



NORTH CAROLINA GENERAL ASSEMBLY

2023 Session

Fiscal Analysis Memorandum

CONFIDENTIAL

Requestor: Rep. Bradford, Rep. Kidwell, Rep. Setzer, and Rep. Wray
Analyst(s): Nick Clerkin, Brent Lucas
RE: PCS to HB 408-Char. FC Plate/Extend Meals Tax & OT Sunset

SUMMARY TABLE

FISCAL IMPACT OF PCS to HB 408

	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>
State Impact					
Highway Fund Revenue	-	-	-	-	-
Less Expenditures	-	-	-	-	-
Highway Fund Impact	Partial Estimate Available - Refer to Fiscal Analysis section				

NET STATE IMPACT	Partial Estimate Available - Refer to Fiscal Analysis section				
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Local Impact					
Local Revenue	-	-	-	-	-
Less Local Expenditures	-	-	-	-	-

NET LOCAL IMPACT	No Fiscal Impact				
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FISCAL IMPACT SUMMARY

Charlotte Football Club Special Registration Plate

Section 1(a) amends G.S. 20-79.4(b) to authorize the Division of Motor Vehicles (DMV) to issue a special registration plate titled "Charlotte Football Club." DMV may not issue a special registration plate authorized in this subdivision until it receives at least 350 applications for the plate. Applications for motor vehicle special registration plates and motorcycle special registration plates both count towards the application requirement. Fiscal Research cannot estimate the number of proposed special plates that would be issued. Therefore, a partial estimate for this portion of H.B. 408 is available.

Extend Mecklenburg County Meals and Beverages Tax and Occupancy Tax Sunset

Section 2 removes the 2031 repeal of Mecklenburg County's additional 1% sales tax on prepared food and beverages and sets the new repeal date to 2060. The bill also changes the earliest date by which the Mecklenburg Board of County Commissioners can repeal their additional 2% NASCAR

Hall of Fame Museum occupancy tax from 2038 to 2060 at the latest. The bill also expands eligible expenditures of these revenues to include renovating, improving, and refinancing the museum.

FISCAL ANALYSIS

Charlotte Football Club Special Registration Plate

The bill requires the production of a special plate for Charlotte Football Club. There is no estimate available on the number of special plates that would be issued. Table 1 shows the estimated cost to create and manufacture plates for Corrections Enterprises:

Table 1: Cost Estimate

Special Plate Production Costs	
Per Plate	\$4.86
500 Plates	\$2,430

Plate production costs depend upon on the plate design and the number of colors required. The estimate in Table 1 assumes the use of aluminum plates with graphic sheeting featuring a fully colored background, costing \$4.60 per plate. The estimate also includes mailing costs of \$0.26 per plate. Any impact to DMV operations is assumed to be nominal and can be funded by its operating budget.

This bill does not specify an additional fee for this plate, so per. G.S. 20-79.7(a1) the fee would be an additional \$10. All of the revenue would be deposited in the Special Registration Plate Account (SRPA.) Table 2 shows the estimated revenue generated by the new plate:

Table 2: Special Plate Revenue Estimate

Revenue	Total	SRPA
Per Plate	\$10	\$10
500 Plates	\$5,000	\$5,000

Extend Meals and Beverage Tax and Occupancy Tax Sunset

Mecklenburg County's food and beverage tax generated approximately \$33 million in Fiscal Year 2020-21. The additional 2% occupancy tax imposed related to the NASCAR museum generated approximately \$8 million in Fiscal Year 2020-21. The dates for the extensions of these taxes are outside the five-year period of this memo; thus, there is no fiscal impact for the time period herein.

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

N.C. Department of Revenue, N.C. Department of Transportation-Division of Motor Vehicles.

FISCAL ANALYSIS MEMORANDUM – PURPOSE AND LIMITATIONS

This document is a fiscal analysis of a bill, draft bill, amendment, committee substitute, or conference committee report that is confidential under Chapter 120 of the General Statutes. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts. This document is not an official fiscal note. If a formal fiscal note is requested, please email your request to the Fiscal Research Division at FiscalNoteRequests@ncleg.net or call (919) 733-4910.

