

and Compliance Fund). The magnitude of costs depends on the number of non-PLA projects.

COMMENTS:

1) **Purpose.** According to the author:

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.

2) **Background. OAA.** An existing combination of federal and state law governs the placement and operation of all outdoor advertising in California. Caltrans is the administrator of the federal Outdoor Advertising Control program, which imposes similar restrictions as the state OAA on the size, illumination, orientation and location of advertising displays adjacent to and within specified distances of interstate or primary highways. If the state fails to properly administer the federal program, the state is subject to a sanction reducing federal highway funding allocations by 10%.

Sports Arena Exemption. Existing state law provides exemptions to the OAA for signs located in specified jurisdictions, including advertising displays on the premises of a professional sports arena or near an arena if authorized as of January 1, 2021, by a local ordinance. Such advertising displays support the financing of arenas as an alternative to public funding, but are limited to products, goods, or services either sold within the arena on a regular basis or marketed and promoted under a sponsorship marketing plan with a minimum duration of 120 days.

This bill reauthorizes the provision of the OAA sports arena exemption that has expired, authorizing the placement of a new advertising display not located on the premises of an arena in accordance with a local ordinance until January 1, 2032, and generally revises the exemption to cover a display authorized in accordance with other local discretionary approval. This bill also makes placement of the display contingent on a state or federal determination that the display will not reduce federal funds or violate federal law and imposes certain labor requirements on construction of the display unless the project is subject to a PLA.

3) **Support and Opposition.** This bill is sponsored by the Los Angeles Dodgers, which argues the advertising displays will also provide “a means of issuing public service announcements and emergency notifications. In addition, our state would receive additional tax dollars from the revenue derived from the advertising displays.”

This bill is opposed by Scenic America and also the Western Electrical Contractors Association, “unless it is amended to remove provisions that undermine longstanding, transparent labor law enforcement in California.”

- 4) **Prior Legislation.** SB 1309 (Durazo), of the 2021-2022 Legislative Session, was similar to this bill. SB 1309 was vetoed by Governor Newsom, who stated:

Caltrans has been officially notified that the existing arena billboards do not comply with federal law and exemptions in state law do not provide Caltrans with the ability to maintain effective control of outdoor advertising. The potential impact to California of falling out of FHWA compliance could be a reduction of over \$400 million of federal transportation funding annually.

Analysis Prepared by: Irene Ho / APPR. / (916) 319-2081