

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

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HOUSE BILL 248

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

Sponsors: Representatives Roberson, Price, and Cervania (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Housing and Development, if favorable, Judiciary 1, if favorable, Rules, Calendar,
and Operations of the House

March 3, 2025

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

The General Assembly of North Carolina enacts:

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

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

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

- (1) Alter the dwelling's classification as a single-family residence subject to the North Carolina Residential Code for One- and Two-family dwellings;
- (2) Cause any portion of the dwelling to be considered a separate occupancy or trigger live/work, mixed-use, or commercial requirements under the North Carolina Building Code; or



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- 1 (3) Impose any additional requirements under the North Carolina State Building
2 Code that would not otherwise apply to a single-family dwelling.

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

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

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

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

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

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

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

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

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

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

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

- 1 (1) Local zoning and police powers. – Nothing in this act shall be construed to
2 limit or modify the authority of a county or municipality to regulate land use
3 or to prohibit or restrict particular business activities under its zoning or police
4 powers, including, but not limited to, adult establishments as defined in
5 G.S. 14-202.10, uses involving highly flammable materials, or other
6 operations deemed unlawful or hazardous under State or federal law.
- 7 (2) Private covenants not superseded. – This act does not supersede any valid
8 private covenant, deed restriction, or homeowners' association bylaw that
9 prohibits or limits home-based businesses. Property owners remain subject to
10 any private land-use restrictions that apply to their property, and nothing in
11 this section shall be construed to alter or invalidate such private agreements.
- 12 (3) Compliance with other laws. – A home-based business shall comply with all
13 applicable State and federal laws, rules, and regulations, including health and
14 safety laws, occupational licensing requirements, and environmental
15 standards. Nothing in this act shall be construed to exempt a home-based
16 business from any State or federal permit, license, or approval requirement.

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