Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 1228 (Rubio) – As Amended June 30, 2026

Policy Committee: Governmental Organization Vote: 20 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill provides a process for an advertising display located within the boundaries of a former redevelopment agency (RDA) project to obtain a new permit and remain in place.

Specifically, this bill:

1) Exempts certain advertising displays in place as of December 31, 2025, within the boundaries of a former RDA project from certain provisions of the Outdoor Advertising Act (OAA), requires exempt displays to remain in the same location, and prohibits exempt displays from being expanded.

2) Deems an exempt display a placement requiring a new permit from the Department of Transportation (Caltrans).

FISCAL EFFECT:

Minor and absorbable costs to Caltrans to monitor a display's compliance with OAA exemption rules, respond to federal oversight and enforcement inquiries, and process new permit requests.

Although Caltrans had previously cautioned that bills on this topic may put federal funding at risk, Caltrans notes that unlike previous bills on this topic, the OAA exemption created by this bill relates to a state compliance issue for which there is no federal counterpart.

COMMENTS:

1) **Purpose.** 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 business. This bill will help support local businesses by addressing an issue that was inadvertently created when the Legislature eliminated [RDAs]. 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.

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%.

   On-premises Display. The OAA generally does not apply to an "on-premises" advertising display, which includes displays advertising the sale of the property upon which the display is placed or the business conducted, services rendered, or goods sold on the property. Instead, local governments generally regulate on-premises displays. Prior to the elimination of RDAs, the OAA allowed any display located within the boundaries of an RDA project to be considered an on-premises sign for a period of 10 years or the completion of the project, whichever occurred first.

   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. AB 1175 (Quirk-Silva), Chapter 361, Statutes of 2023, extended the exemption until January 1, 2026. SB 783 (Rubio) would have extended the exemption an additional three years, but was vetoed by Governor Newsom, who stated:

   > There are over 40 former [RDA] legacy displays throughout California. A lasting resolution should address them directly – whether through targeted statutory changes to the [OAA], 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.

   This bill recasts the OAA exemption for displays previously covered by the expired exemption and indefinitely exempts the displays from certain OAA requirements. However, this bill requires an exempt display be deemed a placement requiring a new permit in compliance with existing law.

   Federal Audit. 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. FHWA recommended Caltrans pursue compliance with federal law and, in some cases, pursue the removal of signs to not jeopardize losing federal highway funding.

3) **Support and Opposition.** This bill is supported by two individual businesses and the California Association for Local Economic Development, which argues this bill "would

allow a number of these former RDA outdoor advertising displays to continue to benefit their communities via a permit process through [Caltrans].”

This bill is opposed by Scenic America and the California State Outdoor Advertising Association, the latter of which argues “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 was stopped in 2011. Converting these RDA signs to comply with Federal and State law is not hard.”

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