



This Bill Analysis reflects the contents of the bill as it was presented in committee.

HOUSE BILL 372: Home-Based Business Fairness Act.

2025-2026 General Assembly

Committee:	House Commerce and Economic Development. If favorable, re-refer to State and Local Government. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 1, 2025
Introduced by:	Reps. Johnson, Chesser, Rhyne, Schietzelt	Prepared by:	Greg Roney Staff Attorney
Analysis of:	First Edition		

OVERVIEW: House Bill 372 would limit the authority of municipalities to regulate no-impact home-based businesses, allowing no-impact home-based businesses to operate in residential neighborhoods. House Bill 372 would not override private land use restrictions such as deeds or home owners' association agreements.

CURRENT LAW: The General Assembly authorized municipalities to enact zoning ordinances which can limit commercial activity in areas zoned residential.

BILL ANALYSIS: House Bill 372 would limit the General Assembly's grant of certain police power to municipalities that allow municipalities to regulate business activity through zoning ordinances. No-impact home-based businesses would be allowed to operate without obtaining any permit or registering. However, a municipality may still impose reasonable regulations for the following:

- Ensuring the protection of public health and safety, as allowed by law.
- Ensuring that the business activity is compatible with the residential use of the property and surrounding residential properties, that the business is secondary to the use of the property as a residential dwelling, and that the business is in compliance with State and federal law.
- Prohibiting or limiting 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

A no-impact home-based business is defined as a business owned and operated by the owner or occupant of the residential dwelling. The business is limited to a total number of on-site employees and clients that does not exceed the municipality's occupancy limit for the residential property. The business may only sell lawful goods and services, can not generate on street parking or a substantial increase in traffic through the residential area, and can only operate outside the view from the street.

Finally, House Bill 372 would not override a private agreement limiting land use such as a deed containing a restrictive covenant or home owners' association (HOA) agreement.

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

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