

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 372
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10141-LM-39

Short Title: Home-Based Business Fairness Act.

(Public)

Sponsors: Representative Johnson.

Referred to:

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

4 The General Assembly of North Carolina enacts:

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

7 "**§ 160A-205.8. No-impact home-based businesses.**

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

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

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

15 a. Is compatible with the residential use of the property and surrounding
16 residential use.

17 b. Is secondary to the use of the property as a residential dwelling.

18 c. Complies with State and federal law, including the payment of
19 applicable taxes.

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

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

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

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

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

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

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

34 (d) The following definitions apply in this section:

35 (1) Goods. – Any merchandise, equipment, products, supplies, or materials.



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

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