



LEGAL ASPECTS

Before doing business in North Carolina, a company must give keen attention to important legal considerations. Entrepreneurs must conduct research to determine the most appropriate form of business to suit its needs, the steps that must be taken to form that type of business, and the related obligations to which that business will be subject.

Businesses also must undertake early planning to manage often complex visa and immigration issues, including determining which of five types of nonimmigrant business visas are most applicable to their needs. Common environmental permits, labor issues such as wages and safety requirements, and planning and development considerations such as zoning and building codes all are important legal points to be researched and addressed.

While North Carolina brings business a valuable menu of resources to help navigate these concerns, there are many other legal issues beyond the scope of this presentation which may be of interest to a particular entity as it plans strategy for investing and doing business in North Carolina. These include, for instance, patent and trademark laws, and United States trade laws, and licensing. These issues and the finer points of many of the topics discussed in this section should be addressed by a legal advisor in North Carolina.



- Determining the form of business is just one of the
- many legal aspects to consider when establishing or
- creating a North Carolina operation.



LEGAL ASPECTS - PREPARING TO DO BUSINESS IN NORTH CAROLINA

To do business in North Carolina, a company must properly document and file organizational records. In particular, foreign companies – that is, those organized under the law of another state or country – must address some special legal considerations, including obtaining a Certificate of Authority and a Certificate of Existence when necessary.

When creating a business entity, entrepreneurs must research and determine what form of doing business best suits their needs and then take the necessary steps to file the proper formation documents. They also must look into any necessary business licenses and the reporting, fee and tax obligations to which their businesses will be subject.

Forming Businesses in North Carolina

Primary Steps for Incorporating a Business

1. File Articles of Incorporation with the Corporations Division of the N.C. Department of the Secretary of State, including such information as:

- Corporation name
- Number of shares of stock corporation is authorized to issue
- Classes of stock issued by corporation
- Registered office and agent
- Principal office address
- Names and addresses of company's incorporators

2. Hold an organizational meeting to address directors (if not identified in the Articles of Incorporation), corporate bylaws, issuing shares of stock, banking resolutions and setting the fiscal year

3. Approve other agreements or contracts deemed desirable

4. Obtain tax identification numbers from the N.C. Department of Revenue and the Internal Revenue Service

5. Purchase a corporate seal and minute book

6. Contact county and local agencies to see what regulations and restrictions may apply to the business

7. Set up an accurate bookkeeping system



LEGAL ASPECTS - PREPARING TO DO BUSINESS IN NORTH CAROLINA

Companies Already Incorporated in Another State or Nation

Certificate of Authority

A foreign business entity – that is, one organized under the law of another state or country – may be authorized to do business in North Carolina by obtaining a Certificate of Authority.

A foreign business entity authorized to do business in North Carolina generally enjoys the same rights and privileges as a domestic entity. Foreign business entities authorized to do business in North Carolina must maintain a registered office and a registered agent in the state of North Carolina. North Carolina's General Statutes provide the procedure by which a foreign business entity may withdraw from the state or have its Certificate of Authority revoked.

Applications for Certificate of Authority are filed with the N.C. Department of the Secretary of State and include details regarding the applicant's original incorporation or organization, its principals and key offices, and a Certificate of Existence.

Certificate of Existence

A Certificate of Existence gives information about a company's name, its organizational form, its authorization to conduct business in North Carolina if it is a foreign entity, whether the company's articles or Certificate of Authority have been suspended, whether its annual report is current, and whether articles of dissolution have been filed. It is authenticated by the N.C. Department of the Secretary of State. Once verified, the Certificate of Existence may be relied upon as conclusive evidence that a company is in existence or is authorized to transact business in North Carolina.

Forming Businesses in North Carolina

Primary Steps for Forming a Limited Liability Company

1. File Articles of Organization with the Corporations Division of the N.C. Department of the Secretary of State, including such information as:

- Company name
- Latest date of dissolution unless perpetual
- Organizers/members
- Principal office address
- Registered office and agent
- Whether the company will be member-managed or manager-managed
- Powers of members and/or managers

2. Execute a written operating agreement

3. Designate a manager, if manager-managed, and/or admit additional members

4. Obtain tax identification numbers from the N.C. Department of Revenue and the Internal Revenue Service

5. Open bank accounts

6. Contact county and local agencies to see what regulations and restrictions may apply to the business

7. Set up an accurate bookkeeping system



LEGAL ASPECTS - PREPARING TO DO BUSINESS IN NORTH CAROLINA

Business License Information

To help business owners navigate the process of identifying and meeting the business license requirements appropriate for their businesses, the N.C. Department of Commerce's Business ServiCenter provides assistance. Its support is particularly key because North Carolina has no single business license that covers every business activity or ensures compliance with every license, permit and regulatory requirement to which a business may be subject at the local, state and federal levels. There also are businesses for which there are no state license requirements.

Through one-on-one client consultations, Business ServiCenter consultants can assist in the crucial step of identifying all the licenses, permits, regulations, and/or other approvals required for a planned business activity. Their strategic partners can provide management counseling, education and technical assistance with:

- Business plan development
- Evaluating business feasibility
- Financing
- Industry and labor information
- Licensing, permitting, taxes and insurance
- Market analysis
- Site location
- Strategic needs assessment
- Technology transfer
- Venture capital needs

N.C. Department of Commerce
Business ServiCenter
(919) 715-2864
(800) 228-8443 (in N.C.)
www.nccommerce.com/servicenter

Additional Resources

For further information, forms and fee schedules for:

- Forming **corporations**, see "Incorporating Your Business in North Carolina," a publication of the N.C. Department of the Secretary of State's Corporations Division.
- Forming **limited liability companies**, see "Organizing Your Limited Liability Company in North Carolina," a publication of the N.C. Department of the Secretary of State's Corporations Division.

To get a copy of the Corporation Laws or Limited Liability Company Laws of North Carolina:

- Contact Lexis Law Publishing Company, P.O. Box 7587, Charlottesville, VA 22906, for paper copies
- Call Lexis Law Publishing at (804) 295-6171 or toll-free at (800) 562-1197
- Visit a North Carolina public library; most have copies of the N.C. General Statutes available for public research
- Access the N.C. General Statutes online by visiting the N.C. Secretary of State's home page, www.sosnc.com, and clicking on "N.C. General Statutes"



LEGAL ASPECTS - FORMS OF DOING BUSINESS

One of the first issues faced by a business is choosing the most appropriate structure.

While several types of entities can be chosen in North Carolina, the most common include corporations and limited liability companies. A corporation offers limited liability that protects the personal property of its share holders. It has officers or directors, and pays an annual report fee of \$20. A limited liability company is an unincorporated association that offers a combination of limited liability and special tax treatment. It has members and pays an annual report fee of \$200.

Each form of business entity has its advantages and disadvantages. The following summary provides a basic overview of several forms of business. However, entrepreneurs are urged to seek professional counsel from attorneys, accountants and other advisors to address the specific needs of their businesses.

Corporations

A corporation has a legal status or existence that is separate both from the individual(s) who forms it and its owners. Forming a corporation can protect an individual's personal assets and may also protect against others using the business' name. Formation of corporations in the U.S. is governed by state rather than federal law. To create a corporation in North Carolina, Articles of Incorporation are filed with the N.C. Secretary of State, and certain other documents must be executed in order to complete the corporation's establishment.

There is no legally required minimum capital contribution for the establishment of a corporation in North Carolina. However, the capital paid in must be reasonable in order to obtain "limited liability" of the shareholders. The capital contribution to the corporation can take many forms including cash, promissory notes, services performed and contracts for services to be performed.

A North Carolina corporation has three levels of control, including shareholders, directors and officers:

- Shareholders own the corporation and exercise indirect control by electing the board of directors and by voting on certain fundamental matters of corporate policy.
- The board of directors establishes the general policies of the corporation, approves certain actions, and appoints officers.
- The officers are responsible for implementing the policies and overseeing day-to-day operations. Officers typically include a president, secretary, treasurer and perhaps one or more vice presidents as well as an assistant secretary. The same person can function in more than one capacity, but it is common for there to be at least two separate individuals who act as officers in order to execute certain contracts and perform other functions.

The company should consider tax aspects relating to the formation and operation of a North Carolina corporation. A North Carolina corporation that does not elect to be treated as an S corporation will be subject to federal and state income taxes. In addition, foreign shareholders may be entitled to a credit in the shareholder's home country for some or all of the tax imposed on certain distributions, and this aspect should be considered with the foreign investor's tax advisor in its home country.

Advantages

- Generally prevents shareholders from becoming liable for payment of debt and obligations of the corporation, such that their potential loss is generally limited to their investment
- Exempts members of the board of directors from personal liability for their good faith business decisions

LEGAL ASPECTS - FORMS OF DOING BUSINESS

- Non-U.S. shareholders of a U.S. corporation are generally not required to file U.S. income tax returns simply to report distributions received from the corporation (assuming the corporation is not an S corporation)
- Does not require North Carolina state withholding tax on distributions by North Carolina corporations to foreign shareholders

Disadvantages

- Creates “double taxation” of income such that taxable net income of the corporation will be taxed at the federal and state corporate income tax rates (assuming the corporation is not an S corporation), and shareholders also are taxed at the federal and state levels on certain distributions by the corporation.
- May subject stock value to U.S. estate tax upon a shareholder’s death if the corporation is formed in the U.S.

The federal withholding tax rates on distributions to non-U.S. shareholders may be reduced if the U.S. has a tax treaty with the shareholder’s home country. Countries with which such a treaty exists include Canada, France, Germany, Italy, Japan, Switzerland, the Netherlands and the United Kingdom. Each treaty should be analyzed for specific application to each investment and situation.

Limited Liability Companies

A limited liability company (or LLC) is sometimes considered a hybrid of a corporation and a partnership. If structured correctly, it provides its owners – called members – with the limited liability enjoyed by the shareholders of a corporation and a single level of federal and state taxation in the U.S. The profits, losses and

deductions are passed directly through the LLC to the members because the LLC is considered a partnership for tax purposes (unless the LLC elects to be treated as a corporation). Thus, only the members pay tax on the taxable income of the LLC and “double taxation” is avoided. This may offer significant savings on U.S. taxes in comparison to operating through a corporation; the amount of savings depends on the plans for distributing profits, the U.S. tax rate on distributions to a particular foreign investor, and other considerations.

An LLC is formed by filing Articles of Organization. The articles of organization need not disclose the identity of the members, who can instead be identified in a separate private document. Instead of adopting bylaws as in a corporation, an operating agreement is adopted by the members of a LLC to govern the relationship between the members. The operating agreement provides much more flexibility than the bylaws in a corporation. The operating agreement allocates the income, gain, losses, deductions and credits among the members. It also governs the distribution of cash and other property among the members.

Advantages

- Provides its members with the limited liability enjoyed by the shareholders of a corporation
- Generally offers a single level of federal and state taxation in the U.S., avoiding “double taxation”
- Provides greater flexibility through an operating agreement as opposed to bylaws
- Allows for the express delineation of the division of profits and losses, the allocation of risks and the management responsibilities of each member through the operating agreement



LEGAL ASPECTS - FORMS OF DOING BUSINESS

Disadvantages

- Requires members, including non-U.S. members, of an LLC to pay federal and state income tax on income from LLC and file federal and state tax returns
- Imposes a U.S. branch profits tax if the investor is a foreign corporation, in some cases
- May subject the member's interest in the LLC to federal and state estate tax upon the member's death

Other Entities

Other forms of business entities available to a foreign investor include, for example, general partnerships and limited partnerships. A general partnership is an association of two or more persons to carry on a business for profit. A written partnership agreement is not legally required but is highly recommended. In fact, a general partnership can be created unintentionally by the parties. The main drawback to a general partnership is that each partner's potential liability is unlimited. The partners of a general partnership are jointly and severally liable for all debts and obligations of the partnership.

However, a general partnership may register as a limited liability partnership by filing an application with the N.C. Secretary of State. The partners of a registered limited liability partnership ordinarily do not have liability for the debts or obligations incurred by the partnership while it is a registered limited liability partnership.

A limited partnership has two classes of partners. The general partner(s) generally manages the day-to-day operations of the partnership and has unlimited liability for all debts and obligations of the limited partnership. In contrast, the limited partners are similar to shareholders in a corporation in that they have limited liability and their losses are restricted to the value of their investment in the limited partnership, regardless of whether they participate in the management or control of the partnership's business. A limited partnership is formed by filing a Certificate of Limited Partnership, and while a partnership agreement is not required it is recommended.



LEGAL ASPECTS - VISA AND IMMIGRATION ISSUES

Early in the planning process, foreign companies should consider the need for visas for transferees to the U.S. Immigration laws in the U.S. are very complex and can cause problems and delays. The assistance of a qualified U.S. immigration attorney is essential to manage the visa application process.

Categories of Persons

United States immigration laws distinguish between two types of persons: nonimmigrants, which are persons coming to the U.S. for a limited period of time for business or pleasure, and immigrants, which are persons intending to remain in the U.S. permanently or indefinitely.

Lawful permanent residence – symbolized by the “green card” – is available under certain circumstances but has not been used commonly for the initial transfer of individuals to the U.S. Instead, the initial transfer has usually been made by using one of the nonimmigrant business visas. However, under the Immigration Act of 1990, it is possible for certain transferees to come into the U.S. on an immigrant visa, rather than a nonimmigrant visa, if planning and implementation of the transfer can begin several months – or possibly years – before the actual date of transfer.

Nonimmigrant Business Visas

B-1 (business visitor)

- Enables a businessperson to visit the U.S. for business-related stays of less than one year
- Allows for one or more possible extensions of stay and can apply from within the United States
- Permits the individual to attend business meetings, solicit sales under certain restrictions for the foreign company, and negotiate contracts
- Does not allow the individual to be employed in the U.S. although he or she may be reimbursed for legitimate business expenses



L-1 (intracompany transferee)

- Available for managers, executives, and individuals with specialized knowledge of the company's business or products who have worked abroad with a properly related company for at least one year within the preceding three years
- Limits the validity of the initial L-1 visa to one year for those being transferred to newly formed U.S. businesses – that is, those companies that have been doing business for less than one year
- Issues all other L-1 visas for an initial period of three years
- Extends the period of authorized L-1 stay for managers and executives, who are now classified as L-IAs, to seven years
- Allows those transferred in the specialized knowledge capacity – as L-1Bs – to remain in the U.S. for up to five years

LEGAL ASPECTS - VISA AND IMMIGRATION ISSUES

E

- Authorizes the employment by U.S. companies of executives, managers or other individuals who hold essential skills as provided for in a treaty or other agreement between the U.S. and many foreign countries
- Requires proof that substantial trade between the U.S. and the treaty country is being carried out by the U.S. company, and that a substantial investment has been made by an overseas company or by foreign nationals
- May be issued to the actual investor(s) or to employees of the investor company, though an employee must be of the same nationality as the foreign owner(s) of the U.S. company by which he will be employed
- Issued in increments of up to five years for managers and executives and three years for essential skills employees, but can be reissued indefinitely so long as the investment or trade and nationality requirements for eligibility continue to be met



Photo courtesy of G. Frysinger/Travel-Images.com

H-1B

- Available to individuals coming to the U.S. to be employed in specialty occupations that require the services of a professional, usually with a university degree, such as scientists, engineers, computer systems analysts, marketing specialists, etc.
- May be sought only after the prospective employer of an H-1B nonimmigrant has obtained approval of a Labor Condition Application from the U.S. Department of Labor
- Requires that the employer must attest, among other things, to pay the H-1B nonimmigrant at least the prevailing wage for the job or the actual wage paid to other workers similarly employed, whichever is greater
- May be issued for an initial three year period, and may be extended for an additional three years

O-1

- Available to aliens of exceptional ability, including in business
- Requires it be established that the individual has achieved national or international acclaim
- May be approved for an initial period of three years, and extensions may be granted in one year increments

Accompanying family members in the L-1, H-1 B, E and O-1 categories may obtain nonimmigrant visas that generally are valid for the same period of time as the visa of the principal beneficiary. However, family members may not engage in employment in the U.S. while in dependent nonimmigrant visa status.



LEGAL ASPECTS - ENVIRONMENTAL PERMITTING

North Carolina is committed to providing leadership, education and advocacy for the responsible stewardship and sustainable development of North Carolina's environment and natural resources. The state has been delegated permit and program authority by the Environmental Protection Agency for most major environmental programs. Among a variety of important environmental regulations, some of the most common addressed by North Carolina businesses include those relating to air pollution, surface and ground waters, wastewater and brownfields as well as developing areas of environmental concern.

North Carolina provides an abundance of support in identifying environmental regulations that affect companies and aiding them in securing the necessary permits to maintain compliance. Various divisions of the N.C. Department of Environment and Natural Resources (DENR) issue most of the North Carolina environmental permits. Each DENR agency can provide information and application forms for the permits they issue. The Business and Industry Division of the N.C. Department of Commerce also provides professional assistance in identifying and acquiring required permits.

Common Environmental Permits in North Carolina

The types of permits that may be required of an industry are determined by the location of the project, the resources that will be extracted, the disposal of any residuals, and/or the method of residuals disposal. Some of the most commonly applicable environmental permit requirements in North Carolina relate to:

Air Pollution Source or Abatement Facilities

A permit must be obtained before:

- Establishing or operating any air contaminant source
- Building, erecting, using or operating any

equipment which may result in the emission of air contaminants or which is likely to cause air pollution

- Altering or changing the construction or method of operation of any equipment or process from which air contaminants are or may be emitted
- Entering into an irrevocable contract for the construction and installation of any air-cleaning device, or allow or cause such device to be constructed, installed or operated

Withdrawal of Surface or Ground Waters

A permit from a state agency may be required prior to withdrawing or utilizing surface waters or groundwater, depending on the daily volume of the withdrawal, location of the waters, environmental impact of the withdrawal, and other factors. Local authorities usually will have zoning or health requirements that require a local permit or authorization.

All persons and units of local government constructing or altering a public water system must give prior notice and submit plans, specifications and other information to the state for determination of compliance with applicable State statutes and rules.



LEGAL ASPECTS - ENVIRONMENTAL PERMITTING

Wastewater Treatment Facilities

A permit may be required for facilities that discharge into a municipal system or Publicly Owned Treatment Works (POTW). This permit is issued by the municipality which owns the treatment system and may require initial treatment by the user prior to discharge. The terms and conditions of the permit are based on the capacity of the POTW.

For those facilities discharging to surface waters, a permit also is required before making any outlets into the waters of the state. In addition, facilities that discharge wastewater into a surface water body require a permit under the National Pollutants Discharge Elimination System. This kind of permit requires an Authorization to Construct from the state, to confirm the proposed facilities will meet the NPDES limits, before construction of the facilities can begin.

Brownfields

Property that is abandoned, idled or underused because of actual or possible environmental contamination and that is or may be subject to remediation under specified state or federal remediation programs is known as “brownfields property.” Brownfields often remains undeveloped because the cost of remediation to normal standards is prohibitive.

As a result, the Brownfields Property Reuse Act

permits a developer to enter into an agreement, known as the “brownfields agreement” with the DENR under which the developer agrees to undertake limited remediation and to develop the property for a use that is safe to the public. In exchange, the developer is absolved from liability for failing to undertake more extensive remediation efforts.

As an added incentive to brownfields redevelopment, the owner of a brownfields property is entitled to exclude a portion of the appraised value of qualifying improvements made to the property for the first five years after their completion. To qualify for the partial exclusion, the property must qualify for a brownfields agreement. The improvements to the property must be made after the date of the brownfields agreement.

In the first taxable year after the qualifying improvements are completed, 90 percent of the appraised value of the improvements are excluded from tax. The percentage of the value excluded from tax declines to 75 percent in the second year after completion, 50 percent in the third year, 30 percent in the fourth year, and 10 percent in the fifth year. In the sixth year and thereafter, the improvements are fully taxable. The improvements must be appraised annually during the five-year exclusion period.



Photos courtesy of www.ncbrownfields.org



LEGAL ASPECTS - ENVIRONMENTAL PERMITTING

Development in Areas of Environmental Concern

Under the authority of the Coastal Area Management Act, any development in an “Area of Environmental Concern” must first obtain a permit from the Division of Coastal Management in addition to any other required state or local permit. “Areas of Environmental Concern” are located in a 20-county area bordering the Atlantic Ocean or any of the sounds of the state and include:

- Coastal wetlands
- Estuarine waters
- Renewable resource areas
- Fragile or historic areas
- Waterways and lands under or flowed by tidal waters or navigable waters
- Natural-hazard areas where uncontrolled or incompatible development could unreasonably endanger life or property
- Areas that are or may be impacted by key facilities
- Outstanding resource waters
- Primary nursery areas

While a state permit is required for any project defined as a “major development,” under an expedited procedure, a permit for any project defined as a “minor development” can be obtained from the appropriate city or county, with an approved implementation and enforcement program. If a local approved program is not available, the minor development permit can be obtained from the state. Any utility facility for the development, generation or transmission of energy is subject to the Coastal Resources Commission permits for such facilities.



• A 20-county area in North Carolina is under the authority of the Coastal Area Management Act.





LEGAL ASPECTS - LABOR ISSUES

Among labor issues, two key considerations are wages and safety requirements.

Wages

- The minimum hourly wage in North Carolina is \$7.25. Overtime is based on hours actually worked in a workweek and is generally paid for hours in excess of 40. Some exceptions and alternate methods of calculation are allowed.
- Youth employment certificates are required for most workers aged 14 through 17. Hazardous work is not permitted. No youth under the age of 18 regularly enrolled in school may work between 11:00 p.m. and 5:00 a.m. when there is school the next day unless written permission is obtained from the school principal and the parent or guardian. Work rules for individuals 14-15 years of age are established and enforced by the Commissioner of Labor.
- Wages are due on the regular payday. Employees must be notified of pay policies, rates and paydays. Deductions from paychecks, other than those required by law, may be made only with an employee's prior written authorization.
- If the amount of wages is in dispute, acceptance of partial payment by an employee does not constitute a release of the balance of the claim. Any release of claim required by an employer as a condition of partial payment is void.
- The minimum wage and overtime provisions generally apply to all North Carolina businesses that are not subject to the Federal Fair Labor Standards Act, but some employees and establishments are exempt.
- The Wage and Hour Office of the Department of Labor investigates complaints and collects back wages if they are due to an employee. The state may bring civil or criminal actions against an employer for violations of the law. An employee may also sue the employer for back wages.

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*The minimum hourly wage in
North Carolina is \$7.25.*
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LEGAL ASPECTS - LABOR ISSUES

Occupational Safety & Health Act

- The Occupational Safety and Health Act of North Carolina provides safety and health protection for workers. Patterned after the federal Occupational Safety and Health Act of 1970, the purpose of the statute is “to assure so far as possible every working man and woman in the state of North Carolina safe and healthful working conditions and to preserve our human resources.”
- The North Carolina Department of Labor has primary responsibility for administering the act. The department issues job safety and health standards, inspects work places and promotes safe and healthful working conditions. The act spells out the rights and obligations of both employers and employees, and establishes penalties and procedures for independent review of administrative actions.
- The Occupational Safety and Health Act of North Carolina covers every employer who has one or more employees. However, the act does not affect work places covered by the Federal Mine Safety and Health Act or those covered by certain other federal safety and health laws.
- Safety officers from the Department of Labor conduct periodic job-site inspections. The law requires a representative of the employer and an employee authorized by the other employees be given an opportunity to accompany the safety officer to assist in the inspection. Workers have the right to notify the Department of Labor and to request an inspection if they believe that unsafe and unhealthy conditions exist at their work site. In addition, employees have the right to bring unsafe conditions to the attention of the safety officer making the inspection. When the Department of Labor finds health and safety violations, a citation of violation and a proposed monetary penalty is issued to the employer.
- Citations must be prominently displayed at or near the place of violation.



• The N.C. Department of
• Labor works to assure
• safe and healthful working
• conditions.



LEGAL ASPECTS - PLANNING AND DEVELOPMENT

North Carolina cities and counties enjoy broad authority delegated to them by the state to make plans for and exercise control over the quality of city and county development. Most cities and more than half of the state's 100 counties have planning programs covering their geographical area of jurisdiction. Among these planning and development considerations, zoning and building codes are key for many new and expanding businesses.

Zoning

North Carolina cities and towns have authority to adopt zoning ordinances that specify both the use of a particular piece of property and the intensity of its development. Density regulation is accomplished through such restrictions as minimum lot area, building height and bulk controls, and setbacks from street and lot lines. Off-street parking, and the size and location of signs usually are regulated by zoning ordinances.

All cities and towns may extend their zoning authority for one mile beyond the corporate limits. Cities with a population of 10,000 to 25,000 may extend their jurisdiction up to two miles, and those with populations in excess of 25,000 may regulate development for up to three miles beyond the city limits. A city's limits of extraterritorial jurisdiction are the same for

zoning, subdivision regulations, a minimum housing standard ordinance, enforcement of the state building code, regulations aimed at protecting historic buildings and districts, acquiring open space, and establishing community appearance commissions.

County zoning jurisdiction begins where that of the city ends, and a county zoning ordinance may extend either throughout the remainder of the county – that is, outside the jurisdiction of cities – or merely to smaller areas that need such regulation. At the request of a city, the county also may zone areas inside the city's jurisdiction. In adopting zoning regulations, the city or county governing board must consider the character of each zoning district and its special suitability for particular types of use restrictions. In addition to being reasonable in their application to particular properties, the zoning regulations also must be uniform within each district.

Building Codes

Unlike most states, North Carolina has a uniform, statewide building code. The state building code applies to all structures except farm buildings. Responsibility for enforcing building regulations is divided among the cities and counties, the N.C. Department of Insurance, and other agencies.



• North Carolina has a
• uniform statewide building
• code.