CONCURRENCE IN SENATE AMENDMENTS
AB 2717 (Caloza)
As Amended August 28, 2026
Majority vote

SUMMARY

This bill would extend and restate, commencing January 1, 2028, a current authorization in the Outdoor Advertising Act (OAA or Act) for outdoor advertising displays for designated professional sports arenas, as defined, until January 1, 2032, as specified.

Senate Amendments
1) Commencing January 1, 2028, would extend 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 under this measure.

2) Provide the exemption would be limited to an arena fully constructed or under construction before January 1, 2027, as specified.

3) Provide 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) Require 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) Except for advertising displays authorized by an existing exemption, the bill would require certain advertising displays placed pursuant to the new exemption for one arena to be located at least 5,000 feet from an advertising display authorized pursuant to an exemption for another arena, as specified.

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) Define "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.

8) Provide an advertising display lawfully erected on or before December 31, 2013, that was in conformity with the current exception, as it read on that date, shall remain authorized, subject to the terms of the previous exemption, as described.

9) Make technical and clarifying changes.

10) Provide Section 2.5 of this measure proposes to add BPC Section 5272 to the Business Professions Code (BPC) as proposed by both this bill and SB 1228 (S. Rubio). That section of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2027, (2) each bill amends, repeals, and adds BPC Section 5272 of the Business and Professions Code, and (3) this bill is enacted after SB 1228, in which case Section 2 of this bill shall not become operative.

COMMENTS

Background.

A combination of state and federal requirements governs the placement and operation of outdoor advertising in California. The state's OAA regulates the size, illumination, orientation, and location of advertising displays located adjacent to, or within specified distances of, interstate and primary highways. With certain exceptions, the OAA specifically prohibits the placement of advertising displays on property adjacent to designated sections of landscaped freeways. State law generally does not apply to "on-premise" advertising displays, including signs that advertise the sale, lease, or exchange of the property on which it is placed, as well as signs that advertise the business conducted, services rendered, or 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 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.

AB 2717 would extend and restate, commencing January 1, 2028, the current authorization in the OAA for outdoor advertising displays for designated professional sports arenas, as defined. The display must be authorized, as of 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 that benefits the arena, as specified. The bill would require, before an advertising display may be placed, a determination from Caltrans or the FHA that the display will not cause a reduction in federal aid funds or otherwise be inconsistent with federal law, federal regulations, or an agreement between the state and a federal agency or department, as specified.

Federal Highway Beautification Act (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.

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 close 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.

Related legislation. SB 1228 (S. Rubio) of 2026. This bill would provide a process for an advertising display located within the boundaries of a former redevelopment agency project to obtain a new permit and remain in place, as specified. Additionally, the bill would further define, under the OAA, the "premises of an arena" to include a public assembly building (Los Angeles Convention Center) owned by the City of Los Angeles, as specified. The bill would further provide that no more than one existing public assembly building may be considered part of the premises of an arena pursuant to City of Los Angeles Ordinance No. 189010. That building may not have more than one advertising display on it that is considered on the premises of an arena and that is entirely beyond 1,000 feet of the arena structure or any structure physically connected to the arena structure.

Double-jointing language. This bill incorporates additional changes to Section 5272 of the Business and Professions Code proposed by SB 1228 (S. Rubio) to be operative only if this bill and SB 1228 are enacted and this bill is enacted last.

According to the Author
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."

Arguments in Support
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."

Arguments 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 City of Inglewood maintains an "oppose unless amended" position unless the bill is amended to address its unique impacts on the City. As currently drafted, the bill would uniquely impact Inglewood due to the presence of three arenas within the small 9 square miles of the City. A statewide arena sign exemption would therefore have a concentrated and unusual impact on Inglewood.

FISCAL COMMENTS

According to the Senate Committee on Appropriations analysis:

1) 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 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.

2) 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.

VOTES:

ASM GOVERNMENTAL ORGANIZATION: 22-0-0
YES: Blanca Rubio, Davies, Alvarez, Berman, Bryan, Carrillo, Dixon, Fong, Gabriel, Gallagher, Gipson, Macedo, McKinnor, Nguyen, Pacheco, Ramos, Michelle Rodriguez, Solache, Soria, Ta, Valencia, Wallis

ASM APPROPRIATIONS: 11-0-4
YES: Wicks, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache
ABS, ABST OR NV: Hoover, Dixon, Ta, Tangipa

ASSEMBLY FLOOR: 76-0-4
YES: 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
ABS, ABST OR NV: Hart, Muratsuchi, Celeste Rodriguez, Valencia

UPDATED

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