advertising display,” a display along a highway 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. The Act does not apply to “on-premises advertising displays,” which generally advertise business conducted or services rendered or goods produced or sold at the location where the display is located and which are separately regulated.

3) Exempts advertising displays associated with sports arenas (capacity of 15,000 or more seats), as defined, from specific provisions of the OAA, provided that advertising display only includes products, goods, or services sold within that area on a regular basis, or marketed or promoted in that area pursuant to a sponsorship marketing plan, provided that the display is authorized by

January 1, 2021, by, or in accordance with, a local ordinance, as specified. Advertising for distilled spirits, tobacco, firearms, or sexually explicit material is not permitted.

4) Defines a "sponsorship marketing plan" as an agreement between the property owner, facility owner, facility operator, or occupant of the premises of an arena and a sponsor pursuant to which the sponsor is allowed to include its logo, slogan, and that the agreement for a duration of not less than 120 days.

5) Requires Caltrans, when renegotiating an agreement with the Federal Highway Administration (FHA) relating to advertising signs, displays, and devices in areas adjacent to federally identified highway systems that specifies the state's obligations for receipt of unreduced federal aid highway funds under federal law, to include among its priorities support for advertising displays at arenas.

6) Establishes, by contractual agreement, Caltrans as the administrator of the federal Outdoor Advertising Control (OAC) program, which has restrictions similar to California's OAA program, including maximum sign size, sign spacing, location, illumination, and content. If the state fails to properly administer the federal program, the state shall lose 10% of its federal highway funding.

7) Requires that if an advertising display associated with a sports arena is subject to a notice from the federal government that the display will result in the reduction of federal highway funds, the authorization of the display shall cease. Failure to remove the advertising will result in a fine of \$10,000 per day until the advertising is removed.

8) Provides that responsibility for ensuring that the signs are compliant with the law is responsibility of the city or county which authorized the signs and that the city or county shall indemnify Caltrans for all costs incurred to ensure compliance.

FISCAL EFFECT: This bill has been keyed fiscal by Legislative Counsel.

COMMENTS:

Purpose of this bill. According to the author's office, "California is home to some of the most iconic sports and entertainment venues in the world—from stadiums like Dodger Stadium to Levi's Stadium—but many facilities need updated tools to remain competitive in today's modern landscape. AB 2717 extends an existing sunset provision to January 1, 2032, ensuring that professional sports arenas can continue seeking local government approval to install off-site advertising displays tied to their operations. This extension provides stability and certainty for venues planning long-term investments in maintenance, upgrades, and fan experience.

As California prepares to host major global events like the 2028 Summer Olympics, it is critical that our stadiums and arenas are equipped to meet the moment. This bill supports that effort by creating sustainable revenue opportunities while maintaining local oversight. Beyond economic benefits, these displays can serve the public good by supporting civic uses like voting centers and community events, and delivering critical information such as Amber Alerts and emergency notifications. AB 2717 ensures our venues remain both economically viable and responsive to the needs of the communities they serve."

What problem does this bill solve? According to information provided by the author's office, several older sports arenas in our state lack adequate public visibility and highway signage. These venues have a legitimate interest in modernizing their operations by utilizing off-site advertising displays, which would help maintain a competitive marketplace among both older and newer facilities. In addition to generating revenue for the arenas—and, by extension, increasing tax revenue for the state—these displays can support a wide range of public activities, including civic events, and serve as a platform for public service announcements such as AMBER Alerts. However, because the OAA's sunset provision expired on January 1, 2021, sports arenas are currently prohibited from pursuing this type of advertising display.

AB 2717 provides safeguards with respect to California's obligations under federal law. Specifically, the bill empowers Caltrans to determine whether the authorization granted by local government for a new advertising display is consistent with federal law and the state's obligations under the federal Highway Beautification Act. If Caltrans determines that a proposed display would be inconsistent with federal law, the display cannot be erected. That mechanism adds to the protections that already exist in the law, which require closure of an existing advertising display if it is found to violate the state's obligations under federal law.

Background.

A combination of state and federal requirements govern the placement and operation of all outdoor advertising in California. The state's OAA regulates the size, illumination, orientation, and location of advertising displays adjacent to and within specified distances of interstate or primary highways. The OAA, with some exceptions, specifically prohibits the placement of any advertising display on property adjacent to a section of landscaped freeway. State law generally does not apply to "on premise" advertising displays, including those that advertise the sale, lease, or exchange of property upon which it is placed and those that advertise the business conducted, services rendered, or the goods produced or sold on the property.

Apart from certain safety requirements in state law, the regulation of "on-premise" displays is a local matter. Existing law, through a contractual agreement, establishes Caltrans as the administrator of the federal Outdoor Advertising Control program, which includes similar restrictions as the OAA, including maximum sign size, sign spacing, location, illumination, and content. If the state fails to properly administer the federal program, the state is subject to a sanction that would reduce its federal highway funding allocations by 10%.

Existing law provides exemptions to the OAA for certain signs located in specified jurisdictions, all of which were explicitly authorized by the Legislature. For instance, the Act exempts from its provisions certain advertising displays on the premises of the arena that has been authorized as of January 1, 2021, by, or in accordance with, a local ordinance, as specified. The sports arena must be capable of providing a venue for professional sports on a permanent basis and have a capacity of 15,000 or more seats.

The basis for the professional sports arena (capacity of 15,000 or more seats) exemption governing permitted off-site billboard advertising was established in 2013 (SB 31, Padilla, Chapter 542 of 2013). The intent was to support the financing of sports arenas by creating alternatives to public funding. The exemption was later clarified to limit advertising displays to products, goods, or services that are either sold within the arena on a regular basis or marketed and promoted there under a sponsorship marketing plan of at least one year. This clarification

was viewed as a compromise addressing concerns from both arena developers—seeking to maximize advertising revenue—and traditional outdoor advertising companies, which faced newly funded competition from arena-based displays in locations previously unavailable to the outdoor industry and advertisers.

It should be noted that current law now provides that a sponsorship marketing plan must have a minimum duration of no less than 120 days.

Under current law, if an advertising display associated with a sports arena is subject to a notice from the federal government that the display will result in the reduction of federal highway funds, the authorization of the display shall cease. Failure to remove the advertising will result in a fine of \$10,000 per day until the advertising is removed.

Federal Highway Beautification Act of 1965. The HBA was created to protect the public investment, promote the safety and recreational value of public travel, and to preserve the natural beauty of highways in the nation. The HBA specifies that states have the responsibility to enforce provisions regarding the placement and maintenance of outdoor advertising signs, displays and devices along the Interstate and National Highway System. The state of California enforces the provisions of federal law through a compact that was developed between the state and the federal government in 1967. Federal law also includes a penalty for states that violate the HBA by reducing all federal highway transportation funds by a designated percentage.

As previously mentioned, if the state fails to properly administer the federal program, the state is subject to a sanction that would reduce its federal highway funding allocations by 10%.

FHWA periodically audits Caltrans. Caltrans is periodically audited by the Federal Highway Administration (FHWA) to make sure it is carrying out its responsibilities as the administrator of the federal laws and regulations governing billboards. The FHWA discovered in its most recent report (*Outdoor Advertising Review - June 16, 2022*) that displays in arenas and redevelopment zones might not be in compliance with federal law. While the signs comply with state law, which was expressly revised to authorize many of these signs, federal law is more restrictive. Specifically, the FHWA review found that specified signs exceeded the size limits of 1200 square feet, were located too closely to one another, and displayed full motion video. FHWA recommended that Caltrans pursue compliance with federal law and, in some cases, pursue removal of the signs under threat of the loss of 10% of the state's annual federal-aid funds.

Reopening negotiations. For some time, it has been reported that the Administration has been preparing to open formal discussions with the FHWA regarding Caltrans' obligations under federal law and regulation. These discussions should include the solicitation of public comment by Caltrans. Enforcement of the FHWA's audit will be held in abeyance during the course of these discussions. SB 1488 (Durazo, Chapter 897, Statutes of 2024) included a provision requiring that, when renegotiating an agreement with the FHWA concerning the state's obligations under the HBA, Caltrans must include among its priorities support for advertising displays at arenas.

Committee amendments. To ensure consistency with recent legislative action taken by the committee on related bills (i.e., AB 770, Statutes of 2025) concerning Caltrans' authority and the approval of advertising displays, the author should consider adding the following language to the bill as committee amendments:

(b) (1) Before the advertising display authorized pursuant to subdivision (a) may be placed, the department shall determine that the display will not cause a reduction in federal aid funds or otherwise be inconsistent with any federal law, regulation, or agreement between the state and a federal agency or department.

(2) If the department is unable to make the determination required pursuant to paragraph (1), the department shall request the Federal Highway Administration of the United States Department of Transportation to make the determination. Upon receipt of a determination by the FHWA that makes the finding described in paragraph (1), the advertising display may be placed.

In support. The sponsor of this bill, the Los Angeles Dodgers writes, “This bill would provide an opportunity for established professional sports arenas in our state to erect privately owned advertising displays adjacent to highways leading to the arenas. Dodger Stadium is an iconic landmark that has been a place of pride for the City of Los Angeles for more than 60 years. However, unlike many newer arenas, our stadium lacks public visibility and highway identification. AB 2717 would provide established venues like Dodger Stadium the ability to modernize their operations with outdoor advertising displays, while providing a significant benefit and resource for local communities. For many years, arenas have served as gathering places for public events and civic engagement. The bill simply extends a related provision in the Act, allowing professional sports arenas until January 1, 2032 to obtain local government approval to erect off-site advertising displays relating to the arena and its operations. Under current law, fewer than 30 sports arenas qualify for outdoor advertising displays, and many of those facilities have already erected the maximum of two off-site displays allowed by the law. This bill would permit the handful of remaining arenas in our state, including Dodger Stadium, to similarly pursue a maximum of two off-site displays.”

In opposition. Scenic America writes, “This bill would dramatically expand an existing exemption in the OAA for advertising displays associated with arenas. While the bill may appear narrow in scope, its impacts would be far-reaching, fundamentally altering California’s visual landscape and setting a dangerous precedent for future billboard exemptions. The current arena exemption is tied to a cutoff date of Jan. 1, 2021 — a lifespan limit that constrains its reach. AB 2717 would extend that cutoff to Jan. 1, 2032, effectively eliminating this limiting safeguard. What was intended as a narrow carve-out would become an open-ended pathway for a new wave of large-format advertising displays across California, including at arenas and locations that were never eligible under the original exemption. These displays are functionally equivalent to billboards and should be regulated accordingly.”

Related legislation. AB 2024 (Nguyen) of 2026. This bill would make several changes and clarifications to the OAA, including provisions related to Caltrans’ acceptance of permit applications, the designation of landscape freeways, and the authority for governmental entities to enter into relocation agreements. (Assembly Committee on Governmental Organization)

AB 2099 (Mark González) of 2026. This bill would authorize, as part of “customary maintenance”, an activity performed for the purpose of maintaining an advertising display in its existing physical configuration, including, but not limited to, replacing structural members, as defined, and using stronger materials, without increasing the number of posts. (Assembly Committee on Appropriations)

SB 1228 (Rubio) of 2026. This bill would exempt certain advertising displays developed within the boundary limits of, and as part of, an individual redevelopment agency project from the prohibition on placing or maintaining an advertising display on property adjacent to a portion of a freeway that has landscaping or trees, a city, county, or city and county's land use or zoning ordinance, and a local governmental entity's relocation agreement, as specified.

(Senate Committee on Rules)

Prior legislation. AB 770 (Mark 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 would also authorize the City of Los Angeles to adopt implementing ordinances that sequence or phase the authorization of advertising displays over time, as specified.

SB 1488 (Duarzo), 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 required 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 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 redevelopment agency project may continue to remain, under provisions that permit such signs to be treated as an on-premises display, as specified.

AB 1415 (Santiago), Chapter 689 of 2023. Exempted from the 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 to a message center (e.g. an advertising display which allows changeable ads rather than a static display).

SB 1309 (Durazo) of 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. (Vetoed by Governor Newsom)

AB 1687 (Jones Sawyer) of 2019. Would have extended the exemption from the OAA for advertising displays on the premises of a sports arena for displays authorized as of January 1, 2021 to January 1, 2028. Additionally, relaxed the requirement that the sponsorship marketing plans, which are required of the sports arenas, be of one-year duration and instead allows for weekly marketing plans during a sports league season or at least 30 days duration, if outside the sports league season. (Senate Transportation Committee - Hearing canceled at the request of author)

AB 3168 (Rubio), Chapter 926 of 2018. Revised the OAA to facilitate the relocation and conversion of advertising displays adjacent to freeways. Specifically, the bill narrowed the

definition of landscaped freeway and allow 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 of 2017. Extends 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 31 (Padilla), Chapter 542 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.

SB 2339 (Solorio), Chapter 493 of 2008. Exempted from the OAA displays advertising any products, goods, or services sold by persons on the premise of a publicly-owned sports arena located on public land if the arena had a capacity of 5,000 seats and had an advertising display in existence before January 1, 2009.

REGISTERED SUPPORT / OPPOSITION:

Support

Los Angeles Dodgers LLC

Opposition

Scenic America

Oppose Unless Amended

California State Outdoor Advertising Association

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