
THIRD READING

Bill No: AB 2717
Author: Caloza (D)
Amended: 8/21/26 in Senate
Vote: 21

SENATE TRANSPORTATION COMMITTEE: 12-1, 6/23/26
AYES: Cortese, Strickland, Archuleta, Arreguín, Dahle, Gonzalez, Grayson,
Menjivar, Richardson, Seyarto, Valladares, Wiener
NOES: Blakespear

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/13/26
AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 76-0, 5/26/26 - See last page for vote

SUBJECT: Outdoor advertising displays: arenas: exemptions

SOURCE: Los Angeles Dodgers LLC

DIGEST: This bill extends, commencing January 1, 2028, a previously issued authorization for outdoor advertising displays for designated professional sports arenas, as defined, until January 1, 2032, as specified.

Senate Floor Amendments of 8/21/26 make various changes to the existing measure.

ANALYSIS:

Existing law:

- 1) Creates the Outdoor Advertising Act (OAA), a regulatory framework 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. 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 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) Provides, by contractual agreement, for Caltrans to administer the federal Outdoor Advertising Control (OAC) program under the federal Highway Beautification Act of 1965 (HBA), 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 is subject to 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.

This bill:

- 1) Commencing January 1, 2028, 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 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) Requires Caltrans to make a determination that an outdoor advertising display approved by the provisions specified in this bill does not cause a reduction in federal funds or is inconsistent with any federal requirements, as specified. Further requires Caltrans to request FHA to make and submit the abovementioned determination if Caltrans is unable to make the determination.

- 5) Provides, 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.
- 6) 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.
- 7) 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.

Comments

Purpose of the bill. 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 the 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. 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. Beyond economic benefits, these displays can serve the public good—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.”

OAA: A history. Since 1933, Caltrans has enforced 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 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 OAA and assigns Caltrans the responsibility of reviewing and permitting signs that qualify for these exceptions.

OAA exemptions for arenas. 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, Statutes 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.

Over the years, several attempts were made to extend the 2021 exemption sunset. Most recently, in 2022, SB 1309 (Durazo) 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 have been limited to arenas constructed or under construction before January 1, 2023, and would have required that the display be in accordance with a local ordinance or other discretionary approval. SB 1309 was ultimately vetoed by the Governor. Many of the provisions specified in this bill, AB 2717, mirror the provisions included in SB 1309.

HBA 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 – thus, 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%.

In attempt to avoid any federal violations, this bill contains provisions that requires Caltrans to determine if an outdoor advertising display locally approved under this measure violates federal requirements. An outdoor advertising display would be prohibited from being constructed / erected if Caltrans makes a determination that the display violates federal requirements.

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

According to the Senate Appropriations Committee:

- Caltrans estimates costs in the range of \$150,000 for additional staff resources to review whether a proposed display conforms with local ordinances or other discretionary approvals and with state and federal law. Specifically, Caltrans must determine whether proposed displays conform with federal requirements or agreements and will not cause a reduction in federal funds, and/or make requests to the Federal Highway Administration (FHWA) to make those determinations. Actual Caltrans administrative costs would depend upon the number of reviews and associated inspections that are conducted in a given

year. (State Highway Account)

- Caltrans further notes the potential risk of federal sanctions that would reduce federal highway allocations by up to \$580 million, to the extent Caltrans does not maintain effective control of outdoor advertising. Staff notes that this bill includes a provision requiring Caltrans, before authorizing a display to be placed, to make a determination that a proposed display will not cause a reduction in federal aid funds, or to request that FHWA make that determination, which should mitigate the risk of federal sanctions.

SUPPORT: (Verified 8/13/26)

Los Angeles Dodgers LLC (Source)

OPPOSITION: (Verified 8/13/26)

City of Inglewood (unless amended)

Scenic America

Western Electrical Contractors Association

ASSEMBLY FLOOR: 76-0, 5/26/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, 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, Irwin, Jackson, Johnson, Kalra, 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, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Hart, Muratsuchi, Celeste Rodriguez, Valencia

Prepared by: Manny Leon / TRANS. / (916) 651-4121
8/24/26 10:53:36

**** END ****