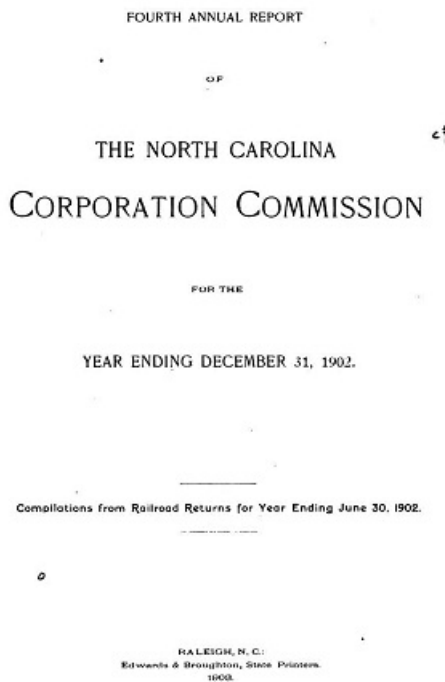


## **Corporation Commission** <sup>[1]</sup>



### **Title page of the Annual report of the North Carolina Corporation Commission for the year 1902**

### **<sup>[2]</sup>Corporation Commission**

by James L. Hunt, 2006

The North Carolina Corporation Commission was the principal state agency for the regulation of [railroads](#) <sup>[3]</sup>, [banks](#) <sup>[4]</sup>, and [electric utilities](#) <sup>[5]</sup> from 1899 to 1933. Created by the [General Assembly](#) <sup>[6]</sup> of 1899, it replaced the [Railroad Commission](#) <sup>[7]</sup> (1891-99). The move represented one of many efforts by state Democrats to secure their hold on political and economic power in the early twentieth century. It allowed them to wrest authority over banking, as well as railroads, from the non-Democrats in the state treasurer's and auditor's offices.

The most significant additions to Corporation Commission authority after 1900 resulted from the introduction of urban electric, gas, and sewer services, as well as the development of [motor vehicle transportation](#) <sup>[8]</sup>. In 1913 the legislature required the commission to fix rates for electric, gas, and sewer services, except for providers owned by municipal governments. In 1925 the commission was also directed to set rates and service conditions for new motor vehicle carrier operations, both passenger and freight. In the same year, it had to supervise the state's Capital Issues Act, which regulated the sale of many investment securities, including stocks and bonds. Despite its new responsibilities, between 1901 and 1930 railroad rate issues dominated the commission's work.

Both the growth in regulated businesses and the shocks of the Great Depression, including public dissatisfaction with the [regulation of utilities](#) <sup>[9]</sup> and a desire to cut costs, led to the demise of the Corporation Commission. In 1931 legislators stripped the commission of its authority over banks-in large part as a result of criticism of the commission's role in the increasing number of bank failures. In 1933 the General Assembly abolished the Corporation Commission altogether and replaced it with the [office of utilities commissioner](#) <sup>[9]</sup>, a post held by one elected official. Two associate commissioners, appointed by the governor, served at the commissioner's request. The 1933 legislature also rewrote many of the former commission's powers over utilities, particularly regarding the issuance of securities.

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