
UNFINISHED BUSINESS

Bill No: SB 1228
Author: Rubio (D), et al.
Amended: 8/20/26
Vote: 21

SENATE TRANSPORTATION COMMITTEE: 12-0, 4/14/26
AYES: Cortese, Strickland, Archuleta, Arreguín, Blakespear, Dahle, Gonzalez,
Grayson, Menjivar, Richardson, Seyarto, Wiener
NO VOTE RECORDED: Valladares

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SENATE FLOOR: 38-0, 5/18/26
AYES: 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
NO VOTE RECORDED: Niello, Padilla

ASSEMBLY FLOOR: Passed, 8/31/26

SUBJECT: Advertising displays: exemptions: redevelopment agency projects

SOURCE: Author

DIGEST: 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, as specified. Additionally, modifies the Outdoor Advertising Act (OAA) to provide a specific exemption for the Los Angeles Convention Center.

Assembly Amendments add a coauthor and specify an advertising display subject to the RDA provisions in this bill is to remain in the substantially same location as it existed on December 31, 2025 and clarifies a number of prohibitions pertaining

to size and location, as specified. Also, further defines under OAA a “premises of an arena” to include a public assembly building owned by the City of Los Angeles, as specified.

ANALYSIS:

Existing law:

- 1) Provides, under 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.
- 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) Permits, notwithstanding the dissolution of a redevelopment agency (RDA), an 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 be considered an on-premises advertising display if it meets certain criteria for good cause, and allows those advertising displays to remain until January 1, 2026.
- 5) Dissolves RDAs and institutes a process for winding down their activities.
- 6) Requires 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 potentially lose 10% of its federal highway funding.

This bill:

- 1) Exempts certain advertising displays (billboards) in place as of December 31, 2025 within the boundaries of a former RDA project from certain provisions of the Outdoor Advertising Act (OAA) and further requires the advertising displays subject to the provisions of this bill to remain in substantially the same location and configuration as it existed on December 31, 2025 and prohibits the advertising display from being expanded, relocated, increased in height or display area, or modified to add additional display faces beyond those existing on December 31, 2025.
- 2) Provides a process for the above-mentioned advertising displays to reapply for a new permit with Caltrans, as specified.
- 3) 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.
- 4) Includes provisions to avoid chaptering out conflicts.

Comments

- 1) *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."

- 2) *OAA: a history.* Since 1933, Caltrans has enforced the OAA which contains comprehensive standards and regulations for outdoor advertising displays (also known as “billboards”). 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) *The end of Redevelopment.* In 2011, facing a severe budget shortfall, Governor Brown and the Legislature passed and enacted legislation ultimately eliminating RDAs in order to deliver more property taxes to other local agencies. Before the elimination of RDAs, the OAA allowed for advertising signs (billboards) that were located within the boundaries of a redevelopment project area to be considered on-premises sign anywhere within the limits of the project if the project area was contiguous or was separated only by a public highway or public facilities developed or relocated for inclusion in the project, and for a period not to exceed 10 years or the completion of the project, whichever occurred first. The dissolution of RDAs raised questions about how existing signs would be treated by Caltrans because there was no longer an RDA to negotiate an extension with Caltrans. At the time, Caltrans had issued approximately 95 permits for advertising displays along landscaped freeways in redevelopment project areas throughout the state.
- 4) *The response & continued extensions.* In 2013, the Legislature passed and Governor Brown signed SB 684 (Hill, Chapter 544, Statutes of 2013). The bill

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 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.

At the time, the bill did not authorize any new signage, but instead sought to retain the investment-backed expectations of public and private entities that either own or operate existing signs in former redevelopment areas. Due to the elimination of RDAs, one of the unintended consequences is that the sign agreements, formerly authorized by RDAs, can no longer be extended because there is no RDA to authorize the extension.

In 2023, AB 1175 (Quirk-Silva, Chapter 361, Statutes of 2023), extended the original SB 684 allowance of existing advertising signs (billboards) in RDAs to January 1, 2026. Last year, several measures were introduced in attempt to further extend the sunset. Ultimately, SB 783 (Rubio) passed out of the Legislature with the Governor vetoing the bill. SB 783 would have extended the exemption sunset to January 1, 2029.

The provisions specified in this bill propose to exempt currently erected advertising displays in RDAs from OAA requirements / prohibitions. Furthermore, this bill does not contain a sunset provision which has been included in previous proposals. Additionally, this bill contains a provision which will allow for owners of existing outdoor advertising displays in former RDAs to reapply for an outdoor advertising permit with Caltrans with the permit requirements remaining similar to a new outdoor advertising display permit application.

- 5) *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.

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."

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

According to the Assembly Committee on Appropriations:

- 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.

SUPPORT: (Verified 8/30/26)

California Association for Local Economic Development
California Federation of Labor Unions, Afl-cio
California Iatse Council
Hawaiian Gardens Casino
In-n-out Burgers

OPPOSITION: (Verified 8/30/26)

California State Outdoor Advertising Association
Scenic America

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