

# NORTH CAROLINA

## COUNTY GOVERNMENT OVERVIEW

### Counties

100

### Government Form<sup>1</sup>

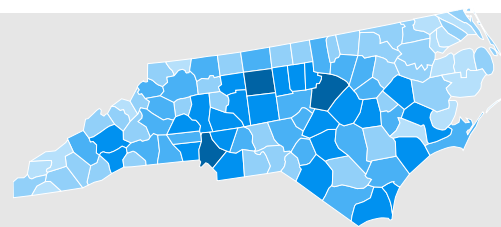
Traditional<sup>1</sup>

### Governing Body Size

5+

### Population (2020)

10.4 million<sup>2</sup>



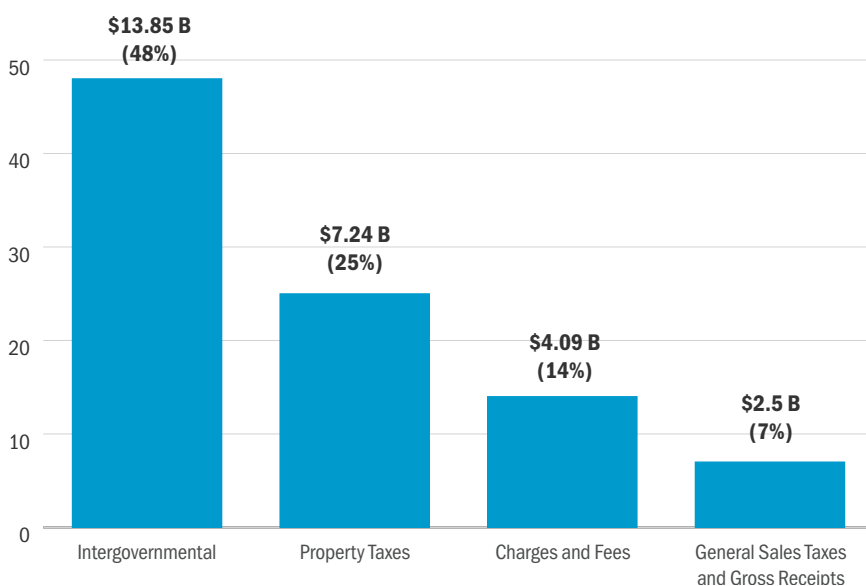
60 15,000 50,000 100.0K 500.0K 10.0M

Population (2020)

### County Authority

**Somewhat Restrictive (Flexible Dillon's Rule):** In general, counties or joint city-county governments in North Carolina are not granted home rule power and may only exercise the powers that have been explicitly granted by the state. However, instead of being narrowly construed, there are specific statutes directing courts to broadly interpret the grants of authority.

## TOP REVENUE SOURCES FOR NORTH CAROLINA COUNTIES



Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance, 2017

<sup>1</sup>"Government Form" refers to the distribution of executive decision making authority in a county. "Traditional" county states mandate that counties exercise executive decision making power solely through the board of elected officials (commissioners, supervisors, etc.). "Reformed" county states mandate that counties employ an elected or appointed county executive, manager or similar position to take on at least some of the county's executive decision making authority. "Mixed" county states means that some counties in that state are "traditional" and some are "reformed."

<sup>2</sup>NACo Analysis of U.S. Census Bureau - 2020 Decennial Census

### Summary of County Services

#### Services counties MUST provide:

- Provide and support social service programs.
- Administer child welfare services.

#### Services counties MAY provide:

- Operate public enterprises to deliver water and sewage.
- Build and operate public library systems.
- Provide fire and ambulance services.

#### Services counties CANNOT provide:

- Construct or maintain public roads, highways and bridges.

# STRUCTURE/AUTHORITY

## SUMMARY

North Carolina counties are governed by general law and the authority granted by individual statutes. Counties are governed by a board of five or more commissioners whose members are both the legislative and executive leaders of the government. Boards may appoint a non-executive county manager to serve at the will of the board as the chief administrative officer, responsible for overseeing much of the internal government operations. Counties may consolidate with a city to form a joint city-county government, the provisions of which include the state laws that apply to cities and the state laws that apply to counties.

Row Officers	Elected/ Appointed	Mandatory/ Optional
Clerk	Appointed	Mandatory
Register of Deeds*	Elected	Mandatory
Sheriff	Elected	Mandatory

\*The board may also designate the register of deeds or any other county officer or employee as clerk.



## COUNTY STRUCTURE

**Legislative Branch:** A board of five or more commissioners acts as the legislative decision-making body for all counties. The board sets the number of elector districts, which also determines the number of board members.

**Executive Branch:** A board of at least five members acts as the executive body. The board may form a county-manager plan to appoint a county manager. However, the manager is the chief administrative officer with little to no executive power.

**Judicial Branch:** There are 41 district court districts in North Carolina and a district court in each county seat. These district courts handle civil, criminal, juvenile and magistrate cases.

### Optional Forms of Government:

- Board of Commissioners
- Board-Manager



## COUNTY AUTHORITY

**Executive Power:** The board of commissioners may organize the county government to promote efficient administration of county affairs, except when in conflict with state law. The board is limited in its ability to reconfigure local education and health services.

**Ability to Form Partnerships:** Counties may consolidate with one or more counties and/or cities to form a regional planning commission to provide recommendations for land use. Counties and cities may form joint city-county governments. Counties may consolidate with cities for the joint delivery of several public services.

**Call a State of Emergency:** A county's governing body may declare a state of emergency. The county cannot affect municipal areas unless given consent by the municipal mayor or governing body. This power may be delegated to the chair of the board of commissioners.

**Special Districts:** There are 318 special service districts throughout North Carolina and 14 different types of service districts that may be defined by a board of county commissioners. A public hearing is required before any district may be established or abolished by the board.

# SERVICES

## OVERVIEW OF COUNTY SERVICES

North Carolina counties must or may provide many services, including public health, economic development programs, affordable housing and even animal shelters. In addition to the several services that counties may provide, counties must deliver social services programs, including those that focus on welfare, education and employment. Counties must also provide and maintain public school facilities. In general, county governments may enact these programs and therefore are not often required to hold public hearings. However, there are two major exceptions to this rule: counties must hold public hearings before enacting a zoning regulation ordinance and before adopting an annual budget.



### HEALTH AND HUMAN SERVICES

**Health, Generally:** Counties **must** provide public health, mental health, developmental disabilities and substance abuse programs. Counties may contract with any governmental agency or other entity to provide health or social services.

**County Health Departments:** Counties **must** provide public health services by either providing a county health department, establishing a consolidated human services agency, participating in a district health department or contracting with the state.

**Hospitals:** Counties **may** construct, operate and maintain hospitals. These may include mental health facilities and orthopedic hospitals. Counties may also cooperate with other public and private agencies on these services. Voters may also petition for a hospital district.

**Social Services:** Counties **must** provide social service programs and may undertake or support other social service programs intended for public health, welfare, education, employment, safety, comfort and convenience.

**Senior Care Facilities:** Counties **may** undertake programs and appropriate funds for the care of senior citizens including in-home services, food services and transportation. Counties may establish and operate a county home for sick and elderly residents.

**Child Welfare:** Counties **must** administer child welfare services.



### INFRASTRUCTURE

**Roads:** The **state** department of transportation is responsible for the construction and maintenance of all public roads, highways and bridges. In unincorporated areas, counties **may** permanently close public roads, except those controlled by the state.

**Railroad:** Counties **may** participate in state and federal railroad revitalization programs necessary to ensure rail service.

**Utilities:** Counties **may** operate public enterprises that deliver a variety of amenities, including water supply, waste treatment, airports, public transit, off street parking and storm water management. Other utilities are run by the **state** utilities commission which sets rates, inspects facilities and determines the need for expansion.

- **Water:** Counties **may** purchase and operate public enterprises to deliver water and sewage.
- **Solid Waste:** Counties **may** consolidate with any other local governments to form a regional solid waste management authority.
- **Electric:** The **state** provides energy facilities (e.g., dams and solar farms).
- **Gas:** The **state** provides gas facilities.

# SERVICES, CONTINUED



## PUBLIC AMENITIES

**Parks and Recreation:** Counties **may** operate a parks and recreation system as a line department or through a parks and recreation commission. Counties may fund the expansion of parks and recreational activities.

**Libraries:** Counties **may** establish, fund and operate public library systems. Counties may also set aside land and build libraries for public use.

**Cemeteries:** Counties **may** finance, provide and maintain cemetery districts.

**Animal Shelters:** Counties **may** establish, operate and maintain animal shelters.

**Environmental Preservation:** Counties **may** appropriate funds for environmental preservation, including beach erosion control, flood and hurricane protection, soil conservation and water conservation.



## ZONING AND DEVELOPMENT

**Zoning Power:** Counties **may** regulate construction and land use. Counties may also divide its jurisdiction into different types of districts including, but not limited to, general use, overlay, special use and conditional zoning districts.

**Zoning Restriction:** The boards of county commissioners **must** hold a public hearing before any zoning regulation ordinances may go into effect. Counties do not have zoning jurisdiction over municipalities or farmland.

**Permitting Fees:** Counties **may** create and fund an inspection department by implementing fees for inspections, issuing permits and similar services.

**Housing Authority:** If petitioned by residents, counties **may** approve the need for a housing authority. Two or more contiguous counties with an aggregate population of 60,000 or more may collaborate on a regional housing authority.

**Affordable Housing:** Counties **may** construct or acquire real property for affordable housing for low to moderate income residents.

**Economic Development:** Counties **may** establish an economic development and training district with an industrial park and a skills training center.

# SERVICES, CONTINUED



## PUBLIC SAFETY

**Law Enforcement:** Counties **may** establish law enforcement districts if the county's population is over 900,000. Counties may also regulate and prohibit actions by the public that would endanger the health or safety of its citizens.

**Jails:** Counties **may** establish and maintain confinement facilities. A juvenile detention facility may also be in the same facility as a county jail.

**Courthouses:** Counties with a district court **must** provide courthouses and other related judicial facilities. Court costs must be remitted to the county providing these facilities.

**Fire:** Counties **may** establish, support, fund and maintain a fire department. Counties may contract for fire services with other counties and cities and may provide financial assistance to volunteer fire departments.

**Ambulance:** Counties **may** franchise ambulance services. In lieu of franchising, counties may appropriate funding for operating or contracting ambulance services in all or a portion of the county.

**Disaster:** The **state** division of emergency management handles and coordinates disaster responses.



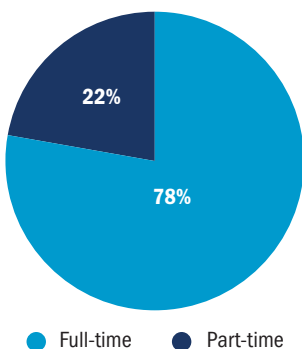
## SCHOOLS

**Education, Generally:** Counties **must** build, equip and maintain public school facilities. The **state** board of education must direct school operations, which counties may supplement with local funds.

**School Districts:** School districts in North Carolina (also called local education agencies) are governed by separately elected local boards of education.

**Community Colleges:** Community colleges are under the jurisdiction of the **state** board of community colleges, and receive facility funding from counties.

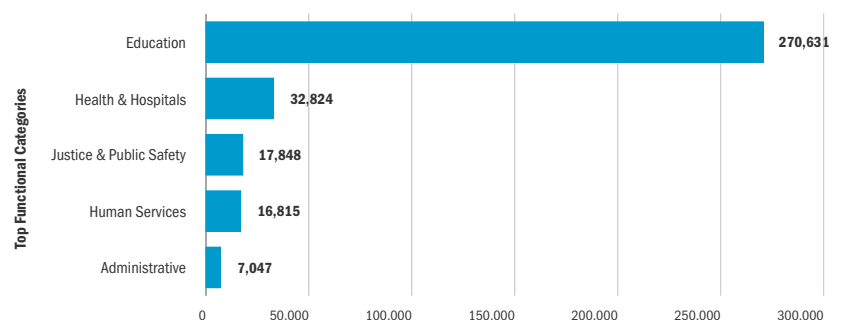
## NORTH CAROLINA COUNTIES EMPLOY 364,501 GOVERNMENT EMPLOYEES



Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Employment, 2017

\*Figure reported includes school personnel, who are state employees in North Carolina.

## NORTH CAROLINA COUNTY GOVERNMENT EMPLOYEES BY TOP FUNCTIONAL CATEGORIES



Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Employment, 2017

\*Figure reported includes school personnel, who are state employees in North Carolina.

# TAXATION/FINANCES

## OVERVIEW OF COUNTY FINANCE STRUCTURE

North Carolina counties only have the taxing authority that is provided by the state legislature. A county's ability to impose a sales and use tax has specific guidelines that determine how many separate sales and use taxes may be imposed, what the specific rate for each must be and the order in which they can be imposed. The statute also specifies the conditions that are required for a county to take on debt. North Carolina counties may levy taxes for owning pets, selling lodging services and leasing heavy equipment.



### FINANCES, TAXES AND LIMITATIONS

**Property Tax:** Counties **may** impose a property tax to pay for courthouses, jails, schools, debts, deficits, joint local government undertakings and social services, all without separate rate restrictions. The combined rate for property taxes imposed to fund the 37 specific services outlined in the state statute cannot exceed 1.5 percent unless the county receives an approving vote from the citizens.

**Poll and Capitation Taxes:** Counties **cannot** impose either poll or capitation taxes.

**Income Tax:** Counties **cannot** impose income taxes.

**Sales Tax:** Counties **may** levy local sales and use taxes with specific rates. All counties levy at least 2 percent. Counties may also choose to levy an additional general purpose 0.25 percent tax and/or a transit tax. The authorized transit tax rate varies by county and is either 0.25 or 0.5 percent. Each additional tax must be approved by voters.

**Mineral and Severance Taxes:** Counties **cannot** impose mineral, gas or severance taxes.

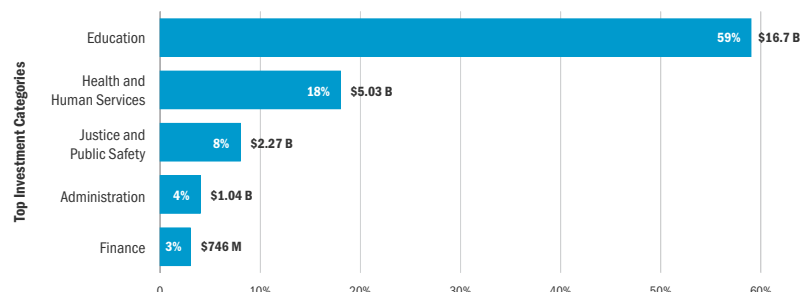
**Utility Tax Restrictions:** Counties **cannot** impose taxes for the use of natural gas, telecommunications, video programming or electricity.

**Debt and Debt Limit:** Counties **may** contract debts without an approving public vote for the following purposes: (1) funding an existing debt, (2) supplying an unforeseen deficiency, (3) borrowing to be repaid within the same fiscal year, (4) suppressing riots or insurrections and (5) responding to immediate threats of public health or safety.

#### Other Tax Info:

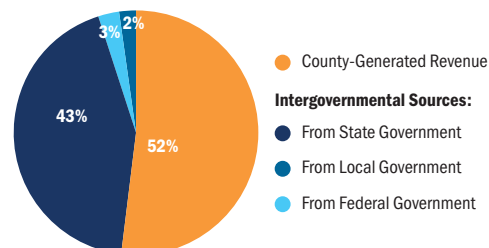
- **Animal Tax:** Counties **may** levy an annual license tax on keeping dogs and other pets within the county.
- **Room Occupancy Tax:** Counties with authorizing local legislation **may** levy a room occupancy tax on retailers of private lodging facilities.
- **Meals Tax:** Counties with authorizing local legislation **may** levy a local prepared foods and beverages tax in addition to state and local sales taxes.

## NORTH CAROLINA COUNTIES INVEST \$28.3 BILLION ANNUALLY



Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance, 2017

## NORTH CAROLINA COUNTIES RECEIVE \$13.8 BILLION FROM INTERGOVERNMENTAL SOURCES



Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance, 2017