
THIRD READING

Bill No: AB 770
Author: Mark González (D), et al.
Amended: 9/4/25 in Senate
Vote: 27 - Urgency

SENATE TRANSPORTATION COMMITTEE: 11-2, 6/24/25
AYES: Cortese, Strickland, Archuleta, Arreguín, Cervantes, Gonzalez, Grayson,
Limón, Menjivar, Richardson, Umberg
NOES: Dahle, Seyarto
NO VOTE RECORDED: Blakespear, Valladares

SENATE JUDICIARY COMMITTEE: 11-1, 7/8/25
AYES: Umberg, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern,
Valladares, Wahab, Wiener
NOES: Niello
NO VOTE RECORDED: Weber Pierson

SENATE APPROPRIATIONS COMMITTEE: 5-2, 8/29/25
AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle

ASSEMBLY FLOOR: 73-0, 6/2/25 - See last page for vote

SUBJECT: Advertising displays: City of Los Angeles: exemption: ordinance

SOURCE: Author

DIGEST: This bill authorizes 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.

Senate Floor Amendments of 9/4/25 align the proposed provisions in this bill with existing outdoor advertising exemptions for the City of Los Angeles. The amendments further provide the City of Los Angeles additional flexibility with

respects to the placement, sizing, and scope of advertising displays (billboards) through an adopted ordinance and Caltrans review.

ANALYSIS:

Existing law:

- 1) Establishes the Outdoor Advertising Act (OAA), which regulates the placement of advertising displays adjacent to and within specified distances of highways that are part of the national system of interstate, defense highways, and federal-aid highways.
- 2) Prohibits any advertising display from being placed or maintained on property adjacent to a section of a freeway that has been landscaped if the advertising display is designed to be viewed primarily by persons traveling on the main-traveled way of the landscaped freeway.
- 3) Provides for limited exemptions to the prohibition on advertising along system and landscaped freeways, including exemptions for signs advertising goods or services manufactured or produced on the property itself.
- 4) Generally exempts on-premise advertising displays from the OAA, including signs that advertise the business conducted, services rendered, or goods produced or sold on the property. Local government regulates on premise displays, except for certain safety requirements.
- 5) Provides, by contractual agreement, for the Department of Transportation (Caltrans) to administer the federal Outdoor Advertising Control (OAC) program under the 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.
- 6) Requires Caltrans to assess penalties for a violation of the OAA, as specified. If an advertising display is placed or maintained in a location that does not conform to the relevant statutes or local ordinances, and is not removed within thirty days of written notice from the department or the city or the county with land use jurisdiction over the property upon which the advertising display is located, a penalty of \$10,000 plus \$100 for each day the advertising display is placed or maintained after the department sends written notice shall be assessed

and the gross revenues received by the violator shall be disgorged. Caltrans may also request recovery of its legal costs.

- 7) For advertising displays located in a specific geographic area within the City of Los Angeles (City), makes the City primarily responsible for ensuring that advertising displays in those specified locations remain in conformance with the local advertising display ordinance and the requirements described above, and further requires the City to indemnify and hold Caltrans harmless if the City fails to comply.

This bill:

- 1) Authorizes an ordinance adopted by the City of Los Angeles related to outdoor advertising displays (also known as “billboards”) within a specific geographic area to allow the ordinance to include flexibility in the ultimate placement, sizing, and scope of advertising displays so long as the adopted ordinance is in accordance with existing law.
- 2) Further allows for the abovementioned adopted ordinance to define a range, maximum signage capacity, and the sequence / phase-in of advertising displays so long as the adopted ordinance is in accordance with existing law.
- 3) Includes an urgency provision.

Comments

- 1) *Purpose of this bill.* According to the author, “AB 770 is a critical tool to support the economic revitalization of Downtown Los Angeles. By creating a narrowly tailored exemption to the Outdoor Advertising Act, this bill allows the City of Los Angeles to establish a sign district at the Los Angeles Convention Center—unlocking a key revenue stream to help finance the Center’s long-planned expansion and modernization. This project is expected to generate more than 8,700 temporary jobs, over 2,200 permanent jobs, attract approximately 500,000 additional visitors annually, and drive over \$550 million in long-term economic activity. AB 770 ensures the City can move forward with a transformative investment that will create jobs, boost tourism, and strengthen the economic vitality of the region.”
- 2) *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 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 the OAA and assigns Caltrans the responsibility of reviewing and permitting signs that qualify for these exceptions.

- 3) *LA Convention Center renovation project.* The proposed Los Angeles Convention Center (LACC) renovation project is an estimated \$2.2 billion project that will overhaul and expand LACC’s footprint to over one million square feet (sf). New construction would include: 190,000 sf of exhibit space, 55,000 sf of meeting rooms, 95,000 sf of multipurpose rooms, and upgrades to Pico Boulevard, which cuts through LACC. The anticipated approval for construction by the LA City Council is late summer of this year in order to complete most of the renovation project by 2028 for the Olympic and Paralympic games.

With respects to financing the project, the City is proposing to increase rental rates and also construct / erect new advertisement signage that aims to generate a substantial amount of revenue. In order to move forward with establishing a sign district to carry out these financing efforts, the City submitted a request to Caltrans to review and certify the City’s advertising signage proposal. In a letter dated February 3, 2025, Caltrans responded to the City noting that while a portion of the proposed 56 new outdoor advertising displays throughout the district meet current existing exemption provisions, “several proposed displays as shown in the Sign District Ordinance would facially violate the Highway

Beautification Act (23 United States Code (U.S.C) § 131), its underlining regulations (23 Code of Federal Regulations (C.F.R.) Part 750) and the Federal-State Outdoor Advertising Control Agreement of 1968” and denied the City’s certification request. As the result, the author and sponsors of this bill assert legislation is needed to allow the City to move forward with its financing plan for the LACC renovation project.

- 4) *Previous OAA exemptions for Los Angeles.* Over the past 10 years, several pieces of legislation have been enacted to provide the City with OAA exemptions for various purposes. First, AB 1373 (Santiago, Chapter 853, Statutes of 2016), provided an exemption from regulations of the OAA for signs allowed by a City ordinance in relation to the number and location of billboards in certain areas of Los Angeles. Subsequently, AB 1415 (Santiago, Chapter 689, Statutes of 2023), exempted from the OAA, displays erected in specified areas of Los Angeles surrounding LA Live and also segments within Hollywood pursuant to specified conditions, including preapproval by Caltrans. This bill builds off these previous measures and provides the City the ability to adopt an outdoor advertising ordinance that will allow for the convention center financing plan to move forward.
- 5) *HBA.* Approximately every four years the FHWA audits Caltrans to ensure that it is fulfilling its duties as administrator of the federal laws and regulations regarding billboards. In its latest report¹ the FHWA was critical of many California advertising displays, including but not limited to, displays erected via exemptions as out of compliance. Ultimately, under HBA, a portion of federal highway funds (up to 10%) could be jeopardized through non-compliance of HBA with FHWA potentially “clawing back” a portion of the state’s federal highway funds.

Related/Prior Legislation

SB 1488 (Durazo, 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 require Caltrans to include among its priorities support for the placement of advertising displays at arenas when renegotiating an agreement with the FHWA, as specified.

¹ U.S. Department of Transportation, Federal Highway Administration – Outdoor Advertising Review, Final Report; June 16, 2022.

AB 1415 (Santiago, Chapter 689, Statutes 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, 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. This bill was vetoed by Governor Newsom.

AB 3168 (Rubio, Chapter 926, Statutes 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.

SB 1199 (Hall, Chapter 869, Statutes of 2016) – Authorized two existing advertising displays along Interstate 405 in the City of Inglewood to be considered on-premise displays, until January 1, 2023, and therefore exempt from the OAA. This authorization is valid as long as it does not cause a reduction of federal transportation funds.

AB 1373 (Santiago, Chapter 853, Statutes of 2016) – Provided an exemption from regulations of the OAA for signs allowed by a City of Los Angeles ordinance in relation to the number and location of billboards in an area bounded by West 8th Street on the northeast, South Figueroa Street on the southeast, Interstate 10 on the southwest, and State Route 110 on the northwest, and a small, adjacent parcel if certain conditions are satisfied.

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

According to the Senate Appropriations Committee:

- The Department of Transportation (Caltrans) anticipates that its administrative costs associated with this bill would be minor and absorbable. Staff notes, however, that Caltrans would likely incur some staff workload to negotiate with city officials and an advertising display owner if the federal government issues a notice of noncompliance in order to determine appropriate remediation and to engage in enforcement actions as necessary. (State Highway Account)
- Caltrans notes that the bill presents a significant potential risk to federal funding in the amount of approximately \$580 million, to the extent that the Federal Highway Administration (FHWA) determines that Caltrans has failed to properly administer the Federal Highway Beautification Act. See staff comments. (federal funds)

SUPPORT: (Verified 8/29/25)

Antonio Villaraigosa (41st Mayor of Los Angeles)
 California Federation of Labor Unions, Afl-cio
 California Iatse Council
 California Travel Association
 Central City Association of Los Angeles
 City of Los Angeles Councilmember Curren Price
 City of Los Angeles Councilmember Tim Mcosker
 Councilmember Eunisses Hernandez, First District, City of Los Angeles
 Councilwoman Katy Yaroslavsky, City of Los Angeles
 Dtla Alliance
 Dtla Residents Association
 Heather Hutt, Los Angeles City Council, 10th District
 Hollywood Chamber of Commerce
 Hugo Soto-martinez, Los Angeles City Council, 13th District
 IBEW Local 11
 Imelda Padilla, Los Angeles City Council, 6th District
 International Association of Sheet Metal, Air, Rail and Transportation Workers
 International Brotherhood of Electrical Workers
 Iupat District Council 36
 Los Angeles / Orange Counties Building and Construction Trades Council
 Los Angeles Business Council
 Los Angeles City Council Office of Marqueece Harris Dawson
 Los Angeles City Councilwoman Traci Park
 Los Angeles County Business Federation
 Los Angeles County Federation of Labor, Afl-cio
 Los Angeles/orange Counties Building & Construction Trades Council

North America's Building Trades Unions
Office of Los Angeles Mayor Karen Bass
Seiu California
South Park Business Improvement District
South Park Neighborhood Association
State Building & Construction Trades Council of California
Teamsters Joint Council 42
The Hollywood Partnership
Valley Industry & Commerce Association
Valley Industry and Commerce Association
Ysabel Jurado, Los Angeles City Council, 14th District

OPPOSITION: (Verified 8/29/25)

California State Outdoor Advertising Association
General Outdoor Advertising
Veale Outdoor Advertising

ASSEMBLY FLOOR: 73-0, 6/2/25

AYES: Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Rivas

NO VOTE RECORDED: Addis, Connolly, Muratsuchi, Pellerin, Rogers, Zbur

Prepared by: Manny Leon / TRANS. / (916) 651-4121
9/8/25 21:21:19

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