SENATE THIRD READING
SB 1228 (Rubio)
As Amended August 28, 2026
Majority vote

SUMMARY

This bill would provide 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, as specified. Additionally, the bill would further define under the Outdoor Advertising Act (OAA) a ″premises of an arena″ to include a public assembly building owned by the City of Los Angeles, as specified.

Major Provisions

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, prohibits them from being expanded, increased in height or display area, or modified to add additional display panels, beyond what existed on December 31, 2025.

2) Provides an advertising display as described above shall be deemed a placement requiring a new permit from the Department of Transportation (Caltrans), as specified.

3) States for an existing public assembly building owned by the City of Los Angeles located within a sign district that includes an arena, the boundaries of which were established by City of Los Angeles Ordinance No. 189010 effective September 14, 2026, the development project or district may include the entire building if more than 50 percent of the building′s ground-floor footprint is located within 1,000 feet of the arena structure or any structure physically connected to the arena structure.

4) Provides, under a current OAA exemption for outdoor advertising displays for designated professional sports arenas, as defined, that no more than one existing public assembly building may be considered on the premises of an arena pursuant to the City of Los Angeles Ordinance No. 189010 and that public assembly building shall 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.

5) Provides the arena exception shall not be construed to authorize an advertising display that is inconsistent with federal law.

6) Makes legislative findings and declarations as to the necessity of a special statute for the City of Los Angeles.

7) States that Section 2.5 of this bill proposes to add Section 5272 to the Business and Professions Code as proposed by both this bill and AB 2717 (Caloza). 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 Section 5272 of the Business and Professions Code, and (3) this bill is enacted after AB 2717, in which case Section 2 of this bill shall not become operative.

COMMENTS

Background.

Since 1933, Caltrans has enforced the State Outdoor Advertising Act (Bus. & Prof. Code §§ 5200 et seq.), which establishes comprehensive standards and regulations for outdoor advertising displays, commonly known as billboards. Caltrans 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 from allowing 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), 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 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 (S. Rubio) passed the Legislature but was vetoed by the Governor. The bill would have extended the exemption sunset to January 1, 2029. 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.

Los Angeles Convention Center renovation project. On October 1, 2025, the City of Los Angeles broke ground on the historic, $2.6 billion Los Angeles Convention Center (LACC) Expansion and Modernization Project. The project underscores the City's commitment to maintaining its status as a world-class destination with a thriving tourism industry. This project is expected to transform the convention landscape in Los Angeles, making the city a top choice for major events and further elevating its status as a world-class destination. A significant portion of the project cost is expected to be funded through operational revenues, including advertising from new digital signage.

This public infrastructure investment will create more than 15,000 jobs, add $652 million in General Fund tax revenue over 30 years and draw in more than $150 million in additional visitor spending each year. The new construction will connect the two existing South and West Exhibit Halls, adding 190,000 square feet of exhibit space. This addition over Pico Boulevard will create one contiguous hall with over 750,000 square feet. The project will also add 39,000 square feet of new meeting room space and 98,000 square feet of multipurpose space.

It should be noted that the LACC will stay fully operational during the expansion. Most construction is expected to be finished by Spring 2028, with work paused from June–October 2028 for the Olympic and Paralympic Games. Construction will resume afterward, with the entire project scheduled for completion by Spring 2029.

Los Angeles Convention Center Billboard Exemption in 2025. AB 770 (M. González), Chapter 707, Statutes of 2025, provided a narrowly tailored exemption to the OAA to authorize the City of Los Angeles to establish a specialized sign district at the Los Angeles Convention Center. The urgency legislation, consistent with existing OAA exemptions applicable to the City of Los Angeles, provided the city with local flexibility to determine the placement, size, and scope of advertising displays (billboards), subject to an adopted ordinance and review by Caltrans. The measure was intended to generate an ongoing revenue stream to help finance the convention center′s long-planned expansion and modernization.

Since the passage of AB 770 in 2025, the Los Angeles City Council adopted Ordinance No. 189010, effective September 14, 2026, titled the ″Convention Center and Arena Sign District″. The Ordinance was developed in conjunction with, and in furtherance of, the ″Convention Center and Arena Specific Plan″ and includes modifications to the ″Existing Sign District″ to reflect changes to the design and scope of signage, as well as other technical amendments intended to better tailor the signage program to the expansion and enhancement of the Convention Center while continuing existing signage rights at the Arena.

This bill is a follow-up measure that would allow the footprint of the Los Angeles Convention Center to qualify under an existing arena exemption. The South Hall of the Convention Center falls outside the 1,000-foot radius established under existing law. The author notes that ″the City of Los Angeles is currently soliciting long-term proposals for signage agreements at the LACC. Providing certainty that such signage may be included in arena sponsorship agreements would help maximize the revenue potential of these signage opportunities.″

The bill does contain a caveat providing that the public assembly building (LACC), as specified in the ordinance′s limitations, 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. This exemption shall not be construed to authorize an advertising display that is inconsistent with federal law.

Additional Background Information:

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, 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.

Double-jointing language. SB 1228 incorporates additional changes to Section 5272 of the California Business and Professions Code, as proposed by AB 2717 (Caloza).

Related legislation. AB 2717 (Caloza) of 2026. This bill would extend and restate, commencing January 1, 2028, a current authorization in the OAA for outdoor advertising displays for designated professional sports arenas, as defined, until January 1, 2032. The advertising display may be used exclusively to advertise products, goods, or services that are either sold on the premises of an arena or marketed or promoted on the premises of the arena if, among other conditions, the advertising display has been 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 one of these advertising displays 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. The bill also incorporates additional changes to Section 5272 of the Business and Professions Code proposed by SB 1228 to be operative only if this bill and SB 1228 are enacted and this bill is enacted last. (Pending on the Senate Floor)

According to the Author
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.″

Additionally, the bill contains language ″that will support the City of Los Angeles and its plan to generate revenue to support the Convention Center via the outdoor signage agreements. While the majority of the plans for the Convention Center were made last year, it has subsequently become clear that the South Hall of the Convention Center also needed to be included in the plan – this language brings it within the existing arena exemption and will enable the City to generate additional revenue. Because the Los Angeles Convention Center sits within the same footprint at the Crypto.com arena, this language will enable the City to maximize the revenue that is available via the outdoor signage agreements.″

Arguments 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.″

Arguments in Opposition
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.″

FISCAL COMMENTS

This bill is keyed Fiscal by Legislative Counsel.

VOTES

SENATE FLOOR: 38-0-2
YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Ochoa Bogh, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
ABS, ABST OR NV: Niello, Padilla

ASM GOVERNMENTAL ORGANIZATION: 20-0-2
YES: Blanca Rubio, Davies, Alvarez, Bryan, Carrillo, Chen, Dixon, Fong, Gabriel, Gipson, Macedo, Nguyen, Pacheco, Ramos, Michelle Rodriguez, Solache, Soria, Ta, Valencia, Wallis
ABS, ABST OR NV: Berman, McKinnor

ASM APPROPRIATIONS: 15-0-0
YES: Wicks, Hoover, Arambula, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

ASM GOVERNMENTAL ORGANIZATION: 20-1-1
YES: Blanca Rubio, Davies, Alvarez, Berman, Bryan, Carrillo, Chen, Fong, Gabriel, Gipson, Macedo, Nguyen, Pacheco, Ramos, Michelle Rodriguez, Solache, Soria, Ta, Valencia, Wallis
NO: McKinnor
ABS, ABST OR NV: Dixon

UPDATED

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CONSULTANT: Eric Johnson / G.O. / (916) 319-2531 FN: 0004524