

June 07, 2022

KEEP DOING BUSINESS AS USUAL: RE-REGISTER YOUR ASSUMED NAME (DBA) BY DECEMBER 1ST, 2022

Some business owners choose to present their business to the public using a name different than its formal legal name. Many jurisdictions refer to this as a doing business as (or “DBA”) name, but under North Carolina law this is known as an “assumed name.” In 2017, North Carolina enacted new legislation as Chapter 66, Article 14A (the “Assumed Business Name Act”) which simplified the process by which businesses register an assumed name by creating a new public, state-wide database. This new filing system streamlines businesses’ ability to acquire a state-wide assumed name, but it also requires that businesses operating under an assumed name filed prior to the enactment of the Assumed Business Name Act re-register the assumed name before December 1st, 2022. Those businesses who do not re-register their assumed name prior to the expiration date risk losing access to their assumed names. Failure to properly register an assumed name creates the risk of personal liability for owners operating a business under a name other than the legal entity’s formal name because the benefit of limited liability is generally only granted to those using either such business entity’s formal name or a properly registered assumed name.

Registering an Assumed Name Before 2017

Prior to the 2017 law change, anytime a business registered for an assumed name in North Carolina, it would fill out a form and file the assumed name certificate in its local county register of deeds office, where it would be recorded in the county records. Unfortunately, if a business wanted to operate under that assumed name in multiple counties, it would have to file that same form with each prospective county’s register of deeds office. For businesses operating under an assumed name in all of North Carolina’s 100 counties, this meant 100 separate filings and an administrative headache. To modernize the process, the state legislature enacted the 2017 changes to the assumed name filing process and created a centralized database with the North Carolina Secretary of State’s office. This new consolidated system allows a business to efficiently file for an assumed name in as many or as few counties as it plans to operate (including all 100 counties) and the filing goes into the uniform state-wide database.

Businesses Have Until December 1, 2022 to Register a New Assumed Name Certificate

The North Carolina Secretary of State’s office began accepting assumed name certificates under the Assumed Business Name Act and the new filing system on December 1, 2017. To file for a new

assumed name certificate, a business needs to provide its assumed business name, its legal name and SOSID number, the nature of its business, the street address of the principal place of business, and the counties where the assumed business name will be used. Pursuant to the Assumed Business Name Act, all certifications of assumed names filed under the previous law, N.C.G.S. Chapter 66, Article 14, will expire on December 1, 2022. The expiration date is less than six months away, but there is still plenty of time to certify your assumed name under this new system.

JAH Can Help

The **corporate attorneys** at JAH are available to assist you with the forms and procedures required to remain in compliance with the new Assumed Business Name Act and retain the business name that your clients and customers see every day. Moreover, proper registration will maintain the crucial limited liability protection afforded to you under North Carolina business law. Click **here** to contact a member of our **Corporate Group** if you are in need of assistance.

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