



HOUSE BILL 408: Char. FC Plate/Extend Meals Tax & OT Sunset.

2023-2024 General Assembly

Committee:	House Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	May 2, 2023
Introduced by:	Rep. Bradford	Prepared by:	Trina Griffin
Analysis of:	PCS to Second Edition H408-CSSVxfr-13		Staff Attorney

OVERVIEW: *House Bill 408 would authorize the Division of Motor Vehicles to produce a new Charlotte Football Club special registration plate. The requestor of the plate has submitted everything required by the statutory plate development process, making this authorization eligible for consideration during the current legislative session.*

The PCS would add provisions to extend the sunset on Mecklenburg County's prepared food and beverage tax and the 2% occupancy tax dedicated for the NASCAR Hall of Fame Museum facilities.

CHARLOTTE FOOTBALL CLUB SPECIAL PLATE

CURRENT LAW: North Carolina offers several special registration plates. Upon application and payment of the required registration fees, a person may obtain from the Division of Motor Vehicles a special registration plate for a motor vehicle registered in that person's name if the person qualifies for the plate. The issuance of most authorized plates is contingent upon the receipt by the Division of at least 300 applications for a standard background plate, or 500 applications for full-color background plates.

Generally, the fee for a special registration plate is the regular vehicle registration fee plus a \$10 special registration plate fee. The \$10 special registration plate fee is credited to the Special Registration Plate Account. After deducting the cost of the plates from this account, \$1.3 million is appropriated to provide operating assistance for Visitor Centers. The remaining revenue in the account is transferred quarterly to the Department of Transportation for highway beautification (50%) and the Highway Fund for the Roadside Vegetation Management Program (50%). The cost of some special plates includes a fee in addition to the \$10 special registration plate fee. In those instances, the first \$10 goes to the special registration plate fund and the remainder is transferred quarterly to designated beneficiaries.

In 2014, the General Assembly enacted legislation creating a development process for special registration plates, which requires the organization desiring the plate to submit the required number of paid applications to the Division before legislation is introduced to authorize the plate. Once legislation has passed, the organization must submit the final artwork and list of paid applicants to the Division within 60 days, or the authorization expires.

BILL ANALYSIS: Section 1 of the PCS would authorize the Division to produce a new Charlotte Football Club special registration plate. The plate would be issuable to a registered owner of a motor vehicle and would bear the logo of the Charlotte Football Club. The fee for the plate, in addition to the regular vehicle registration fee, would be \$10.

Jeffrey Hudson
Director



* H 4 0 8 - S M S V - 5 6 C S S V X F R - 1 3 - V - 3 *

Legislative Analysis
Division
919-733-2578

House 408 PCS

Page 2

The organization requesting the plate has completed the requirements of the plate development process, including submitting the required number of paid applications, as reported by the Division of Motor Vehicles.

EFFECTIVE DATE: This section would become effective July 1, 2023.

MECKLENBURG COUNTY OCCUPANCY TAX AND MEALS TAX EXTENSIONS

CURRENT LAW: Mecklenburg County levies an 8% occupancy tax and a 1% prepared food and beverages tax. Of the 8% tax, 2% is levied for the exclusive use of the NASCAR Hall of Fame Museum facility and the adjacent NASCAR convention center ballroom facility.

The entire net proceeds of the 1% prepared food and beverages tax are remitted to the City of Charlotte and are used to finance the convention center and any expansions thereto, to pay costs associated with marketing and promoting new or expanded convention center facilities, and to pay costs for acquiring, financing renovating, and maintaining professional and amateur sports facilities located in Charlotte.

A portion of the 6% county occupancy tax proceeds are remitted to the City of Charlotte, which must, in turn, remit certain amounts¹ to the towns of Cornelius, Davidson, Huntersville, Matthews, Mint Hill, and Pineville to be used for acquiring, financing, maintaining, operating, and marketing convention centers, civic centers, performing arts centers, coliseums, auditoriums, and museums, and for art and cultural programs, events, and festivals.

Both the levy of the 1% prepared food and beverages tax and the distribution of a portion of occupancy tax proceeds to the Mecklenburg towns are set to expire the later of July 1, 2031, or July 1 following the date of final satisfaction of any debt obligations related to the financing of the Charlotte Convention Center, including contracts for expansion of the facility.

The 2% occupancy tax levied for the NASCAR Hall of Fame Museum facilities is set to expire the earlier of July 1, 2038, or July 1 after the date of final satisfaction of any debt instruments issued by the City of Charlotte in connection with the financing or refinancing of the Museum and related facilities.

BILL ANALYSIS: Sections 2 and 3 of the PCS would extend the sunset for the repeal of the 1% prepared food and beverage tax, the distribution of a portion of the occupancy tax proceeds to the Mecklenburg towns, and the 2% occupancy tax for the NASCAR Hall of Fame Museum to July 1, 2060. It would also expand the uses of the 2% occupancy tax to include renovation, improvement, and refinancing of the Museum.

EFFECTIVE DATE: These sections would become effective when the act becomes law.

¹ An amount equal to the greater of (i) 50% of the county prepared food and beverage tax net proceeds that were collected in that town during the preceding fiscal year and (ii) an amount agreed to by interlocal agreement between the town and the City of Charlotte.