

Chapter 55.
North Carolina Business Corporation Act.
Article 1.
General Provisions.
Part 1. Short Title and Reservation of Power.

§ 55-1-01. Short title.

This Chapter shall be known and may be cited as the "North Carolina Business Corporation Act". (1955, c. 1371, s. 1; 1989, c. 265, s. 1.)

§ 55-1-02. Reservation of power to amend or repeal.

The General Assembly has power to amend or repeal all or part of this Chapter at any time and all domestic and foreign corporations subject to this Chapter are governed by the amendment or repeal. (1901, c. 2, s. 7; Rev., s. 1136; C.S., s. 1135; G.S. 55-36; 1955, c. 1371, s. 1; 1989, c. 265, s. 1.)

§§ 55-1-03 through 55-1-19. Reserved for future codification purposes.

Part 2. Filing Documents.

§ 55-1-20. Filing requirements.

(a) A document required or permitted by this Chapter to be filed by the Secretary of State must be filed under Chapter 55D of the General Statutes.

(b) A document submitted on behalf of a domestic or foreign corporation must be executed:

- (1) By the chair of its board of directors, by its president, or by another of its officers;
- (2) If directors have not been selected or the corporation has not been formed, by an incorporator; or
- (3) If the corporation is in the hands of a receiver, trustee, or other court-appointed fiduciary, by that fiduciary.

(c) through (i). Reserved.

(j) Repealed by Session Laws 2002-159, s. 15 effective October 11, 2002. (1955, c. 1371, s. 1; 1967, c. 13, s. 1; c. 823, s. 16; 1989, c. 265, s. 1; 1989 (Reg. Sess., 1990), c. 1024, s. 12.1(a); 1991, c. 645, s. 15; 1999-369, s. 1.1; 2001-358, ss. 3(a), 6(a); 2001-387, ss. 1, 155, 173; 2001-413, s. 6; 2002-159, s. 15.)

§ 55-1-21. Forms.

(a) The Secretary of State may promulgate and furnish on request forms for the following:

- (1) An application for a certificate of existence.
- (2) A foreign corporation's application for a certificate of authority to transact business in this State.
- (3) A foreign corporation's application for a certificate of withdrawal.
- (4) Repealed by Session Laws 1997-475, s. 6.2.

If the Secretary of State so requires, use of these forms is mandatory.

(b) The Secretary of State may promulgate and furnish on request forms for other documents required or permitted to be filed by this Chapter but their use is not mandatory. (1955, c. 1371, s. 1; 1989, c. 265, s. 1; 1997-475, s. 6.2.)

§ 55-1-22. Filing, service, and copying fees.

(a) The Secretary of State shall collect the following fees when the documents described in this subsection are delivered to the Secretary for filing:

1	Document	Fee
2	(1) Articles of incorporation	\$125.00
3	(2) Application for reserved name	30.00
4	(3) Notice of transfer of reserved name	10.00
5	(4) Application for registered name	10.00
6	(5) Application for renewal of registered name	10.00
7	(6) Corporation's statement of change of registered agent or registered	
8	office or both	5.00
9	(7) Agent's statement of change of registered office for each affected	
10	corporation	5.00
11	(8) Agent's statement of resignation	No fee
12	(9) Designation of registered agent or registered office or both	5.00
13	(10) Amendment of articles of incorporation	50.00
14	(11) Restated articles of incorporation	10.00
15	with amendment of articles	50.00
16	(12) Articles of merger or share exchange	50.00
17	(12a) Articles of conversion (other than articles of conversion included as	
18	part of another document)	50.00
19	(13) Articles of dissolution	30.00
20	(14) Articles of revocation of dissolution	10.00
21	(15) Certificate of administrative dissolution	No fee
22	(16) Application for reinstatement following administrative dissolution	100.00
23	(17) Certificate of reinstatement	No fee
24	(18) Certificate of judicial dissolution	No fee
25	(19) Application for certificate of authority	250.00
26	(20) Application for amended certificate of authority	75.00
27	(21) Application for certificate of withdrawal	25.00
28	(22) Certificate of revocation of authority to transact business	No fee
29	(23) Annual report (paper)	25.00
30	(23a) Annual report (electronic)	18.00
31	(24) Articles of correction	10.00
32	(25) Application for certificate of existence or authorization (paper)	15.00
33	(25a) Application for certificate of existence or authorization (electronic)	10.00
34	(26) Any other document required or permitted to be filed by this Chapter	10.00
35	(27) Repealed by Session Laws 2001-358, s. 6(b), effective January 1, 2002.	

36 (b) The Secretary of State shall collect a fee of ten dollars (\$10.00) each time process is
37 served on the Secretary under this Chapter. The party to a proceeding causing service of
38 process is entitled to recover this fee as costs if the party prevails in the proceeding.

39 (c) The Secretary of State shall collect the following fees for copying, comparing, and
40 certifying a copy of any filed document relating to a domestic or foreign corporation:

41 (1) One dollar (\$1.00) a page for copying or comparing a copy to the original.

42 (2) Fifteen dollars (\$15.00) for a paper certificate.

43 (3) Ten dollars (\$10.00) for an electronic certificate.

44 (d) The fee for the annual report in subdivision (23) of this section is nonrefundable.
45 (1957, c. 1180; 1967, c. 823, s. 20; 1969, c. 751, ss. 42, 43, 45; c. 797, ss. 4, 5; 1975, 2nd Sess.,
46 c. 981, s. 1; 1983, c. 713, ss. 32-38; 1989, c. 265, s. 1; c. 714; 1989 (Reg. Sess., 1990), c. 1057;
47 1991, c. 574, s. 1; 1997-456, s. 55.3; 1997-475, s. 5.1; 1997-485, s. 10; 2001-358, s. 6(b);
48 2001-387, ss. 2, 173; 2001-413, s. 6; 2002-126, ss. 29A.25, 29A.26; 2003-349, s. 7; 2007-323,
49 s. 30.6(a).)

1 §§ 55-1-22.1 through 55-1-27: Transferred to §§ 55D-11 through 55D-17 by Session Laws
2 2001-358, s. 3(b).

3
4 **§ 55-1-28. Certificate of existence.**

5 (a) Anyone may apply to the Secretary of State to furnish a certificate of existence for a
6 domestic corporation or a certificate of authorization for a foreign corporation.

7 (b) A certificate of existence or authorization sets forth:

- 8 (1) The domestic corporation's corporate name or the foreign corporation's
9 corporate name used in this State;
10 (2) That (i) the domestic corporation is duly incorporated under the law of this
11 State, the date of its incorporation, and the period of its duration if less than
12 perpetual; or (ii) that the foreign corporation is authorized to transact
13 business in this State;
14 (3) That the articles of incorporation of a domestic corporation or the certificate
15 of authority of a foreign corporation has not been suspended for failure to
16 comply with the Revenue Act of this State and that the corporation has not
17 been administratively dissolved for failure to comply with the provisions of
18 this Chapter;
19 (4) That its most recent annual report required by G.S. 55-16-22 either has been
20 delivered to the Secretary of State or is not delinquent;
21 (5) That articles of dissolution have not been filed; and
22 (6) Other facts of record in the office of the Secretary of State that may be
23 requested by the applicant.

24 (c) Subject to any qualification stated in the certificate, a certificate of existence or
25 authorization issued by the Secretary of State may be relied upon as conclusive evidence that
26 the domestic or foreign corporation is in existence or is authorized to transact business in this
27 State. (1955, c. 1371, s. 1; 1989, c. 265, s. 1; 1991, c. 645, s. 1; 1997-475, s. 6.3.)

28
29 **§ 55-1-29:** Transferred to § 55D-18 by Session Laws 2001-358, s. 3(b).

30
31 **Part 3. Secretary of State.**

32 **§ 55-1-30. Powers.**

33 The Secretary of State has the power reasonably necessary to perform the duties required of
34 him by this Chapter. (1955, c. 1371, s. 1; 1989, c. 265, s. 1.)

35
36 **§ 55-1-31. Interrogatories by Secretary of State.**

37 The Secretary of State may propound to any corporation, domestic or foreign which he has
38 reason to believe is subject to the provisions of this Chapter, and to any officer or director
39 thereof, such written interrogatories as may be reasonably necessary and proper to enable him
40 to ascertain whether such corporation is subject to the provisions of this Chapter or has
41 complied with all the provisions of this Chapter applicable to it. Subject to applicable
42 jurisdictional requirements, such interrogatories shall be answered within 30 days after the
43 mailing therefor, or within such additional time as shall be fixed by the Secretary of State, and
44 the answers thereto shall be full and complete and shall be made in writing and under oath. If
45 such interrogatories be directed to an individual they shall be answered by him, and if directed
46 to a corporation they shall be answered by the president, vice-president, secretary or assistant
47 secretary thereof. The Secretary of State shall certify to the Attorney General, for such action
48 as the Attorney General may deem appropriate, all interrogatories and answers thereto which
49 disclose a violation of any of the provisions of this Chapter, requiring or permitting action by
50 the Attorney General. (1955, c. 1371, s. 1; 1989, c. 265, s. 1.)

1 **§ 55-1-32. Penalties imposed upon corporations, officers, and directors for failure to**
2 **answer interrogatories.**

3 (a) The knowing failure or refusal of a domestic or foreign corporation to answer
4 truthfully and fully within the time prescribed in this Chapter interrogatories propounded by the
5 Secretary of State in accordance with the provisions of this Chapter shall constitute grounds for
6 administrative dissolution under G.S. 55-14-20 or for revocation under G.S. 55-15-30, as the
7 case may be.

8 (b) Each officer and director of a domestic or foreign corporation who knowingly fails or
9 refuses within the time prescribed by this Chapter to answer truthfully and fully interrogatories
10 propounded to him by the Secretary of State in accordance with the provisions of this Chapter
11 shall be guilty of a Class 1 misdemeanor. (1955, c. 1371, s. 1; 1989, c. 265, s. 1; 1993, c. 539, s.
12 440, c. 552, s. 3; 1994, Ex. Sess., c. 24, s. 14(c).)

13
14 **§ 55-1-33. Information disclosed by interrogatories.**

15 Interrogatories propounded by the Secretary of State and the answers thereto shall not be
16 open to public inspection nor shall the Secretary of State disclose any facts or information
17 obtained therefrom except insofar as his official duty may require the same to be made public
18 or in the event such interrogatories or the answers thereto are required for evidence in any
19 criminal proceedings or in any other action or proceedings by this State. (1955, c. 1371, s. 1;
20 1989, c. 265, s. 1.)

21
22 **§§ 55-1-34 through 55-1-39. Reserved for future codification purposes.**

23
24 Part 4. Definitions.

25 **§ 55-1-40. Chapter definitions.**

26 In this Chapter unless otherwise specifically provided:

- 27 (1) "Articles of incorporation" include amended and restated articles of
28 incorporation and articles of merger.
- 29 (2) "Authorized shares" means the shares of all classes a domestic or foreign
30 corporation is authorized to issue.
- 31 (2a) "Business entity," as used in G.S. 55-11-10 and Article 11A of this Chapter,
32 means a domestic corporation (including a professional corporation as
33 defined in G.S. 55B-2), a foreign corporation, a domestic or foreign
34 nonprofit corporation, a domestic or foreign limited liability company, a
35 domestic or foreign limited partnership, a registered limited liability
36 partnership or foreign limited liability partnership as defined in G.S. 59-32,
37 or any other partnership as defined in G.S. 59-36 whether or not formed
38 under the laws of this State.
- 39 (3) "Conspicuous" means so written that a reasonable person against whom the
40 writing is to operate should have noticed it. For example, printing in italics
41 or boldface or contrasting color, or typing in capitals or underlined, is
42 conspicuous.
- 43 (4) "Corporation" or "domestic corporation" means a corporation for profit or a
44 corporation having capital stock that is incorporated under or subject to the
45 provisions of this Chapter and that is not a foreign corporation except that in
46 G.S. 55-9-01 and G.S. 55-15-21 "corporation" includes domestic and foreign
47 corporations.
- 48 (5) "Deliver" includes mail.
- 49 (6) "Distribution" means a direct or indirect transfer of money or other property
50 (except its own shares) or incurrence of indebtedness by a corporation to or
51 for the benefit of its shareholders in respect of any of its shares. A

1 distribution may be in the form of a declaration or payment of a dividend; a
2 purchase, redemption, or other acquisition of shares; a distribution of
3 indebtedness; or otherwise.

4 (6a) "Dividend credit" as used in G.S. 55-6-01(d)(5) means the aggregate of all
5 yearly dividend credits. "Yearly dividend credit" means with respect to
6 noncumulative preferred shares, the amount by which the full dividend
7 preference of such a share, to the extent that such preference is earned by the
8 corporation with respect to such a share in a particular fiscal year, exceeds
9 the dividends paid on said share for that year; provided, that no dividend
10 credit shall accrue unless, and only to the extent that, there exists an earned
11 surplus at the end of such fiscal year. Computations of earnings allocable to
12 classes of shares made in good faith by the board of directors in accordance
13 with generally accepted accounting principles shall be conclusive. For the
14 purpose of this definition, a dividend is deemed paid if it has been declared
15 and funds for its payment have been set aside.

16 (6b) "Domestic limited liability company" has the same meaning as in G.S.
17 57C-1-03.

18 (6c) "Domestic limited partnership" has the same meaning as in G.S. 59-102.

19 (6d) "Domestic nonprofit corporation" means a corporation as defined in G.S.
20 55A-1-40.

21 (7) "Effective date of notice" is defined in G.S. 55-1-41.

22 (8) "Electronic" has the same meaning as in G.S. 66-312.

23 (8a) "Electronic record" has the same meaning as in G.S. 66-312.

24 (8b) "Electronic signature" has the same meaning as in G.S. 66-312.

25 (9) "Entity" includes (without limiting the meaning of such term in Article 9 of
26 this Chapter):

27 a. Any domestic or foreign:

28 1. Corporation; nonprofit corporation; professional corporation;

29 2. Limited liability company;

30 3. Profit and nonprofit unincorporated association; and

31 4. Business trust, estate, partnership, trust;

32 b. Two or more persons having a joint or common economic interest;
33 and

34 c. The United States, and any state and foreign government.

35 (10) "Foreign corporation" means a corporation for profit incorporated under a
36 law other than the law of this State.

37 (10a) "Foreign limited liability company" has the same meaning as in G.S.
38 57C-1-03.

39 (10b) "Foreign limited partnership" has the same meaning as in G.S. 59-102.

40 (10c) "Foreign nonprofit corporation" means a foreign corporation as defined in
41 G.S. 55A-1-40.

42 (11) "Governmental subdivision" includes authority, county, district, and
43 municipality.

44 (12) "Includes" means a partial definition.

45 (13) "Individual" denotes a natural person legally competent to act and also
46 includes the estate of an incompetent or deceased individual.

47 (13a) An item is "mailed" when it is deposited in the United States mail with
48 postage thereon prepaid and correctly addressed. When a corporation mails
49 an item to a shareholder, "correctly addressed" means addressed to the
50 shareholder's address as shown in the corporation's current record of
51 shareholders.

- 1 (14) "Means" denotes an exhaustive definition.
2 (14a) "Merger" as used in Article 9 includes a "share exchange" as used in Article
3 11.
4 (15) "Notice" includes demand and is defined in G.S. 55-1-41.
5 (16) "Person" includes individual and entity.
6 (17) "Principal office" means the office (in or out of this State) where the
7 principal executive offices of a domestic or foreign corporation are located,
8 as designated in its most recent annual report filed with the Secretary of
9 State or, in the case of a domestic or foreign corporation that has not yet
10 filed an annual report, in its articles of incorporation or application for a
11 certificate of authority, respectively.
12 (18) "Proceeding" includes civil suit and criminal, administrative, and
13 investigatory action.
14 (18a) "Public corporation" means any corporation that has a class of shares
15 registered under Section 12 of the Securities Exchange Act of 1934, as
16 amended (15 U.S.C. § 781).
17 (19) "Record date" means the date established under Article 6 or 7 on which a
18 corporation determines the identity of its shareholders for purposes of this
19 Chapter.
20 (20) "Secretary" means the corporate officer to whom the board of directors has
21 delegated responsibility under G.S. 55-8-40(c) for custody of the minutes of
22 the meetings of the board of directors and of the shareholders and for
23 authenticating records of the corporation.
24 (21) "Shares" means the units into which the proprietary interests in a corporation
25 are divided.
26 (22) "Shareholder" means the person in whose name shares are registered in the
27 records of a corporation or the beneficial owner of shares to the extent of the
28 rights granted by a nominee certificate on file with a corporation.
29 (23) "State", when referring to a part of the United States, includes a state and
30 commonwealth (and their agencies and governmental subdivisions) and a
31 territory and insular possession (and their agencies and governmental
32 subdivisions) of the United States.
33 (24) "Subscriber" means a person who subscribes for shares in a corporation,
34 whether before or after incorporation.
35 (24a) "Unincorporated entity" means a domestic or foreign limited liability
36 company, a domestic or foreign limited partnership, a registered limited
37 liability partnership or foreign limited liability partnership as defined in G.S.
38 59-32, or any other partnership as defined in G.S. 59-36, whether or not
39 formed under the laws of this State.
40 (25) "United States" includes district, authority, bureau, commission, department,
41 and any other agency of the United States.
42 (26) "Voting group" means all shares of one or more classes or series that under
43 the articles of incorporation or this Chapter are entitled to vote and be
44 counted together collectively on a matter at a meeting of shareholders. All
45 shares entitled by the articles of incorporation or this Chapter to vote
46 generally on the matter are for that purpose a single voting group. (1955, c.
47 1371, s. 1; 1959, c. 1316, s. 1; 1989, c. 265, s. 1; 1989 (Reg. Sess., 1990), c.
48 1024, s. 12.4; 1993, c. 552, s. 4; 1999-369, ss. 1.2, 1.3; 1999-456, s. 3;
49 2001-358, s. 5(a); 2001-387, ss. 3, 4, 5, 173, 175(a); 2001-413, s. 6;
50 2001-487, s. 62(a).
51

1 **§ 55-1-41. Notice.**

2 (a) Notice under this Chapter shall be in writing unless oral notice is authorized in the
3 corporation's articles of incorporation or bylaws and written notice is not specifically required
4 by this Chapter.

5 (b) Notice may be communicated in person; by electronic means; or by mail or private
6 carrier. If these forms of personal notice are impracticable as to one or more persons, notice
7 may be communicated to such persons by publishing notice in a newspaper in the county
8 wherein the corporation has its principal place of business in the State, or if it has no principal
9 place of business in the State, the county wherein it has its registered office; or by radio,
10 television, or other form of public broadcast communication.

11 (c) Written notice by a domestic or foreign corporation to its shareholder is effective
12 when deposited in the United States mail with postage thereon prepaid and correctly addressed
13 to the shareholder's address shown in the corporation's current record of shareholders. To the
14 extent the corporation pursuant to G.S. 55-1-50 and the shareholder have agreed, notice by a
15 domestic corporation to its shareholder in the form of an electronic record sent by electronic
16 means is effective when it is sent as provided in G.S. 66-325. A shareholder may terminate any
17 such agreement at any time on a prospective basis effective upon written notice of termination
18 to the corporation or upon such later date as may be specified in the notice.

19 (d) Written notice to a domestic or foreign corporation (authorized to transact business
20 in this State) may be addressed to its registered agent at its registered office or to the
21 corporation or its secretary at its principal office shown in its most recent annual report on file
22 in the office of the Secretary of State or, in the case of a domestic or foreign corporation that
23 has not yet filed an annual report, in its articles of incorporation or application for a certificate
24 of authority, respectively.

25 (e) Except as provided in subsection (c), written notice is effective at the earliest of the
26 following:

- 27 (1) When received;
- 28 (2) Five days after its deposit in the United States mail, as evidenced by the
29 postmark or otherwise, if mailed with at least first-class postage thereon
30 prepaid and correctly addressed;
- 31 (3) On the date shown on the return receipt, if sent by registered or certified
32 mail, return receipt requested, and the receipt is signed by or on behalf of the
33 addressee.

34 In the case of notice in the form of an electronic record sent by electronic means, the time
35 of receipt shall be determined as provided in G.S. 66-325.

36 (f) Oral notice is effective when actually communicated to the person entitled thereto.

37 (g) If this Chapter prescribes notice requirements for particular circumstances, those
38 requirements govern. If articles of incorporation or bylaws prescribe notice requirements not
39 inconsistent with this section or other provisions of this Chapter, those requirements govern.
40 (1989, c. 265, s. 1; 1993, c. 552, s. 5; 2001-387, s. 6.)

41
42 **§ 55-1-42. Number of shareholders.**

43 (a) For purposes of this Chapter, the following identified as a shareholder in a
44 corporation's current record of shareholders constitutes one shareholder:

- 45 (1) All co-owners of the same shares;
- 46 (2) A corporation, partnership, trust, estate, or other entity;
- 47 (3) The trustees, guardians, custodians, or other fiduciaries of a single trust,
48 estate, or account.

49 (b) For purposes of this Chapter, shareholdings registered in substantially similar names
50 constitute one shareholder if it is reasonable to believe that the names represent the same
51 person. (1989, c. 265, s. 1.)

1
2
3
4
5
6
7
8
9

§§ 55-1-43 through 55-1-49. Reserved for future codification purposes.

Part 5. Miscellaneous.

§ 55-1-50. Electronic transactions.

For purposes of applying Article 40 of Chapter 66 of the General Statutes to transactions under this Chapter, a corporation may agree to conduct a transaction by electronic means through provision in its articles of incorporation or bylaws or by action of its board of directors. (2001-387, s. 7.)