

## Chapter 1

# An Overview of Local Government

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Under the American federal system, state governments are primarily responsible for all governmental functions not delegated to the federal government by the U.S. Constitution. Each of the fifty state governments has divided responsibility for all activities under its control between itself and its local units of government: cities and towns, counties, townships, school districts, other special districts, and authorities. The pattern of responsibility differs from state to state depending on that state's traditions, circumstances, and political judgments, but the state and one or more units of local government are collectively responsible for most of the governmental activities that affect citizens directly and often, such as the following:

Administration of the courts

Airports

Conduct of elections

Fire protection

Law enforcement

Mental health

Parks and recreation

Prisons and jails

Public education

Public health

Public libraries

Public water supply and distribution

Recording of documents

Regulation of land use and development

Regulation of individual conduct

Sewage collection and disposal

Social services

Solid waste collection and disposal

Streets and highways

This list is not comprehensive, but it does indicate the scope of responsibilities that are met by state government and the various kinds of local governments.

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## The Primacy of State Government

In North Carolina's governmental system some governmental activities are the responsibility of state government alone, such as regulation of insurance or provision of four-year public colleges and universities. Other activities are provided concurrently or collaboratively by state and local government, activities such as social services, public health, election administration, K-12 education, community colleges, and parks and recreation. Still other activities are provided only by local governments, such as water distribution and sewage collection and disposal, fire protection, and zoning and subdivision regulation. Even with this latter group of activities, however, there is frequently some degree of state supervision or coordination.

The decisions that have created the basic framework for local government in North Carolina, for example, what kinds of local governments there are; how those local governments are created, are structured, and may expand; what activities local governments are permitted to engage in, what activities they are required to engage in; and how they may raise the revenues necessary to pay for it all, have all been made at the state level. One source is the North Carolina Constitution. Although this document is mostly concerned with establishing certain rights guaranteed to the state's citizens and creating the basic structure of state government, it also includes a few provisions that directly affect local government, such as that each county will have an elected sheriff and that certain forms of local government borrowing require voter approval. More important to the day-to-day operations of local government, however, are the many decisions made over time by the North Carolina General Assembly, the entity with the primary constitutional power to structure and modify the provision of governmental activities within the state. In the absence of state constitutional or federal constitutional, statutory, or regulatory restriction, the General Assembly is free under North Carolina's governmental system to create, abolish, and govern cities, counties, and other local governments as it sees fit.<sup>1</sup> As the North Carolina Supreme Court stated in a case involving a county, local governments in this state "are subject to almost unlimited legislative control, except when the power is restricted by constitutional provisions."<sup>2</sup>

A corollary to this primacy of the General Assembly in establishing the system of local government in a state like North Carolina is the understanding the local governments are entities with delegated powers only. Unlike some states, North Carolina is not a *home rule* state, which means that only the General Assembly can empower local governments to act. They have no constitutional capacity to empower themselves in the absence of state legislative action. The mere lack of any prohibition on any specific local government action is not sufficient to allow that action; it must be grounded upon some sort of legislative authorization. It should be stressed, though, that the General Assembly has been generous in its authorizations to local government, and as a result there is ample statutory authority for almost any initiative a local government wishes to take.

The necessary legislative authorizations may take either of two forms: *general laws* that apply statewide or *local or special acts* that pertain exclusively to named counties, cities, or other local government entities.<sup>3</sup> North Carolina General Statutes (hereinafter G.S.) Chapter 160A, which governs the structure and operations of city governments, is an example of a general law; the legislative act creating a particular city, which contains its operating "constitution" or charter, is an example of a local act. One use of local acts is to permit local variation and experimentation. This activity was once denounced by students of government but is now seen as a useful device for exploring new ideas and approaches to government problems, although it occasionally is used by legislators to override decision making by a specific local government. Given this legislative flexibility, any discussion of city or county powers and responsibilities

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1. See N.C. Const. art. VII, sec. 1, first sentence: "The General Assembly shall provide for the organization and government and the fixing of boundaries of counties, cities and towns, and other governmental subdivisions, and, except as otherwise prohibited by this Constitution, may give such powers and duties to counties, cities and towns, and other governmental subdivisions as it may deem advisable."

2. *Martin v. Comm'rs of Wake Cnty.*, 208 N.C. 354 (1935).

3. The North Carolina Constitution contains a number of topical limitations on legislative authority to enact local acts. See, e.g., N.C. Const. art. II, sec. 24; art. V, sec. 2(2) and 2(3); and art. VI, sec. 3. N.C. Const. art. XIV, sec. 3, explains some of the constitutional formulations that restrict the enactment of local or special acts.

must always be prefaced with a caution that what is being said about cities or counties in general may not hold true for any particular jurisdiction.

## The Current System of Local Government

### County and City Governments

The dominant forms of local government in North Carolina are counties and cities. In North Carolina there is no legal distinction between a *city*, a *town*, or a *village*. Each is a *municipality*, and in this state a municipality may call itself by whichever designation it chooses, making that choice in its charter. Although *city* usually refers to a large municipality and *town* or *village* to a small one, there is no requirement that a particular municipality follow that general practice. The *Town* of Cary, for example, is now the seventh largest municipality in the state, while the *City* of High Shoals has a population of less than 700. In this volume *city* refers to municipalities of all sizes, both large and small.

Both counties and cities are general-purpose local governments, which means

- their governing boards are elected by the qualified voters of the county's or city's geographic area.
- they have the power to levy taxes.
- they may regulate conduct through adoption of *ordinances* (this ability is called the police power and is discussed in Chapter 5, "General Ordinance Authority.")
- they are authorized and, especially with counties, sometimes required to provide a broad range of services to their citizens.

Although some other types of local governments in the state have at least one of the previously listed characteristics (for example, sanitary district boards and boards of education are elected; boards of health may enact regulations related to health and airport authorities may enact rules governing conduct on airport property; and a wide range of entities from water and sewer districts to hospital authorities provide services), no other local governments combine all of these attributes in the way that counties and cities do. (Types of local governments beyond counties and cities are briefly described at the end of this section.)

Counties and cities historically served very different purposes. Originally, counties were established to serve state purposes, that is, to carry out government on behalf of the state. Sheriffs enforced the state's criminal laws and collected its taxes; registers of deeds recorded the state's deeds and other documents; justices of the peace and clerks of court presided over the lowest rung of the state's judicial system, and the justices established and maintained the state's roads. Over time, counties came to be seen as the local government that provided services that were needed by all citizens, regardless of where they lived. Therefore, as government began to provide statewide public education, public health services, and welfare services, it was counties that were given the responsibility. Cities, by contrast, were created to adopt regulations and provide services more appropriate to built-up or urban areas. Over time, this meant that cities provided water distribution or sewage collection and disposal, solid waste collection, fire protection, recreation, and similar services, and it was cities that first began to regulate land use and development.

Around the middle of twentieth century, citizens living outside cities began to request some of the governmental services characteristic of cities but not of counties. They wanted community water or sewer systems, organized fire protection, and recreational spaces or programs. They wanted to be able to dispose of their trash in some way other than dumping or burning. And they wanted the protection of zoning. The General Assembly's response, over time, was to empower counties to engage in these city-like activities. As a result, although counties continue to serve a crucial role in the provision of state government services, they also have been given the opportunity to provide a range of services almost comparable to those provided by cities. The current authorizations for county and city functions and activities is set out in Table 1.1, below.

**TABLE 1.1. Chief Services and Functions Authorized for City and County Government in North Carolina****Services and Functions Authorized for Counties Only**

1. Agricultural extension	6. Forest protection	10. Public schools
2. Community colleges	7. Juvenile detention homes	11. Register of deeds
3. County home	8. Medical examiner/coroner	12. Social services
4. Court system support	9. Public health	13. Soil and water conservation
5. Drainage of land		

**Services and Functions Authorized for Both Cities and Counties**

1. Aging programs	15. Community development	31. Open space
2. Air pollution control	16. Drug abuse programs	32. Parks
3. Airports	17. Economic development	33. Planning
4. Alcoholic rehabilitation	18. Fire protection	34. Ports and harbors
5. Ambulance services	19. Historic preservation	35. Public housing
6. Animal shelters	20. Hospitals	36. Railroad revitalization
7. Armories	21. Human relations	37. Recreation
8. Art galleries and museums	22. Industrial promotion	38. Rescue squads
9. Auditoriums and coliseums	23. Inspections	39. Senior citizens' programs
10. Beach erosion control and hurricane protection	24. Jails	40. Sewage collection and disposal
11. Bus lines and public transportation systems	25. Law enforcement	41. Solid waste collection and disposal
12. Civil defense and emergency management	26. Libraries	42. Storm drainage
13. Community action	27. Manpower	43. Urban redevelopment
14. Community appearance	28. Mental health	44. Veterans' services
	29. National Guard	45. Water
	30. Off-street parking	46. Watershed improvement

**Services and Functions Authorized for Cities Only**

1. Cable television and communication services	3. Electric systems	6. Street lighting
2. Cemeteries	4. Gas systems	7. Streets
	5. Sidewalks	8. Traffic engineering

As general purpose local governments, counties and cities have many similarities, and as the General Assembly has authorized counties to provide many of the services once provided by cities only, those similarities have grown. But there remain important differences between counties and cities.

**Geographic Extent**

All the land in North Carolina is within one or another of the one hundred counties, and, therefore, all the citizens of North Carolina live in a county. But not all live in a city. The municipal population of the state, as estimated by the State's Office of State Management and Budget, is only slightly more than 55 percent of the total state population.<sup>4</sup> Therefore, as noted above, if there is a local government service that is needed by all the state's citizens, it will almost certainly be one that is provided—probably exclusively—by county government.

Because the state's entire territory is allocated among the one hundred counties, those local governments have no need for any sort of annexation power. Cities do, however, have the capacity to grow territorially, and, therefore, over

4. The Office of State Management and Budget estimated the state's total population as of 2013 as 9,861,952 and estimated the total municipal population in North Carolina on that date as 5,488,775. These estimates are available at the office's website, [www.osbm.state.nc.us/ncosbm/facts\\_and\\_figures/socioeconomic\\_data/population\\_estimates.shtm](http://www.osbm.state.nc.us/ncosbm/facts_and_figures/socioeconomic_data/population_estimates.shtm).

the years the general assembly has given cities various sorts of annexation powers. The current annexation laws are summarized in Chapter 2, “Incorporation, Annexation, and City–County Consolidation.”<sup>5</sup>

### ***Authorized Activities***

Although in recent years counties have gained authority to provide many of the services traditionally provided by cities, there remain a number of city functions for which there is no comparable county authority, as is set out in Table 1.1, above. That table also demonstrates that there are a number of important county functions that cities are not authorized to provide. As the preceding paragraphs have discussed, these by and large are activities that the general assembly has determined should be provided to all the citizens of North Carolina and, therefore, should be provided by counties, the one form of general purpose local government that covers the entire state. County responsibility for these services is a continuing reminder of the counties’ historical role as an agency of state government.

### ***Mandated Activities***

As the General Assembly has turned to counties as the instrumentalities to provide certain services over the entire state, it has recognized that its goal of statewide provision of those services cannot be met unless the counties are required to provide the services. Therefore, counties are subject to a number of service mandates, which in total comprise well over half of any county’s annual budget. For many of these mandated activities, there is also a substantial degree of state government supervision of county operations. The following are the most important mandated activities for counties:

- Public education
- Social services
- Public health
- Mental health
- Jails
- Sheriff
- Medical examiner
- Support of the court system
- Emergency management
- Register of deeds
- Elections administration
- Building code enforcement
- Tax listing and assessment
- Emergency medical services

By contrast, the only mandated activity for cities is building code enforcement, and many smaller cities meet this obligation by contracting with the county to take responsibility for the function.<sup>6</sup> (Federal law requires that some larger cities engage in stormwater management.)

### ***Governmental Structure***

Counties are highly decentralized organizations. Two department heads, the sheriff and the register of deeds, are elected, and several important functions—including public education, community colleges, social services, public health, and mental health—are controlled by elected or appointed boards other than the board of county commissioners. These other boards appoint their own employees and make policy for the entities or county departments under their control.

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5. Although most cities are located within only one county, there is no legal reason for that to be so. Rather, city boundaries tend to follow development, which often pays no attention to county lines. There are at least thirty-four different cities in North Carolina that are in two or more counties; one, the city of High Point, is in four counties.

6. Cities that have been incorporated after 1999 are required to provide at least four services from a statutory list of eight in order to receive certain state-shared revenues, N.C. Gen. Stat. § 136-41.2(c), but such cities may choose to forego the revenues and a few have.

In addition, some members of some appointed boards are appointed by persons or entities other than the board of county commissioners.

Cities, on the other hand, are centralized organizations, with almost all employees reporting either to the manager or the governing board. A city manager has a great deal more day-to-day control over city-funded operations than does a county manager over county-funded operations.

### ***Partisan versus Nonpartisan***

All elected county officials in North Carolina—commissioners, sheriff, and register of deeds—are chosen through partisan elections. Almost all city elected officials, on the other hand, are elected in nonpartisan elections.<sup>7</sup> As a result, county elections are held in even-numbered years, at the same time as statewide and national elections, while city elections are held in odd-numbered years.

## **Other Types of Local Governments**

### ***School Administrative Units***

Substantially independent school districts in North Carolina were abolished in 1931. In their place the General Assembly created geographically defined school administrative units overseen by locally elected boards of education with no taxing power. These units are funded by counties and by the state and federal governments. (Elementary and secondary education is discussed in detail in Chapter 45, “The Governance and Funding Structure of North Carolina Public Schools.”)

### ***Special Districts and Authorities***

Special purpose governments also exist in North Carolina, but they have never been as widely used here as elsewhere in the nation. Generally, *special districts* are special purpose governments with taxing power, and *authorities* are such governments without taxing power. The two most common special districts in the state are the sanitary district and the rural fire protection district. North Carolina also has several types of authorities, the most common being

- housing authorities, created under G.S. Chapter 157.
- water and sewer authorities, created under G.S. Chapter 162A.
- airport authorities, usually created by local act of the General Assembly.

A few authorities are also involved in operating hospitals, public transportation, off-street parking facilities, and a variety of recreational facilities and activities. Many other states make much more extensive use of authorities, especially to operate revenue-producing enterprise activities.

### ***Townships***

North Carolina undertook a relatively brief experiment with township government after 1868, the township being a subdivision of the county with independent governmental powers and responsibilities. The experiment was mostly abandoned later in the nineteenth century, although townships remained involved in road construction and maintenance through the 1920s. Unlike some other states, townships exist today in North Carolina only as convenient administrative areas within counties, chiefly for tax-listing and sometimes to provide convenient boundary lines in the drawing of census districts and voting precincts. G.S. 153A-19 allows the board of commissioners to establish, abolish, and name townships, as long as specified procedures are followed.

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7. Cities can choose to use partisan elections, but only 7 out of more than 550 of the cities and towns do so.

## A Brief History of Local Government in North Carolina

We now turn to a discussion of the history of North Carolina counties, cities, and other local governmental units, followed by a summary of the current characteristics of local government in the state.

### Colonial Times through the Civil War

#### *Counties*

It was accepted from the earliest days of colonial government in North Carolina that governmental administration could not be efficiently centralized in the colonial capital. Therefore, following the English tradition, the colony established county governments for the local administration of many of the functions of government considered essential throughout the colony: administration of the court system, law enforcement, the conduct of elections, care of the poor, and maintenance of roads. Justices of the peace, as a body or court, administered the county's affairs, exercising both judicial and administrative powers. Independence from England brought no wrenching changes to this system. The county justices of the peace were appointed by the governor to serve at the pleasure of the governor, but in making his appointments the governor relied on recommendations from the General Assembly. Thus, as a matter of practical politics, the members of the legislature from a given county had a powerful voice in the selection of its justices of the peace and, therefore, in its government.

At first the justices appointed the sheriff, the coroner, and the constables; later, these offices were made elective. The sheriff and coroner were from the county at large and the constables from captains' districts (militia-mustering areas). The justices were also responsible for appointing a clerk of court, register of deeds, county attorney, county trustee (treasurer), surveyor, and overseers or wardens of the poor. In sum it was a system with very little direct control by the county's voters.

#### *Cities*

In contrast to the county, the colonial and early 1800s North Carolina towns, serving several hundred people, had few functions. They organized a town watch, established a volunteer fire department, built public wells, kept the streets in repair, occasionally (as in Fayetteville and Wilmington) built a town market, and passed ordinances to protect the public health and safety. The early towns supported their activities from fees, charges, fines and penalties, and revenue from the sale of lots.

North Carolina towns remained largely small trading centers and county seats until after 1865. They did not grow with industrialization during the antebellum period, as many northern cities did. Indeed, by 1850 only one North Carolina city, Wilmington, had a population as great as 5,000. As a result, North Carolina cities were a full half-century or more delayed in encountering a demand for such major municipal functions as water systems and paid police departments. Property, poll, and license taxes were introduced around 1800, but tax levies for cities and towns were very small until after the Civil War.

### Local Government from 1868 until 1900

The 1868 Reconstruction Constitution of North Carolina attempted a fundamental restructuring of county government. The justices of the peace were restricted to judicial functions, with county government administration transferred to newly constituted—and locally elected—boards of county commissioners. The constitution also added township governments, additional elected officials with limited responsibilities. When the so-called Conservatives regained political power in the 1870s, these constitutional changes were reversed. Township government was essentially abolished, and commissioners were made subservient to the reinstated justices of the peace.

This arrangement lasted for twenty years. In 1895 the ability of the people to elect commissioners was restored in most counties, and the requirement that the boards' decisions be approved by the justices of the peace was repealed. Popular election of the commissioners was finally restored in all counties in 1905.

The history of city government in this period was more tranquil. Between 1865 and 1900, city water and sewer systems were first introduced, largely through franchised private companies. Public transportation, such as streetcar

systems, was introduced under similar franchises, as were electric and telephone systems. Street lighting first became common. The large cities began to spend a lot of money on paving streets, just as the large counties began to pave the roads that led out from the cities. With the demand for paved streets and utilities came special assessments and water charges. Public health regulations also received an increased emphasis. Schools came to be operated by school districts, with better and more expensive schools in the cities and the towns. Wilmington reached a population of 10,000 in 1870, followed by Asheville, Charlotte, and Raleigh in 1880.

## **Cities and Counties in the Twentieth and Early Twenty-First Centuries**

### ***From 1900 through World War II***

The first three decades of the twentieth century continued the growth of North Carolina local government that had begun in the final decades of the nineteenth. Streets and roads were paved as the automobile became commonplace. Water and sewer systems came under public ownership as private companies found it difficult to maintain high-quality systems and still produce a profit. A number of cities acquired their own electric systems. Full-time city police departments were established, and full-time paid fire brigades began to supplement the efforts of volunteer companies. The first building codes were adopted. Public support for city and county libraries began, largely in response to Carnegie Foundation grants-in-aid for library construction. Public health departments were first established by counties.

In the 1920s the statewide system of primary highways connecting county seats and other principal cities and towns was established. Zoning was introduced, and the first county and city managers were appointed. The prosperity of the 1920s encouraged a significant growth of local government.

The Great Depression broke the expansion bubble. All services were cut back, and debt service obligations became a heavy burden. With no one to advise or warn them in marketing their securities, many cities and counties had overextended their obligations and saw their credit ratings drop so low that they had to pay crippling rates of interest; eventually, some faced bankruptcy. Defaults on bond obligations led the legislature to establish the County Government Advisory Commission in 1927 and to give it the supervisory powers necessary to correct the situation. This commission effected a reversal in local government financing. Its successor, the Local Government Commission, remains a bulwark of North Carolina government today. In addition, poor property tax collections threatened continued operation of county road systems and public schools. As a result, the state assumed responsibility for non-city roads in 1931 and for a minimum level of public education in 1933. Independent school districts were abolished.

With all of these changes, state and federal financial aid, virtually unknown until the Great Depression, became a significant source of local government revenue. Federal public works programs built many local government improvements, including the first water and sewer systems in many small towns. Federal aid led to uniform county responsibility for public welfare and encouraged development of health departments.

### ***1945 to the Present***

The immediate postwar period was a time of rapid urban growth and a very rapid expansion of local government facilities, first to make up deficiencies left from the depression and later to meet new demands, and there has been steady growth in the decades since. In most of this growth, counties and cities could rely and build upon their existing powers, but there were a number of major episodes of significant expansion in local government powers in the latter half of the twentieth century.

The 1959 General Assembly enacted a number of important pieces of legislation, some of which remains important today. The leading product of 1959 legislation was a city annexation procedure that remained in place until 2011, permitting cities to unilaterally annex areas that had become or were in the process of becoming urban in nature. Thoroughfare planning and land use planning and zoning enabling statutes were also passed in 1959, and both laws still exist in modified form. The thoroughfare statute places joint responsibility for thoroughfare planning and for adoption of a major thoroughfare plan on city councils and the state's Department of Transportation. The planning legislation significantly expanded on the prior powers of cities and counties to plan, zone, and regulate land development, and it provided for increased joint and cooperative activities by city and county governments. Finally, 1959 also saw the beginnings of today's extraterritorial jurisdiction (ETJ) statute that gives cities an ability to regulate development outside

their boundaries. Although smaller cities were not originally given ETJ authority, the extraterritorial jurisdiction law applies statewide today.

In 1967 the General Assembly established a Local Government Study Commission. It operated for six years, successfully proposing significant modernization in the constitutional provisions affecting local government finance, revising and modernizing the basic local government statutes, and transferring important decisions from the General Assembly to county commissioners and city councils. It also continued strengthening legal powers delegated to county government, for example, by extending to counties a general ordinance-making power.

The most significant change in city and county revenues in many years also came in 1967, when Mecklenburg County was authorized to “piggyback” a 1 percent local sales and use tax on the state’s general sales tax. The success of this tax in Mecklenburg quickly led to its authorization across the state. Since then, the rate has increased several times, and the tax is levied in all one hundred counties under arrangements by which the proceeds in each county are shared between the county government and the cities within it. The sales and use tax revenues have become especially important to local governments, because the past forty years have also witnessed a significant narrowing of the property tax base by the General Assembly.

The past several decades have seen the continued spread of the council–manager form of city government and the county manager form of county government in North Carolina. Nearly all cities with more than 10,000 citizens and many with lower populations use the council–manager form. About ninety-nine of North Carolina’s counties currently have a manager (the number varies slightly from year to year), although the powers of county managers, particularly over hiring and firing, may be restricted by the board of county commissioners in ways that are not possible under the city–manager system. In addition, an elected county commissioner can and sometimes does serve as the county manager. This is forbidden for cities.<sup>8</sup>

Changes have also occurred in local governing bodies and in city and county workforces. There has been some movement to various forms of district election of city council members and county commissioners, although the at-large method retains great popularity. There have also been marked increases in the numbers of women and African Americans elected to city and county offices.

The growth of North Carolina’s population and economic changes have created an increasing need for city and county governments to cooperate. Hundreds of cooperative arrangements have developed since 1970, varying from one unit contracting with another to the merger of functions. (See Chapter 11, “Interlocal Cooperation, Shared Services, and Regional Councils,” for a more detailed discussion.)

## North Carolina Local Government in the National Context

This chapter ends with a summary of important distinctions between North Carolina’s current pattern of local government and the patterns commonly found elsewhere. At least nine general distinguishing features can be identified:

1. *Primary state responsibility for financing education and highways.* Two functions for which state and local financial outlays are large—education and highways—are both financed primarily at the state level in North Carolina, and from taxes imposed by the state. All states support these two functions from the state treasury to some extent, but few to the degree that North Carolina does. In most states the local share of financial

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8. In the council–manager form of government, the city council makes planning and policy decisions, leaving the day-to-day administration of city affairs to a professional manager. In jurisdictions without a manager, all decisions concerning the city are entrusted to the council. The manager in cities operating under the council–manager plan has statutory hiring and firing authority for all city employees except those appointed directly by the council. Arrangements are more complex in counties, even with a manager, both for the reasons noted in the text and because of the existence of several boards besides the county commissioners with a role in making policy and choosing employees (e.g., the boards of health, mental health, and social services; the board of education; and the board of elections). For more information, see Chapter 3, “County and City Governing Boards”; Chapter 4, “County and City Managers”; and Part 8 describing county budgeting and particular county government functions.

responsibility is much greater, and in almost all states, but not North Carolina, county (or township) governments bear a major portion of the responsibility for roads outside municipalities. Moreover, in North Carolina the property tax is less important in financing these two functions than in the nation at large, because of the major state government responsibility.

2. *Primary county responsibility for areawide, or “human,” services at the local level.* A number of major services and functions, especially health, education, and welfare, are needed by people in both rural areas and urban areas. In North Carolina the local responsibility for these services and functions is vested in the county, the one type of unit that covers the entire state, and the county commissioners have limited discretion in whether or how much to fund them. In contrast, in other states these services and functions may be carried out at the state level or vested locally in cities, counties, special districts, or a combination thereof.
3. *Primary city responsibility for the high levels of some services that are needed in urban areas.* Fire protection, law enforcement, solid waste collection, water and sewer services, and street maintenance and improvement are all key city responsibilities in North Carolina, much as they are in many states. However, some states are more likely to use local authorities or special districts to provide water and sewer services, fire protection, and so forth.
4. *County authority to provide urban types of services.* North Carolina counties have extensive authority to provide water and sewer services, solid waste collection and disposal, fire protection, recreation, and other services needed by citizens. (As noted previously, counties still have no authority to build or maintain streets.) A county government may, if it chooses, provide urban types of services throughout the county’s unincorporated areas as may be necessary. Counties also frequently cooperate with cities in providing some of these services within city limits (see number 6). In some other states urban functions could be undertaken in unincorporated areas only by forming special districts or authorities.
5. *Extensive city and county authority to regulate and direct urban development.* Both cities and counties in North Carolina are broadly authorized to undertake planning programs and to regulate land use through zoning and subdivision control. Most cities have ETJ with respect to these controls. Local governmental units in other states also have such powers, but not all states grant such broad authority.
6. *Flexibility in city–county and multi-unit arrangements.* Cities and counties in North Carolina also have broad authority to take joint or parallel action or to contract with one another for performance of functions that both are authorized to undertake. Such agreements may range from the joint financing of a water line to the merging of tax collection or other offices.
7. *A model system for major thoroughfare planning.* Under a procedure established in 1959, each municipality and the state’s Department of Transportation jointly develop and adopt a major thoroughfare plan for the municipality and its surrounding area. North Carolina’s system is a nationally recognized approach that has served as a model for procedures adopted elsewhere.
8. *A state–local revenue system that relies on four main taxes.* The major taxes in North Carolina are the property tax, the general sales tax, the individual and corporate income taxes, and the gasoline tax. The property tax is levied by local governments only, the general sales tax by local and state governments, and the income and gasoline taxes by the state only (although the gasoline tax is shared with cities). Rates for the sales and income taxes are average to high compared to rates for the same types of taxes in some other states, whereas rates for the property tax are low compared with those found in many other places. In terms of responsiveness to the economy, the property tax everywhere tends to lag economic growth more than taxes tied directly to economic activity, such as income and sales taxes. Because the property tax is relatively less important in North Carolina than it is elsewhere, while income and sales taxes have greater significance, North Carolina’s total revenue structure tends to be somewhat more sensitive than most states’ tax programs to changes, positive or negative, in the economic environment.
9. *Reliance on general-purpose local governments.* At the local level in North Carolina, almost all governmental responsibilities have been vested in city and county governments, two general-purpose types of governmental units. The vast majority of expenditures of local governmental units in North Carolina are also made through

cities and counties. In many other states, special districts, school districts, and authorities are relatively much more important. The result is that North Carolina's urban areas generally do not have the multitude of overlapping units frequently found elsewhere.

## Summary

North Carolina's pattern of local government reflects an arrangement that is flexible and provides for much local control. The pattern has resulted in a relatively simple governmental structure, with few types of local government and limited overlapping jurisdictions and with both state and local financing being important. At least three main roles have been defined for local governments in this state.

The first major function of cities and counties is protection of the individual and the public as a whole. They carry out this responsibility through fire services and law enforcement (police and sheriff's departments), ordinances that protect the safety of individuals and the public at large from the acts of other persons, and ordinances that protect the use and value of property.

Local governments are also providers of many other services. Most cities provide a local street system, and some build and operate essential facilities such as electric and gas distribution systems. Counties support school systems and health, mental health, and social services programs. Both cities and counties operate water and sewer systems; collect solid waste; sometimes build and operate airports and auditoriums; and contribute to their citizens' cultural and leisure-time activities by supporting libraries, parks, and recreation programs.

Finally, local governments are a major factor in the continued economic development of the community. Cities, for example, share responsibility with the state for the street and highway system that is the key to effective transportation. Cities, counties, and some independent districts and authorities build and operate the water and sewer systems without which urban development is impossible. Local governments often directly support economic and industrial development bodies, sometimes alone and at other times in cooperation with other local governments. Cities, counties, and in some cases special local authorities provide the civic facilities such as parking, auditoriums, and airports that make an area attractive as an economic center. Local governments help to improve housing. Through all of these activities, local governments are involved in helping to build attractive, convenient, and appealing communities.

Local governments in North Carolina play a major role in providing the services and functions that are needed in an increasingly urbanized state that also contains large rural areas. They are created by the state legislature, and their powers and functions are authorized by that body. Although many North Carolina cities and counties provide similar kinds of services to other jurisdictions of the same type, each city and to a lesser extent each county has considerable flexibility in determining what functions it will undertake and at what level. Within the limitations prescribed by the state legislature and the courts, city councils and boards of county commissioners have discretion to provide the services and functions that will best serve the needs of their communities.

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## Additional Resources

- Adrian, Charles R. "Forms of City Government in American History." In *The Municipal Yearbook 1988*, 3–12. Washington, D.C.: International City Management Association, 1988.
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- Corbitt, David L. *Formation of North Carolina Counties, 1663–1943*. Raleigh, N.C.: North Carolina Department of Archives and History, 1950.
- Griffith, Ernest S. *A History of American City Government: The Progressive Years and Their Aftermath, 1900–1920*. New York: Praeger Publishers, for the National Municipal League, 1974.

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## **About the Author**

David M. Lawrence is a retired School of Government faculty member who specializes in local government law.

This chapter updates and revises the previous versions authored by A. Fleming Bell, II, Joseph S. Ferrell, and Warren Jake Wicker. The author is indebted to Professors Bell and Ferrell and to the late Professor Wicker for their work.

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