

**House File 2005 - Introduced**

HOUSE FILE 2005

BY WILLS

**A BILL FOR**

1 An Act relating to the regulation of home-based businesses by  
2 counties and cities.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 335.35 **Home-based businesses.**

2 1. For purposes of this section:

3 a. "*Goods*" means any merchandise, equipment, products,  
4 supplies, or materials.

5 b. "*Home-based business*" means any business for the  
6 manufacture, provision, or sale of goods or services that is  
7 owned and operated by the owner or tenant of the residential  
8 property on which the business operates.

9 c. "*No-impact home-based business*" means a home-based  
10 business for which all of the following apply:

11 (1) The total number of on-site employees and clients does  
12 not exceed the county occupancy limit for the residential  
13 property.

14 (2) The business activities are characterized by all of the  
15 following:

16 (a) The activities are limited to the sale of lawful goods  
17 and services.

18 (b) The activities do not generate on-street parking or a  
19 substantial increase in traffic through the residential area.

20 (c) The activities occur inside the residential dwelling or  
21 in the yard of the residential property.

22 (d) The activities are not visible from a street adjacent to  
23 the residential property.

24 2. The use of a residential property for a home-based  
25 business is a permitted use. However, this subsection does not  
26 supersede any of the following:

27 a. A deed restriction, covenant, or agreement restricting  
28 the use of land.

29 b. A master deed, bylaw, or other document applicable to a  
30 common interest ownership community.

31 3. A county shall not prohibit a no-impact home-based  
32 business or otherwise require a person to apply, register, or  
33 obtain any permit, license, variance, or other type of prior  
34 approval from the county to operate a no-impact home-based  
35 business.

1 4. A county may establish reasonable regulations on a  
2 home-based business if the regulations are narrowly tailored  
3 for any of the following purposes:

4 a. The protection of the public health and safety, including  
5 rules and regulations related to fire or building codes, health  
6 and sanitation, transportation or traffic control, solid or  
7 hazardous waste, pollution, or noise control.

8 b. Ensuring that the business is all of the following:

9 (1) Compatible with residential use of the property and  
10 surrounding residential use.

11 (2) Secondary to the use of the property as a residence.

12 (3) Complying with state and federal laws and paying  
13 applicable taxes.

14 c. Limiting or prohibiting the operation of a home-based  
15 business for the purposes of selling alcoholic beverages or  
16 illegal drugs, operating or maintaining a structured sober  
17 living home, creating or selling pornography, providing nude  
18 or topless dancing, or operating any other adult-oriented  
19 business.

20 5. A county shall not require as a condition of operating a  
21 home-based business that the property be rezoned for commercial  
22 use or that the business owner install or equip fire sprinklers  
23 in a single-family detached residential dwelling or any  
24 residential dwelling with not more than two dwelling units.

25 6. In any proceeding alleging that a county regulation  
26 does not comply with this section, the county that enacted the  
27 regulation must establish by clear and convincing evidence that  
28 the regulation complies with this section.

29 **Sec. 2. NEW SECTION. 414.33 Home-based businesses.**

30 1. For purposes of this section:

31 a. "Goods" means any merchandise, equipment, products,  
32 supplies, or materials.

33 b. "Home-based business" means any business for the  
34 manufacture, provision, or sale of goods or services that is  
35 owned and operated by the owner or tenant of the residential

1 property on which the business operates.

2 *c. "No-impact home-based business"* means a home-based  
3 business for which all of the following apply:

4 (1) The total number of on-site employees and clients  
5 does not exceed the city occupancy limit for the residential  
6 property.

7 (2) The business activities are characterized by all of the  
8 following:

9 (a) The activities are limited to the sale of lawful goods  
10 and services.

11 (b) The activities do not generate on-street parking or a  
12 substantial increase in traffic through the residential area.

13 (c) The activities occur inside the residential dwelling or  
14 in the yard of the residential property.

15 (d) The activities are not visible from a street adjacent to  
16 the residential property.

17 2. The use of a residential property for a home-based  
18 business is a permitted use. However, this subsection does not  
19 supersede any of the following:

20 *a.* A deed restriction, covenant, or agreement restricting  
21 the use of land.

22 *b.* A master deed, bylaw, or other document applicable to a  
23 common interest ownership community.

24 3. A city shall not prohibit a no-impact home-based business  
25 or otherwise require a person to apply, register, or obtain any  
26 permit, license, variance, or other type of prior approval from  
27 the city to operate a no-impact home-based business.

28 4. A city may establish reasonable regulations on a  
29 home-based business if the regulations are narrowly tailored  
30 for any of the following purposes:

31 *a.* The protection of the public health and safety, including  
32 rules and regulations related to fire or building codes, health  
33 and sanitation, transportation or traffic control, solid or  
34 hazardous waste, pollution, or noise control.

35 *b.* Ensuring that the business is all of the following:

1 (1) Compatible with residential use of the property and  
2 surrounding residential use.

3 (2) Secondary to the use of the property as a residence.

4 (3) Complying with state and federal laws and paying  
5 applicable taxes.

6 c. Limiting or prohibiting the operation of a home-based  
7 business for the purposes of selling alcoholic beverages or  
8 illegal drugs, operating or maintaining a structured sober  
9 living home, creating or selling pornography, providing nude  
10 or topless dancing, or operating any other adult-oriented  
11 business.

12 5. A city shall not require as a condition of operating a  
13 home-based business that the property be rezoned for commercial  
14 use or that the business owner install or equip fire sprinklers  
15 in a single-family detached residential dwelling or any  
16 residential dwelling with not more than two dwelling units.

17 6. In any proceeding alleging that a city regulation  
18 does not comply with this section, the city that enacted the  
19 regulation must establish by clear and convincing evidence that  
20 the regulation complies with this section.

21 EXPLANATION

22 The inclusion of this explanation does not constitute agreement with  
23 the explanation's substance by the members of the general assembly.

24 This bill relates to the regulation of home-based businesses  
25 by counties and cities. The bill defines the terms "goods",  
26 "home-based business", and "no-impact home-based business".  
27 For purposes of local government regulation, the bill states  
28 that a home-based business is a generally permitted use of a  
29 residential property, other than as prohibited by covenant or  
30 ownership community agreement. The bill prohibits a county or  
31 city from prohibiting or requiring prior approval to operate  
32 a no-impact home-based business. The bill allows a county  
33 or city to regulate home-based businesses as long as such  
34 regulations are narrowly tailored to purposes provided in the  
35 bill. The bill prohibits a county or city from requiring

1 as a condition of operating a home-based business that the  
2 property be rezoned for commercial use or that the business  
3 owner install or equip fire sprinklers in a single-family  
4 detached residential dwelling or any residential dwelling with  
5 not more than two dwelling units. In any proceeding alleging  
6 that a regulation does not comply with the bill, the county or  
7 city that enacted the regulation must establish by clear and  
8 convincing evidence that the regulation complies with the bill.