

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 248
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30088-NN-7

Short Title: Live/Work Exemption for One-Family Dwellings. (Public)

Sponsors: Representative Roberson.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO EXEMPT CERTAIN OWNER-OCCUPIED, SINGLE-FAMILY DWELLINGS
3 WITH PERMITTED BUSINESS USES FROM THE LIVE/WORK REQUIREMENTS OF
4 THE NORTH CAROLINA BUILDING CODE.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.(a)** Definitions. – For purposes of this act, the following definitions
7 apply:

- 8 (1) Home business use. – An accessory commercial or professional activity
9 conducted by the owner-occupant within the dwelling that is incidental to the
10 primary residential use. To qualify as a "home business use," the business
11 must be operated directly by the owner-occupant and not leased or rented to a
12 third party.
13 (2) Live/work unit. – Under the North Carolina State Building Code, a dwelling
14 unit in which more than ten percent (10%) and less than fifty percent (50%)
15 of the space includes a nonresidential use that is operated by the tenant.
16 (3) Owner-occupied. – A dwelling that serves as the primary residence of at least
17 one record owner of the property. For purposes of this act, the owner must
18 physically reside in the dwelling. Temporary absences, such as military
19 deployment or seasonal travel, do not negate owner-occupancy so long as the
20 owner intends to return and no other person assumes primary occupancy.
21 (4) Single-family dwelling. – A residential building that contains only one
22 dwelling unit intended for occupancy by a single family or household and is
23 subject to the North Carolina Residential Code.

24 **SECTION 1.(b)** Classification and Exemption. – An owner-occupied, single-family
25 dwelling with a home business use, as defined in subsection (a) of this section, shall be subject
26 solely to the same provisions of the North Carolina State Building Code that would apply if the
27 dwelling had no home business use, subject to the conditions of subsection (c) of this section.
28 Notwithstanding any provision of law or code to the contrary, the presence of a home business
29 use shall not:

- 30 (1) Alter the dwelling's classification as a single-family residence subject to the
31 North Carolina Residential Code for One- and Two-family dwellings;
32 (2) Cause any portion of the dwelling to be considered a separate occupancy or
33 trigger live/work, mixed-use, or commercial requirements under the North
34 Carolina Building Code; or
35 (3) Impose any additional requirements under the North Carolina State Building
36 Code that would not otherwise apply to a single-family dwelling.



1 All other applicable requirements under the North Carolina Residential Code for a
2 single-family dwelling remain in effect.

3 **SECTION 1.(c)** Conditions for Exemption. – A dwelling qualifies for the exemption
4 under subsection (b) of this section only if all of the following conditions are met:

- 5 (1) Owner-occupancy. – The dwelling is occupied by the business owner as the
6 owner's primary residence.
- 7 (2) Home business use. – The activity conducted in the area of the dwelling used
8 for business meets the definition of "home business use" as defined in
9 subsection (a) of this section.
- 10 (3) Local zoning compliance. – The home business use of the dwelling is
11 permitted under applicable local zoning law and is otherwise lawful.

12 **SECTION 1.(d)** Loss of Exemption. – If at any time the dwelling ceases to meet any
13 condition of subsection (c) of this section, the exemption provided by subsection (b) of this
14 section shall automatically terminate. Upon the termination of the exemption, the dwelling shall
15 thereafter be subject to any applicable occupancy classification and associated requirements of
16 the North Carolina State Building Code.

17 **SECTION 2.(a)** Prohibition on Reclassification and Change of Occupancy. –
18 Notwithstanding G.S. 160D-1115 or any other law, a dwelling exempt under Section 1 of this act
19 shall not be reclassified as a live/work unit, commercial occupancy, or mixed occupancy solely
20 because of the presence of a home business use, and no reinspection or reissuance of a certificate
21 of occupancy shall be required solely on that basis.

22 **SECTION 2.(b)** Preemption of Local Ordinances. – No county or municipality shall
23 enact or enforce any ordinance, rule, or policy that:

- 24 (1) Requires an owner-occupied, single-family dwelling meeting the exemption
25 requirements of Section 1(b) of this act to be classified or regulated under the
26 commercial or live/work provisions of the North Carolina Building Code; or
- 27 (2) Imposes any construction, fire-safety, or structural requirement more stringent
28 than, or in addition to, those specified by the North Carolina Residential Code
29 for single-family dwellings, solely because the dwelling is used for a home
30 business use meeting the requirements of Section 1(b) of this act.

31 **SECTION 2.(c)** To implement the provisions of this act, the following shall apply:

- 32 (1) The North Carolina Building Code Council shall adopt permanent rules to
33 amend the applicable provisions of the North Carolina State Building Code in
34 a manner consistent with the provisions of Section 1 of this act.
- 35 (2) The North Carolina Residential Code Council shall adopt permanent rules to
36 amend the applicable provisions of the North Carolina Residential Code in a
37 manner consistent with the provisions of Section 1 of this act.
- 38 (3) Notwithstanding G.S. 150B-19(4), the rules adopted pursuant to this section
39 shall be substantively identical to the provisions of Section 1 of this act and
40 shall become effective as provided in G.S. 150B-21.3(b)(1), as though 10 or
41 more written objections had been received in accordance with
42 G.S. 150B-21.3(b)(2).
- 43 (4) Rules adopted under this section shall not be subject to review under Part 3 of
44 Article 2A of Chapter 150B of the General Statutes.

45 **SECTION 2.(d)** Sunset. – Section 1 of this act shall expire on the date that permanent
46 rules adopted by the North Carolina Building Code Council and North Carolina Residential Code
47 Council under subsection (c) of this section become effective.

48 **SECTION 2.(e)** Exceptions and Limitations. – The provisions of this section are
49 subject to the following exceptions and clarification:

- 50 (1) Local zoning and police powers. – Nothing in this act shall be construed to
51 limit or modify the authority of a county or municipality to regulate land use

1 or to prohibit or restrict particular business activities under its zoning or police
2 powers, including, but not limited to, adult establishments as defined in
3 G.S. 14-202.10, uses involving highly flammable materials, or other
4 operations deemed unlawful or hazardous under State or federal law.

5 (2) Private covenants not superseded. – This act does not supersede any valid
6 private covenant, deed restriction, or homeowners' association bylaw that
7 prohibits or limits home-based businesses. Property owners remain subject to
8 any private land-use restrictions that apply to their property, and nothing in
9 this section shall be construed to alter or invalidate such private agreements.

10 (3) Compliance with other laws. – A home-based business shall comply with all
11 applicable State and federal laws, rules, and regulations, including health and
12 safety laws, occupational licensing requirements, and environmental
13 standards. Nothing in this act shall be construed to exempt a home-based
14 business from any State or federal permit, license, or approval requirement.

15 **SECTION 3.** Effective Date. – This act is effective when it becomes law and applies
16 to all existing owner-occupied, single-family dwellings and to all owner-occupied, single-family
17 dwellings constructed, renovated, or used for home business use on or after that date.