



EXECUTIVE MANAGEMENT COMMITTEE  
APRIL 19, 2001

Metropolitan  
Transportation  
Authority

One Gateway Plaza  
Los Angeles, CA  
90012-2952

**SUBJECT: STATE LEGISLATION**

**ACTION: APPROVE STAFF RECOMMENDATION ON STATE  
LEGISLATION**

**RECOMMENDATION**

Staff recommends that the MTA Board of Directors consider the following positions:

SB 919 (Polanco)– SB 919 would prohibit advertising displays on land owned or operated by the MTA. Only existing advertising that is already in place as of March 1, 2001, would be exempt from this prohibition. **OPPOSE.**

**ISSUE**

Staff reviews numerous transportation-related bills throughout the legislative session. The attached analysis identifies one significant bill which staff believes the MTA Board of Directors should take a position.

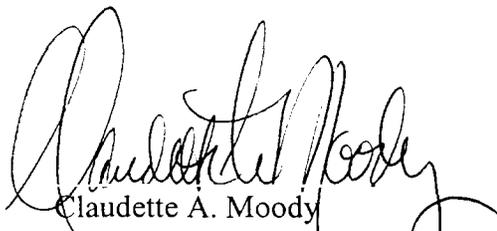
**ATTACHMENT**

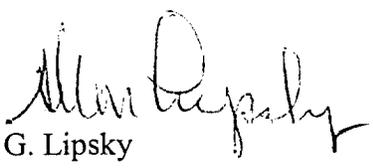
Attachment A: Legislative Analysis

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**BILL: SB 919**

**AUTHOR: SENATOR RICHARD POLANCO  
(D-LOS ANGELES)**

**SUBJECT: OUTDOOR ADVERTISING DISPLAYS ON MTA PROPERTY**

**STATUS: AMENDED AND APPROVED IN SENATE TRANSPORTATION  
COMMITTEE APRIL 17, 2001  
SENATE FINANCE COMMITTEE**

**ACTION: OPPOSE**

**RECOMMENDATION**

Staff recommends that the MTA Board of Directors oppose SB 919.

**PROVISIONS**

Current law regulates outdoor advertising such as billboards. SB 919 would prohibit any advertising display from land owned or operated by the MTA unless the advertising was already in place on March 1, 2001.

**IMPACT ANALYSIS**

SB 919 has been written to prohibit advertising displays just on MTA property. Only existing advertising, that is already in place as of March 1, 2001, would be exempted from this prohibition.

If enacted, the bill would nullify the MTA's automated public toilet (APT) program. This program is funded through a contract with an outdoor advertising firm, STI/Outdoor. That firm supplies the APTs in exchange for the right to place advertising on MTA property at specified locations. This allows the MTA to provide needed restroom facilities without the use of taxpayer funds. In addition, MTA anticipated receiving \$7.9 million over ten years as a result of the contract.

In June 1999, the MTA Board awarded the contract for the APT program to STI/Outdoor. Regency Outdoor Advertising, who did not bid on the APT program, has subsequently challenged the contract. The matter is currently before the Los Angeles Superior Court. Regency Outdoor Advertising is strongly supporting SB 919.

This bill was amended and approved in the Senate Transportation Committee on April 17, 2001. The amendments do not address staff concerns. Staff recommends that the Board adopt a position opposing SB 919.

The ramifications of this bill go far beyond the APT contract. This proposal has the potential to impact the ability of the MTA to implement new revenue generating programs at any property owned and operated by the MTA including rail stations.

SB 919 sets a dangerous precedent by restricting the authority and powers of the MTA. The MTA, as with all other county transportation commissions, is created by the state and is granted certain powers. Those powers must be maintained in order for the agency to be able to implement its mandate.

Although the MTA has made the decision to not preempt local ordinances with respect to the APT contract, the MTA must preserve the flexibility to make these types of decisions locally.