

THIRD READING

Bill No: AB 2541
Author: Mark González (D), et al.
Amended: 8/21/26 in Senate
Vote: 21

SENATE TRANSPORTATION COMMITTEE: 12-0, 6/30/26
AYES: Cortese, Strickland, Archuleta, Arreguín, Blakespear, Dahle, Grayson,
Menjivar, Richardson, Seyarto, Valladares, Wiener
NO VOTE RECORDED: Gonzalez

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/13/26
AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 78-0, 5/26/26 - See last page for vote

SUBJECT: Specialized license plates: The Lowrider

SOURCE: Brown Issues

DIGEST: This bill requires the California Arts Council (CAC) to apply to the Department of Motor Vehicles (DMV) to sponsor “The Lowrider” specialized license plate.

Senate Floor Amendments of 8/21/26 1) state that, for the purpose of plate design, stakeholder engagement, publicity, and community outreach, the CAC may consult with a nonprofit entity that engages in Latino arts and cultural preservation related to lowriding, promoting lowrider culture through various programs, or educational initiatives pertaining to lowrider culture; 2) clarify that the CAC may use artwork from a qualified nonprofit entity for the plate design; 3) strike language requiring the CAC to consult with California Highway Patrol and DMV for purposes of the plate design; 4) allow DMV to deduct administrative costs before depositing revenues from the license plate into the Specialized License Plate Fund; 5) allow the CAC to use 4 to 6 percent of the program funds to contract with a nonprofit entity to help with the implementation of the program; and 6) state that the CAC

retain final authority over application review, funding decisions, and program oversight.

ANALYSIS:

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, among other things: (Vehicle Code Section (VEH) 5156)
 - 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. (VEH 5154)
 - 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. (VEH 5156(b))
- 2) Authorizes DMV to charge additional fees beyond the usual registration and license fees for specialized license plates. The net revenues derived from a specialized license plate are then available upon appropriation for the sponsoring state agency to spend exclusively on projects and programs that promote the state agency's official policy, mission, or work. (VEH 5157)
- 3) Establishes CAC composed of an 11-member Board, with one member appointed by the Speaker of the Assembly, one member appointed by the Senate Rules Committee, and nine members appointed by the Governor. (GOV 8751)
- 4) Tasks CAC with, among other things, encouraging artistic awareness, participation, and expression; providing for the exhibition of art works in public buildings; and awarding prizes or grants to individuals and organizations. (GOV 8753)

This bill:

- 1) Requires CAC to apply to DMV to sponsor "The Lowrider" specialized license plate.

- 2) Requires the license plate's design to reflect lowrider culture and heritage.
- 3) Specifies that CAC shall consult with a nonprofit entity for the purposes of plate design consultation, stakeholder engagement, publicity, and community outreach. That nonprofit entity must engage in:
 - a) Latino arts and cultural preservation related to lowrider imagery and culture;
 - b) Promoting lowrider culture through various programs; or,
 - c) Educational initiatives that celebrate and maintain the history and culture of California lowriders.
- 4) Authorizes CAC to use funds from nonprofit or private sources to augment implementation.
- 5) Authorizes DMV to deduct its administrative costs from the program funds before depositing excess funds in the Specialized License Plate Fund.
- 6) Specifies that program funds shall be used 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 culture of lowrider communities in California.
- 7) Authorizes CAC to use 4 to 6 percent of the program funds to enter into agreements with nonprofit entities to support program implementation.
- 8) Specifies that CAC shall prioritize nonprofit entities with a mission of supporting the lowrider community, Latino culture, and youth development.
- 9) States that CAC retains final authority over application review, funding decisions, and program oversight.
- 10) Makes various findings and declarations about the cultural significance of lowriders.

Comments

Purpose of the bill. 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.”

Lowrider history in California. Lowriders are customized cars with a lowered body often painted in colorful designs and 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. The practice is rooted in postwar Southern California, where Chicanos turned to driving and car customization as an art form and means of community organizing. Indeed, cruising is often a social activity, encouraging groups of owners to gather, show their pride in their vehicles, enjoy the sights of a thoroughfare, and develop local community.

Despite the general popularity for cruising among Chicano communities, others began associating cruising with gang violence or disruptions to traffic and business. Cities across California began to enact bans on cruising starting in the 1970s during the oil embargo. In 1974, Los Angeles started taking actions against cruising by banning parking on the San Fernando Valley’s Van Nuys Boulevard and turning it into a one-way street. In 1982, the California Legislature authorized any city in the state to pass an ordinance prohibiting cruising, after which several more local communities enacted bans on lowriding.

In more recent years, lowriding groups began making the case that these initial bans were discriminatory, targeting a cultural practice and not actually improving safety. Businesses along roadways that used to be frequented by cruising also raised concerns about loss of traffic to their businesses caused by the bans. Starting in 2022, many cities such as Sacramento and San Jose began lifting their bans. This culminated in 2023 with the passage of AB 436 (Alvarez, Chapter 803, Statutes of 2023) which repealed the prohibition on cruising and removed the authorization for local jurisdictions to regulate cruising.

California Arts Council. CAC was established by the Legislature with the mission of “strengthening arts, culture, and creative expression as the tools to cultivate a better California for all.” To carry out this mission, CAC runs various arts and culture programs, maintains a database of arts jobs and artists opportunities, produces reports on arts and culture issues, offers public workshops, and runs a competitive grant program to support California artists. Indeed, CAC is the state’s only public art grants provider, having awarded over \$400 million since their creation.

Currently, CAC is the sponsor of the California Arts specialized license plate.

According to DMV, this has been one of the most successful specialized license plates. In 2024, the plate brought in nearly \$1.3 million in revenue and funded \$900,000 in expenditures through CAC. However, according to CAC this still makes up a small percentage of their overall operating budget.

Specialized license plates. Specialized license plates allow drivers the opportunity to support causes or organizations they care about by contributing money and displaying a license plate with a specialized design advertising the cause. In addition to the regular fees for vehicle 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.

Prior to 2007, any new specialized license plate required specific legislative authorization. This practice was held to be unconstitutional by the courts in that the Legislature approved some of the plates, and rejected others, using no standardized or objective criteria for those decisions. In response to these legal challenges, 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. This number was chosen as the fees generated from 7,500 plates are sufficient to ensure enough funds to reimburse DMV for the costs of adding a new plate. Thus, without meeting the 7,500 commitment threshold, these specialized plates would not serve their purpose of raising additional revenue for the state. The applications must be collected within one year, with an option to extend that timeframe by an additional year under specified conditions. Additionally, 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.

Challenges of specialized license plates. In general, the 7,500 commitment threshold has proven to be an insurmountable barrier for the vast majority of pending specialized license plates, even those for ostensibly important or non-controversial causes. For example, in 2014 the Legislature passed, and the Governor signed AB 2321 (Gomez, Chapter 358, Statutes of 2014). The bill directed the Office of Emergency Services (CalOES) to establish a special-interest license plate that promoted awareness of domestic violence and sexual assault.

However, CalOES reported that only around 100 commitments were made to purchase the license plates, far below the 7,500 threshold. Thus, the commitments had to be refunded. Based on these previous examples, it is therefore uncertain if the Lowrider Plate would be able to reach this threshold.

A bill is not necessary. 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 plan in place to get to the 7,500 prepaid commitments, an agency may be willing to sponsor a plate if it would result in additional revenue for that agency. DMV additionally provides an informational packet to state agencies on how to sponsor a plate.

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

According to the Senate Appropriations Committee:

- 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 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 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)

SUPPORT: (Verified 8/13/26)

Brown Issues (Source)

Specialty Equipment Market Association

OPPOSITION: (Verified 8/13/26)

None received

ARGUMENTS IN SUPPORT: According to Brown Issues, the sponsors of AB 2541, “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...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.”

ASSEMBLY FLOOR: 78-0, 5/26/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Fariás, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, 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: Muratsuchi, Celeste Rodriguez

Prepared by: Samuel Myers / TRANS. / (916) 651-4121

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