

Date of Hearing: June 24, 2026

ASSEMBLY COMMITTEE ON GOVERNMENTAL ORGANIZATION

Blanca Rubio, Chair

SB 1228 (Rubio) – As Amended March 25, 2026

**SENATE VOTE:** 38-0

**SUBJECT:** Advertising displays: exemptions: redevelopment agency projects

**SUMMARY:** This bill would exempt advertising displays located within the boundary limits of, and as part of, an individual former redevelopment agency project (RDA) from requirements of the Outdoor Advertising Act (OAA), as specified. The bill creates a process for the above-mentioned advertising displays to apply for a new permit with Caltrans to remain in place, as specified. Specifically, **this bill:**

- 1) Exempts previously erected advertising displays in former redevelopment agency project areas, as those boundaries existed on December 29, 2011, and that has been in place and operating as of December 31, 2025, from provisions of OAA, as specified.
- 2) Provides a process for the above-mentioned advertising displays to reapply for a new permit with Caltrans, as specified.

**EXISTING LAW:**

- 1) Provides, under the OAA, for the regulation by the California Department of Transportation (Caltrans) of an advertising display, as defined, within view of public highways. The OAA regulates the placement of an off-premises advertising display along highways 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. (Bus. & Prof. Code §§ 5200 et seq.)
- 2) Provides that the OAA does not apply to an on-premises advertising display.
- 3) Provides that “on-premises advertising displays” means any structure, housing, sign, device, figure, statuary, painting, display, message placard, or other contrivance, or any part thereof, that has been designed, constructed, created, intended, or engineered to have a useful life of 15 years or more, and intended or used to advertise, or to provide data or information in the nature of advertising, for any of the following purposes:
  - a) To designate, identify, or indicate the name or business of the owner or occupant of the premises upon which the advertising display is located.
  - b) To advertise the business conducted, services available or rendered, or the goods produced, sold, or available for sale, upon the property where the advertising display has been lawfully erected.
- 4) Authorizes, notwithstanding the dissolution of a state redevelopment agency, an off-premises advertising display developed as part of and within the boundary limits of a redevelopment agency project, as those boundaries existed on December 29, 2011, to continue to exist and

be considered an on-premises display if it meets certain criteria, and authorizes such a display to remain until January 1, 2026. (California Business and Professions Code § 5273)

- 5) Dissolves RDAs and institutes a process for winding down their activities.
- 6) 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. (Bus. & Prof. Code § 5440.)
- 7) 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. (Bus. & Prof. Code § 5272.)
- 8) Requires Caltrans to administer the federal Outdoor Advertising Control 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 potentially lose 10% of its federal highway funding.

**FISCAL EFFECT:** This bill is keyed fiscal by Legislative Counsel.

**COMMENTS:**

Purpose of the bill. According to the author, "As a former local elected official, I understand the importance of outdoor advertisements when it comes to encouraging customers to support local businesses. This bill will help support local businesses by addressing an issue that was inadvertently created when the Legislature eliminated redevelopment agencies. This bill creates a permanent solution, for a small universe of signs that would otherwise need to be taken down. As local governments continue to face an uncertain fiscal outlook over the next few years, this bill is a reasonable policy to support local businesses and allow revenue generated from local business activities to help local governments keep their programs and services in operation."

**Background.**

Since 1933, Caltrans has enforced the State Outdoor Advertising Act (California Business and Professions Code Section 5200 et seq.), which establishes comprehensive standards and regulations for outdoor advertising displays, commonly known as billboards. The department regulates the placement of such displays that are visible from California highways. Specifically, it focuses on off-premises advertising displays that promote businesses, services, or goods at locations other than where the display is situated.

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 the Federal Highway Beautification Act 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.

Current law authorizes the governing body of any city, county, or city and county to enact ordinances, including, but not limited to, land use or zoning ordinances, imposing restrictions on advertising displays adjacent to any street, road, or highway equal to or greater than those imposed by the OAA. Prohibits a city, county, or city and county to allow an advertising display to be placed or maintained in violation of the OAA. (Bus. & Prof. Code § 5230.)

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.

Caltrans Permits after the Elimination of Redevelopment Agencies. As previously mentioned, Caltrans enforces the OAA, which includes responsibilities such as maintaining a list of landscaped freeways, issuing permits for statutorily authorized signs, and notifying owners of non-compliant signage.

Before the elimination of RDAs under ABX1 26 (Blumenfield), Statutes of 2011, and ABX1 27 (Blumenfield), Statutes of 2011, the OAA allowed advertising displays (billboards) located within the boundaries of a redevelopment project area to be treated as on-premises signs anywhere within the project boundaries. This applied if the project area was contiguous or separated only by a public highway or by public facilities developed or relocated for inclusion in the project. The authorization could extend for up to 10 years or until the project was completed, whichever came first. RDA project areas were established to support urban renewal and economic development. When the State dissolved redevelopment agencies, it created uncertainty about how existing signs would be handled by Caltrans, because there was no longer an RDA to negotiate extensions or compliance terms. At the time of dissolution, Caltrans had issued approximately 95 permits for advertising displays along landscaped freeways within redevelopment project areas statewide.

On April 11, 2013, Caltrans issued a "Notice of Redevelopment Display Status Change." The notice indicated that successor agency permission will allow continued operation of the previously approved display, but that no new exemptions or extensions will be given absent legislative action. In essence, with the elimination of redevelopment agencies, Caltrans had been unsure how to proceed. Caltrans had not issued any fines to sign owners with expired permits. Instead, Caltrans indicated that it was waiting for further direction from the Legislature regarding the state's position on these specific sign permits.

SB 684 (Hill), Chapter 544, Statutes of 2013, allowed the continuation of this on-premises RDA exemption until January 1, 2023, if the advertising display met specified criteria. The bill authorized, on and after January 1, 2022, the applicable city, county, or city and county to request from Caltrans an extension for good cause, as specified, beyond January 1, 2023, not to exceed the expiration of the redevelopment project area. The measure required a specific certification from a local agency authorizing the advertising displays, as defined. Supporters of

SB 684 asserted that the RDA exemption to the OAA allowed businesses in less desirable areas to market their products and services to freeway users who might not have done so otherwise due to the area's reputation for blight.

In 2023, AB 1175 (Quirk-Silva, Statutes of 2023) extended the provisions originally established under SB 684 (2013), allowing existing advertising displays (billboards) located within former redevelopment agency (RDA) project areas to remain in place through January 1, 2026. These advertising displays remained subject to the ongoing oversight of Caltrans and the city or county in which they are located. In addition, the advertising displays could not result in a reduction of federal-aid highway funds allocated to the State of California.

Last year, several measures were introduced in an effort to further extend the sunset date. Ultimately, SB 783 (Rubio) passed the Legislature but was vetoed by the Governor. The bill would have extended the exemption sunset to January 1, 2029. (See veto message below.)

The provisions of this bill would exempt currently erected advertising displays located within former RDAs from certain OAA requirements and prohibitions. Unlike previous proposals, this bill does not include a sunset provision. In addition, the bill would allow owners of existing outdoor advertising displays in former RDAs to reapply for an outdoor advertising permit from Caltrans. The permit application requirements would remain substantially similar to those applicable to a new outdoor advertising display permit application.

Currently, 47 advertising displays permitted under SB 684 (2013) are located along landscaped freeways within these former redevelopment project areas across the state. Of these, 12 are in full compliance with both state and federal regulations.

Federal Highway Beautification Act of 1965. The Highway Beautification Act (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 HBA by reducing all federal highway transportation funds by a designated percentage. 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. The July 16, 2022, audit of Caltrans by the Federal Highway Administration (FHWA) found that displays in arenas and RDA zones may not be in compliance with federal law, which is more restrictive than state law governing advertising displays. The FHWA recommended Caltrans pursue compliance with federal law and, in some cases, pursue the removal of signs to not jeopardize losing federal highway funding.

Landscaped freeways. A classified landscaped freeway is a section of freeway with ornamental vegetation planting that meets the criteria established by the California Code of Regulations (Sec. 2500-2513), Outdoor Advertising Regulations, Title 4, Division 6. It is used in the control and regulation of outdoor advertising displays. A stretch of freeway designated landscaped is grounds for permit denial for an advertising display location. However, an administrative process exists within Caltrans to declassify a freeway as non-landscape, thus permitting a display if all

other permit requirements are met. It is important to note that the FHA generally leaves the classification of landscaped freeways up to the state, meaning declassifying or exempting stretches of landscaped freeway to place advertisements will not result in potential loss of federal highway funds.

Bonus segment. Bonus segment is any portion of an interstate freeway which is constructed upon any part of right-of-way, the entire width of which was acquired for right-of-way subsequent to July 1, 1956, except those segments of the interstate system that traverse commercial or industrial zones within the boundaries of incorporated municipalities, as such boundaries existed on September 21, 1959, or other areas where the land use, as of September 21, 1959, was clearly established by state law as industrial or commercial.

In support. The California Association for Local Economic Development writes, “this measure aims to assist local agencies with outdoor advertising displays that were negatively impacted by the elimination of local redevelopment agencies (RDAs). Prior to the elimination of redevelopment, these agencies qualified for an exemption under the OAA for outdoor advertising displays providing local revenue and attracting economic activity to the redevelopment project area. Since the elimination of redevelopment, many of these displays have been authorized by temporary statutes to continue in place. SB 1228 would allow a number of these former RDA outdoor advertising displays to continue to benefit their communities via a permit process through Caltrans.”

In-N-Out Burger writes, “this bill allows a few previously permitted signs as part of redevelopment agencies to continue to operate. SB 1228 does not authorize any new signage, but instead seeks to retain the investment-backed expectations of public entities and private businesses that either own or operate existing signs in former RDAs. For more than two decades, the “Glendora Marketplace Pylon Sign” has been essential to attracting both locals and visitors to the businesses within the Glendora Marketplace and the surrounding area. These businesses provide jobs to hundreds of Californians and generate revenue for local taxes that are critical for the City of Glendora to keep its programs and services in operation. Accordingly, a permanent solution to keep a few legacy signs in operation will resolve the uncertainty that has surrounded this signage issue.”

In opposition. The California State Outdoor Advertising Association writes, “This bill would bypass longstanding state restrictions related to freeway adjacency, landscaping, and local zoning requirements. Additionally, creating project-specific exemptions that allow certain displays to avoid generally applicable requirements undermines the uniform regulatory framework established under the OAA. These types of exemptions can create inequities by allowing some operators to function outside the rules that govern the rest of the industry, resulting in an uneven playing field. Many RDA signs have been brought into compliance with OAA by either being operated as legal on-premise signs or legal billboards. Likewise, many of the remaining RDA signs can also be brought into compliance, but chose not to do so and continually seek extensions to an RDA system that ceased in 2011. Converting these RDA signs to comply with Federal and State law is not hard. For example, there are existing laws to solve landscaping restrictions through a relocation process or moving the sign to a non-landscaped section of the freeway. For many of the RDA signs, they have other legal issues, such as being located within Bonus Segments, etcetera.”

Policy consideration. To advance the bill’s objectives—while remaining consistent with recent committee actions on related legislation involving Caltrans’ authority and the approval of advertising displays, and while facilitating a timely resolution of the longstanding RDA billboard issue among stakeholders—the author should consider the following committee amendments:

1. An advertising display shall remain in the same location as it existed on December 31, 2025.
2. An advertising display shall not be expanded, relocated, increased in height or display area, or modified to add display faces beyond those in existence on December 31, 2025.
3. Nothing in this bill shall be construed to authorize an advertising display that is inconsistent with applicable federal law or regulations governing outdoor advertising displays.

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. (Senate Committee on Transportation)

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 – Held on Suspense File)

AB 2717 (Caloza) of 2026. 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. (Senate Committee on Transportation)

Prior legislation. SB 783 (Rubio) of 2025. This bill would have extended the date at which advertising displays located in former redevelopment areas may continue to operate until January 1, 2029. (Vetoed by the Governor)

#### GOVERNOR'S VETO MESSAGE:

*“This bill would re-extend the sunset for the redevelopment agency project area exemption to the Outdoor Advertising Act until January 1, 2029.*

*As a former mayor, I have seen firsthand how outdoor advertising displays generate revenue and visibility for local economies and businesses. Yet extending the redevelopment agency exemption under the OAA simply continues a pattern of short-term fixes that avoid addressing the underlying issue. For more than a decade, this area of law has been managed through temporary extensions rather than a comprehensive solution.*

*There are over 40 former redevelopment agency legacy displays throughout California. A lasting resolution should address them directly – whether through targeted statutory changes to the Act, administrative adjustments, or simply bringing the displays into compliance with*

*existing law. That approach is far more durable and legally sound than repeated exemptions, which only create uncertainty, increase risk, and jeopardize critical funding that supports thousands of jobs at the state and local level.*

*I encourage the Legislature and stakeholders to work with my Administration on a durable solution that provides stability while balancing economic benefits with the state's fiscal and regulatory responsibilities.”*

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.

AB 1175 (Quirk-Silva), Chapter 361, Statutes 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 RDA project may continue to be remain, under provisions that permit such signs to be treated as an on-premises display, as specified.

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).

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.

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. The bill provided a process for the above-mentioned advertising displays to reapply for a new permit with Caltrans, as specified.

SB 684 (Hill), Chapter 544, Statutes of 2013. Provided that an advertising display advertising businesses and activities within the boundary limits of, and as a part of, an individual RDA project, as the project boundaries existed on December 29, 2011, may remain and be considered an on-premises display, until January 1, 2023, if the advertising display meets specified criteria. This bill would authorize, on and after January 1, 2022, the applicable city, county, or city and county to request from Caltrans an extension for good cause, as specified, beyond January 1, 2023, not to exceed the expiration of the redevelopment project area.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

California Association for Local Economic Development (CALED)

Hawaiian Gardens Casino

In-N-out Burgers

**Oppose**

California State Outdoor Advertising Association

Scenic America

**Analysis Prepared by:** Eric Johnson / G.O. / (916) 319-2531