Office of Senate Floor Analyses
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VETO

Bill No: SB 783
Author: Rubio (D), et al.
Enrolled: 9/10/25
Vote: 27

SENATE TRANSPORTATION COMMITTEE: 14-0, 4/8/25
AYES: Cortese, Strickland, Archuleta, Arreguín, Blakespear, Cervantes, Dahle, Gonzalez, Grayson, Limón, Menjivar, Richardson, Umberg, Valladares
NO VOTE RECORDED: Seyarto

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SENATE FLOOR: 39-0, 6/3/25
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, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Reyes

SENATE FLOOR: 38-1, 9/8/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NOES: Blakespear
NO VOTE RECORDED: Stern

ASSEMBLY FLOOR: 75-0, 9/4/25 - See last page for vote

SUBJECT: Outdoor advertising displays: redevelopment agency project areas

SOURCE: Author

DIGEST: This bill extends the date at which advertising displays located in former redevelopment areas may continue to operate until January 1, 2029.

ANALYSIS:

Existing law:

1) Provides, under the Outdoor Advertising Act (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 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 extends the current sunset which allows advertising displays located in former redevelopment areas to continue by three years to January 1, 2029.

Comments

1) *Purpose of this 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. Existing law allows Caltrans to permit advertising displays as on-premises displays within redevelopment project areas until January 1, 2026. This bill would extend the continued operations of those advertising displays for an additional four years until January 1, 2030. As local governments prepare for 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) *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.

3) *HBA.* Approximately every four years the Federal Highway Administration (FHWA) audits Caltrans to ensure that it is fulfilling its duties as administrator of the federal laws and regulations regarding billboards. In its latest report,[1] the FHWA was critical of many California advertising displays, specifically calling out displays erected pursuant to the redevelopment agency display exemption 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.

   Presently, according to Caltrans, approximately 47 signs (billboards) remain in operation under the existing extension and has no data on the revenue generated by these signs. In an era where the existing federal administration is actively seeking areas to reduce expenditures / funding, it may be prudent for stakeholders to engage amongst each other and with the Legislature to identify a remedy that will ultimately bring the state into full compliance with federal requirements.

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

According to the Assembly Appropriations Committee:

> Minor and absorbable costs to Caltrans to monitor a display's compliance with existing OAA exemption rules and respond to federal oversight and enforcement inquiries in cases of noncompliance.
>
> However, Caltrans notes that this bill may put federal funding at risk. Previous reviews by FHWA have expressed concerns with outdoor advertising displays utilizing this RDA project exemption. If this bill is determined to be contrary to federal law, the state may be subject to a sanction that would reduce federal highway funding allocations by 10%, or approximately $580 million, and Caltrans may incur significant legal costs

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

to respond to federal notices, coordinate with local jurisdictions and display operators, and enforce applicable penalties (State Highway Account).

SUPPORT: (Verified 10/16/25)

California Cities for Self-reliance Joint Powers Authority
City of Hawaiian Gardens
City of Inglewood
Hawaiian Gardens Casino
In-n-out Burgers

OPPOSITION: (Verified 10/16/25)

California State Outdoor Advertising Association
Scenic Los Angeles, a Chapter of Scenic America
Stop Casino Billboards

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 Outdoor Advertising Act 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.

For this reason, I cannot sign this bill.

ASSEMBLY FLOOR: 75-0, 9/4/25
AYES: Addis, Aguiar-Curry, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hoover, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO VOTE RECORDED: Ahrens, DeMaio, Hart, Irwin

Prepared by: Manny Leon / TRANS. / (916) 651-4121
10/17/25 9:52:50

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