

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

H

1

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

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:



\* H 3 7 2 - V - 1 \*

- 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.