

Date of Hearing: April 6, 2026

ASSEMBLY COMMITTEE ON TRANSPORTATION
Lori D. Wilson, Chair
AB 2541 (Mark González) – As Amended March 26, 2026

SUBJECT: Lowrider License Plate Program

SUMMARY: Requires the Arts Council to apply to the Department of Motor Vehicles (DMV) to sponsor “The Lowrider” specialized license plate. Specifically, **this bill:**

- 1) Requires DMV, in consultation with the Arts Council, to design the Lowrider License Plate and that the plate shall reflect lowrider culture and heritage.
- 2) Requires DMV, in consultation with the California Highway Patrol (CHP), to determine whether the design obscures the readability of the license plate.
- 3) Designates the proceeds of the plate, upon appropriation by the Legislature, to fund projects related to the purpose of supporting lowrider arts, cultural preservation efforts, youth engagement programs, public exhibitions, community-based cultural events, and educational initiatives that celebrate and preserve the history and cultural contributions of lowrider communities in California.
- 4) Specifies that the Arts Council shall prioritize nonprofit entities with a mission of supporting the lowrider community and Latino culture.
- 5) Make various findings and declarations about lowriders.

EXISTING LAW:

- 1) Provides for a specialized license plate program, under which DMV may issue specialized license plates only on behalf of state agencies and provided that:
 - a) The license plate has “a design or contains a message that publicizes or promotes a state agency, or the official policy, mission, or work of a state agency.” The design shall also be not larger than two inches by three inches and confined to the left of and below the numerical series (i.e., no full-plate designs allowed).
 - b) The agency submits a minimum of 7,500 applications and accompanying fees to DMV for the license plate. The agency has 12 months to collect these applications and fees, but it can extend that to a maximum of 24 months if it notifies and offers to refund fees to those who applied during the first 12 months. Once a plate is issued, DMV stops issuing that plate for the agency if the number of plates drops below 7,500. (Vehicle Code (VEH) 5156)
- 2) Authorizes DMV to charge, in addition to the usual registration and license fees, the following additional fees for specialized license plates: \$50 for the initial issuance, \$40 for annual renewal, and \$98 to personalize. DMV deducts its administrative costs from the revenues generated. The net revenues derived from a specialized license plate are then available upon appropriation for the sponsoring state agency to expend exclusively on

projects and programs that promote the state agency's official policy, mission, or work (VEH 5156)

FISCAL EFFECT: Unknown

COMMENTS: *According to the author,* “To continue California’s legacy in celebrating diversity, honoring impact, and uplifting communities, AB 2541 will signal another wave of support for the lowrider community, all while bolstering arts programs across the state! This current federal administration is spreading hate and vitriol. The Lowrider License Plate Program is a visible symbol of cultural pride, heritage, and resilience. Together, the legislature can ensure that this modern symbol of resistance keeps rolling forward—cruising through our streets for generations to come.”

“Candy paint jobs with glimmering specks of metallic. Custom upholstery of magenta velvet. Bouncing hydraulics cruising low and slow. The names ‘Purple Rain’ and ‘Erotic City’ gleaming from the lacquered frames.” According to Smithsonian Magazine, these are the words that could only describe the famous lowriders belonging to L.A.’s Chicano community.

Cruising in lowriders has been an important subculture in California for decades, popularized by Chicano communities after World War II as the “hot rod” trend began to sweep the country. Lowriders are customized cars with lowered bodies, often painted in colorful designs that may be fitted with hydraulics to allow height adjustable suspension. Lowriders are displayed in events involving cars slowly moving down a street in a repetitive manner, referred to as cruising. Lowriders have taken on a political function, with cruising events serving as fundraisers for the United Farm Workers Labor Union, political fundraisers, COVID-19 vaccine drives, and participating in the census.

Cruising became popularized nationally after the release of *American Graffiti*, the breakout film for George Lucas and Harrison Ford. *American Graffiti*, released in 1973, was a coming of age comedy-drama set in 1960s Modesto, California featuring a group of friends cruising the streets before heading off to college. The film was nominated for an Oscar for “best film”, and the Library of Congress recognizes it as a film for preservation in the National Film Registry. It remains one of the most profitable movies ever made, grossing \$200 million on a less than a \$1 million budget. The summer after the movie came out, San Rafael’s main street was clogged with cars seeking to reenact the movie’s cruising scenes, but was subsequently shut down by police.

A bill is not necessary to create a new specialized plate. Creating a new specialized license plate does not require legislation. Members of the Legislature or private individuals can ask state agencies to sponsor a new plate. If there is a good plan in place to get to the 7,500 prepaid commitments, an agency would likely be willing to sponsor a plate because it would result in additional revenue for that agency.

One such agency that has taken advantage of this is the California Natural Resources Agency (CNRA). DMV provides a packet to state agencies on how to sponsor a plate. CNRA in this past year reached out to multiple professional sports teams and signed a deal with several sports teams. However, even after winning the Super Bowl in 2021, the Los Angeles Rams’ plate has not received enough prepaid commitments to be created. The San Francisco 49ers had to pay for

their fans' license plates in order for them to get past the 7,500 prepaid commitment thresholds to create a new license plate.

Legislative mandates for specialized plates are historically ineffective, with only a 16% success rate in meeting the 7,500-prepaid threshold since 2000. Furthermore, the existing program yields diminishing fiscal returns relative to marketing costs. Of the 12 legislatively sponsored plates approved since 2000, only two have met the threshold. Of the four that have passed since 2014, only one reached the threshold. In the 2015-16 legislative session, seven bills were introduced directing a state agency to sponsor a specialized license plate. All seven died in either the Senate or Assembly Appropriations Committee. In the 2017-2018 session, five specialized license plates were introduced. One made it to the Governor and was vetoed. In the 2019 session, two specialized license plates were introduced, and both were held in Senate Appropriations Committee. In the 2020 session, three bills were introduced. One died in Assembly Appropriations Committee, the other two were never set for a hearing. In 2021-2022 session two bills were held in Assembly Appropriations Committee. Two bills to renew applications for legacy license plates were introduced in the 2023-2024 session. Both were held on the Assembly Appropriations Committee. Last year one specialized license plate was introduced in the Assembly. It died in Assembly Appropriations Committee.

Specialized license plates are not a strong source of revenue. Data from the 2023 DMV Consolidated Report suggests that specialized plates are not a robust revenue source. Total revenue for the programs was \$11.3 million, but \$1 million (8%) was diverted to marketing and administration. The most successful plate brought in \$2.8 million and spent 21% of its revenue on marketing. Only three of the license plates brought in more than \$1 million. The newest license plate brought in less than \$200,000, suggesting new entries struggle to gain traction in a crowded market.

According to Brown Issues, *the sponsor of this bill*, "For decades, California imposed fines, restrictions, and local anti-cruising ordinances that targeted the lowrider community. These policies criminalized cultural expression and attempted to suppress a movement rooted in identity, creativity, and community pride. Despite these barriers, lowriders continued to build, paint, and cruise, transforming cars into rolling works of art that reflect family, faith, and freedom. At a moment when diverse communities across the state continue to confront cultural erasure and political division, AB 2541 offers a positive and unifying path forward. Establishing the Lowrider Specialized License Plate affirms California's commitment to celebrating cultural traditions rooted in resilience and ensuring they continue to thrive."

Committee concerns. According to the Legislative Analyst's Office (LAO), the Motor Vehicle Account (MVA), the primary funding source for DMV, has been experiencing a structural imbalance for many years, with expenditures consistently outpacing revenues. The state has been able to delay the account's insolvency through various budget adjustments, policy changes, and temporary transfers from other special funds. Several underlying causes of the MVA's structural deficit remain unaddressed, and the account is projected to become insolvent from the 2028-29 budget year onward. Moreover, given the scale of the state's projected budget shortfall in the coming years, relying on the General Fund or other special funds to help cover the MVA expenditure will be challenging. The LAO argues that every new expenditure from the account—especially those that are comparatively large—should be well justified and clear a high bar for approval.

In the Governor's proposed 2026-2027 budget, the Governor warned that "the Budget currently projects that the MVA will be insolvent as soon as 2028-29. Given the ongoing fiscal constraints in the MVA, the Administration will continue to limit new workload or initiatives, including those with delayed implementation dates that would create additional cost pressures over time."

The Legislature should consider if authorizing a new license plate is fiscally prudent at this time given the cost of staff time to design and market a new plate, coupled with the low success rate of achieving the necessary pre-purchases to make the program cost neutral.

Previous legislation: AB 84 (Leslie), Chapter 454, Statutes of 2006 restricted DMV to only issue specialized license plates if they were sponsored by a state agency that received 7,500 commitments from individuals to purchase the plates.

REGISTERED SUPPORT / OPPOSITION:**Support**

Brown Issues (sponsor)
Specialty Equipment Market Association (SEMA)

Opposition

None on file

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