

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 372

Short Title: Home-Based Business Fairness Act. (Public)

Sponsors: Representatives Johnson, Chesser, Rhyne, and Schietzelt (Primary Sponsors).

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Commerce and Economic Development, if favorable, State and Local Government, if favorable, Rules, Calendar, and Operations of the House

March 12, 2025

A BILL TO BE ENTITLED
AN ACT PROVIDING THAT CITIES SHALL NOT PROHIBIT CERTAIN HOME-BASED
BUSINESSES WITHIN THEIR JURISDICTIONAL LIMITS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 8 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"§ 160A-205.8. No-impact home-based businesses.

(a) A city shall not adopt an ordinance or other regulation prohibiting no-impact home-based businesses within its jurisdictional limits or require a person to apply, register, or obtain any permit, license, variance, or other type of approval to operate a no-impact home-based business within its jurisdictional limit. A city may impose reasonable regulations on no-impact home-based businesses if the regulations are narrowly tailored for any of the following purposes:

(1) Ensuring the protection of public health and safety, as allowed by law.

(2) Ensuring that the business activity meets all of the following:

- a. Is compatible with the residential use of the property and surrounding residential use.
- b. Is secondary to the use of the property as a residential dwelling.
- c. Complies with State and federal law, including the payment of applicable taxes.

(3) Prohibiting or limiting the use of no-impact home-based businesses for the purpose of selling illegal drugs, liquor, operating or maintaining a structured sober living home, pornography, obscenity, or nude or topless dancing or other adult-oriented businesses.

(b) A municipality shall not require as a condition of operating a no-impact home-based business that the owner or occupant of the property do the following:

(1) Submit a petition for rezoning the property for commercial use.

(2) Install or equip fire sprinklers in a single-family detached residential dwelling or any residential dwelling with not more than two dwelling units.

(c) The provisions of this section shall not apply if the operation of a no-impact home-based business is prohibited by the terms of:

(1) Any deed, covenant, or agreement restricting the use of the land.

(2) Any master deed, bylaws, or other documents applicable to a homeowners association.

(d) The following definitions apply in this section:



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- 1 (1) Goods. – Any merchandise, equipment, products, supplies, or materials.
- 2 (2) Home-based business. – Any business owned and operated by the owner or
- 3 occupant of the residential dwelling that manufactures, provides, or sells
- 4 goods or services.
- 5 (3) No-impact home-based business. – A no-impact home-based business for
- 6 which all of the following apply:
- 7 a. The total number of on-site employees and clients do not exceed the
- 8 municipality's occupancy limit for the residential property.
- 9 b. The business activities are characterized by all of the following:
- 10 1. Are limited to the sale of lawful goods and services.
- 11 2. Do not generate on-street parking or a substantial increase in
- 12 traffic through the residential area.
- 13 3. Occur inside or in the yard of the residential dwelling.
- 14 4. Are not visible from the street."

15 **SECTION 2.** This act is effective when it becomes law.