
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2541 (Mark González) - Specialized license plates: The Lowrider

Version: June 11, 2026

Urgency: No

Hearing Date: August 3, 2026

Policy Vote: TRANS. 12 - 0

Mandate: No

Consultant: Mark McKenzie

Bill Summary: AB 2541 would require the California Arts Council (CAC) to apply to the Department of Motor Vehicles (DMV) to sponsor “The Lowrider” specialized license plate program, as specified. The bill would require proceeds from the plate program to be used, upon appropriation by the Legislature to the CAC, to fund specified projects, including those supporting lowrider arts, cultural preservation, youth engagement, and community-based cultural events that celebrate and preserve the history and cultural contributions of lowrider communities in the state.

Fiscal Impact:

- The CAC estimates one-time costs of approximately \$574,000 and ongoing costs of approximately \$534,000 for 2.5 PY of staff and additional legal/policy support to establish the new plate program and administer a new grant program. It is unclear whether this level of funding would be necessary; staff estimates costs could be in the low hundreds of thousands of dollars annually. The council indicates that it would incur staff workload prior to receiving any revenues from the new license plate program, including DMV application coordination, plate design consultation, stakeholder engagement, and communications and outreach to achieve the 7,500 pre-paid application threshold. Initial implementation costs would likely be a General Fund expenditure, which could be partially offset to the extent funds from nonprofit or private sources are available, as specified in the bill. The ongoing costs would be incurred to administer the new grant program, upon appropriation of funds by the Legislature. Ongoing costs would be at least partially offset by license plate renewal revenues, upon full implementation, as a sponsoring agencies may retain 25% of revenues generated from a specialized license plate program. (General Fund, Specialized License Plate Fund)
- Assuming 7,500 pre-paid applications are collected by the CAC, DMV would incur one-time costs to make necessary IT programming changes to implement the new specialized license plate program. DMV notes that the plate program would likely qualify after the department’s IT modernization efforts are complete, so it is unable to accurately predict programming costs to modify the new system. Staff assumes these one-time costs would be in the low hundreds of thousands of dollars, which would likely be offset by pre-paid application fees. (Motor Vehicle Account)
- Upon full implementation of the proposed plate program, there would be ongoing revenues of approximately \$300,000 annually available annually to the CAC, upon appropriation by the Legislature, to fund specified projects (based on 7,500 plate renewals). These revenues could be higher to the extent there is significant demand and additional “The Lowrider” plates are issued. (Specialized License Plate Fund)

Background: Prior to 2007, any new special interest license plate required specific legislative authorization. This practice was held to be unconstitutional in that the Legislature approved some of the plates, and rejected others, using no standardized or objective criteria for those decisions. Current law, as enacted by AB 84 (Leslie), Ch. 454/2006, authorizes any state agency to sponsor a special interest license plate, and apply to DMV to establish a new license plate program after collecting at least 7,500 applications and accompanying fees and submitting them to DMV. The applications must be collected within one year, with an option to extend that timeframe by an additional year under specified conditions. The new specialized license plate must have a design or contain a message that publicizes or promotes a state agency, or the official policy, mission, or work of the agency.

In addition to the regular fees for an original or renewal registration, existing law requires payment of the following fees for the issuance, renewal, or transfer of the specialized license plate: \$50 for original issuance; \$40 for renewal; \$15 for transfer to another vehicle; and \$35 for substitute replacement plates. Once a specialized license plate program has been implemented, all additional fee revenues associated with the plate, after subtracting DMV administrative costs, are deposited into the Specialized License Plate Fund, and made available to the sponsoring agency upon appropriation by the Legislature for projects and programs that promote the agency's official policy, mission, or work. A sponsoring agency may not spend more than 25 percent of its license plate fee revenues for administrative, marketing, and promotional costs associated with the plate. If an applicant wishes to personalize a specialized license plate, the following additional fees would apply: \$48 for original issuance, \$38 for renewal, and \$38 for transfer to another vehicle. Any fees paid for personalization would be deposited into the California Environmental License Plate Fund for expenditure on various environmental protection purposes.

Existing law establishes the CAC, composed of 11 members, and requires the council to, among other things: encourage artistic awareness, participation and expression; help independent local groups develop their own art programs; promote the employment of artists and those skilled in crafts in both the public and private sector, provide for the exhibition of art works in public buildings throughout California; and develop and administer grants to artists and arts organizations. Existing law establishes the Graphic Design License Plate Account (Fund 0078), and requires fees collected for the issuance, renewal, transfer, and replacement of the "California Arts" specialized license plates, less administrative costs, to be deposited into the Account. Existing law requires these funds, which total approximately \$1.2 million annually, to be used by the CAC, upon appropriation by the Legislature, for arts education and local arts programming.

Proposed Law: SB 2541 would require the CAC to apply to DMV to sponsor a new "The Lowrider" license plate pursuant to the requirements of the specialized license plate program in existing law. The DMV, in consultation with the CAC, would be required to design "The Lowrider" license plates, which must reflect lowrider culture and heritage. The bill authorizes the DMV and CAC to do the following:

- Consult with a nonprofit entity for plate design, consultation, stakeholder engagement, publicity, and community outreach, as specified.
- Accept and use donated artwork for the plate design.
- Use funds from nonprofit or private sources to augment implementation.

This bill would require the proceeds of this plate program to be used, upon appropriation by the Legislature to the CAC, for grants 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 the state. AB 2541 would also require the CAC to prioritize nonprofit entities with a mission of supporting the lowrider community and Latino culture. Upon approval by the CAC, a nonprofit entity may assist in the review and administration of grants, and may request to use 4-6% of available revenues to cover its costs.

Related Legislation: SB 1018 (Grove), which was held on this Committee's Suspense File this year, would have required the Office of Emergency Services (OES) to apply to DMV to sponsor a Survivors of Human Trafficking specialized license plate program, as specified. The bill would have also required OES to administer a grant program for the benefit of survivors of human trafficking, and required OES and DMV to accept donations for the program on their respective websites.

Staff Comments: As noted above, any state agency may sponsor a specialized license plate program and apply to DMV to issue the plates upon collection of 7,500 pre-paid applications without legislative action. Rather than allow the CAC to sponsor a plate at its discretion, this bill would require the council to apply to DMV to sponsor a new "The Lowrider" license plate program.

As a sponsoring entity, existing law requires the CAC to design a plate, apply to DMV to sponsor a plate program, and collect 7,500 pre-paid applications within 12 months. If the requisite number of applications has not been reached within a year, OES has the *option* of either returning all fees and deposits to applicants, or notifying DMV that it intends to continue collection efforts to obtain the minimum 7,500 applications within the subsequent 12 months. If the CAC elects to continue collection efforts, it must contact applicants who submitted applications and fees to determine whether they would prefer to continue the application or have their deposits and fees refunded. Staff notes that only two of the 12 specialized plate programs signed into law since 2000 have successfully met the minimum threshold of 7,500 pre-paid applications (California 1960s Legacy plates and Breast Cancer Awareness plates).

The DMV indicates that the necessary automation workload related to establishing the new license plate program would likely occur after the department's modernization efforts are complete, to the extent sufficient pre-paid applications are collected by the CAC to establish the program. The vehicle registration component of the Digital eXperience Platform Project (DXP) is expected to be ready for rollout in the fall of 2026. DMV cannot predict the costs to modify the new system at this time, but staff assumes costs associated with these programming efforts could be in the low hundreds of thousands of dollars, which would likely be offset by revenues from the pre-paid applications for the new plate. DMV may also incur additional, undetermined costs to coordinate with the CAC to design the new plate, as specified, which would take place prior to the collection of any revenues.

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