



HOUSE BILL 372: Home-Based Business Fairness Act.

2025-2026 General Assembly

Committee:	Senate Rules and Operations of the Senate	Date:	June 18, 2026
Introduced by:	Reps. Johnson, Chesser, Rhyne, Schietzelt	Prepared by:	Samantha Yarborough Committee Counsel
Analysis of:	Fifth Edition		

OVERVIEW: *House Bill 372 would limit the authority of cities to regulate no-impact home-based businesses, allowing no-impact home-based businesses to operate on property used for residential purposes, but would not override private land use restrictions contained in deeds or by-laws or other documents applicable to a homeowners association.*

CURRENT LAW: Under G.S. 160D-702, a city may adopt zoning regulations that regulate and restrict the location and use of buildings, structures, and land. A city may also by ordinance (i) define, prohibit, regulate, or abate acts or conditions that are detrimental to the health, safety, or welfare of its citizens and (ii) regulate and license businesses and prohibit businesses that may be injurious to the public health, welfare, and safety. (G.S. 160A-174, G.S. 160A-194)

BILL ANALYSIS: House Bill 372 would enact a new G.S. 160A-205.8 prohibiting cities from requiring no-impact home-based businesses to obtain approval to operate the business, to submit a petition to rezone the property for commercial use, or to install or equip fire sprinklers in a building subject to the North Carolina Residential Code. This prohibition would not apply to reasonable regulations narrowly tailored to do any of the following things:

- Ensure the protection of public health and safety.
- Ensure that the business activity is compatible with residential use or the property and surrounding residential properties.
- Ensure that the business is secondary to the use of the property as a residential dwelling and complies with State and federal law.
- Prohibit or limit use of the business for the purpose of selling illegal drugs, liquor, operating a sober living home, pornography, obscenity, or nude or topless dancing or other adult-oriented business.

As used in this section, "no-impact home-based business" would be defined as a business owned and operated by the owner or occupant of the residential dwelling for which the number of on-site employees and clients persons does not exceed the city's occupancy limit for the residential property, and whose business activities:

- Are limited to the sale of lawful goods and services.
- Do not generate on-street parking or a substantial increase in traffic through the residential area.
- Are not visible from the street.

EFFECTIVE DATE: House Bill 372 would be effective when it becomes law.

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