

SESSION OF 2025

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2343**

As Amended by House Committee on  
Commerce, Labor and Economic Development

**Brief\***

HB 2343 would create the No-Impact Home-Based Business Fairness Act.

The bill would also prohibit permitted use from superseding a homeowners association bylaws if there is a clear, directly applicable restriction and there is a reasonable likelihood that the business activities would not be consistently compliant with the requirements of the bill.

The bill would allow the use of a residential dwelling for a no-impact home-based business or a rural no-impact home-based business. This permitted use would supersede any deed restriction, covenant, or agreement restricting the use of land or any master deed, bylaw, or other document applicable to a common interest ownership community entered into by a no-impact home-based business or a rural no-impact home-based business on or after July 1, 2025.

***Municipality Prohibitions and Regulations***

The bill would prohibit a municipality from requiring a no-impact home-based business or a rural no-impact home-based business to apply, register, or obtain any permit, license, variance, or other type of prior approval from the municipality to operate its business.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <https://klrd.gov/>

The bill would allow a municipality to establish or enforce regulations on a no-impact home-based business if the regulations are for the following purposes:

- The protection of the public health and safety limited to regulations for fire and building codes, health and sanitation, transportation or traffic control, solid or hazardous waste, pollution, and noise control;
- Compliance with state and federal laws; and
- Payment of applicable taxes.

The bill would require the municipality to identify factors differentiating the circumstances of a rural no-impact home-based business as compared to no-impact home-based businesses, including, but not limited to the relative isolation of the rural no-impact home-based business, relative size of the premises, and proximity to other residencies. The municipality would be required to apply an analysis favoring less regulation for a rural no-impact home-based business based on such factors.

The bill would prohibit a municipality from requiring a person as a condition of operating a rural no-impact home-based business or a no-impact home-based business to:

- Seek rezoning of the property for commercial use;
- Install fire sprinklers in a single-family detached residential dwelling, any residential dwelling consisting of more than two dwelling units, or any additional buildings on the property; or
- Undergo fire or building inspections, unless such codes or inspections are also applied to similar residences not operating a business.

The bill would allow the question of whether a regulation of a municipality complies with the bill to be a judicial question. The bill would also require a municipality that enacts a regulation related to no-impact home-based businesses or rural no-impact home-based businesses to be clear and provide evidence that the regulation complies with the bill.

### ***Restrictions to No-impact Home-based Business***

The bill would prohibit no-impact home-based businesses to be used for the purposes of selling illegal drugs or liquor, operating or maintaining a structured sober living home for drug- or alcohol-based recovery, selling pornography, or providing nude or topless dancing or other adult-oriented businesses.

### ***Definitions***

The bill would define the following terms:

- "Goods" would mean any merchandise, equipment, products, supplies, or materials;
- "Home-based business" would mean any business for the manufacture, provision, or sale of goods or services that is owned by the owner or tenant of a residential dwelling and operated by the owner or tenant at the location of the residential dwelling;
- "Municipality" would mean any city, county, or consolidated city and county;
- "No-impact home-based business" would mean a home-based business for which the total number of on-site employees and clients does not exceed the municipal occupancy limit for the residential property and the 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;
  - Occur inside the residential dwelling or within the private premises; and
  - Are not visible from the street.
- "Rural no-impact home-based business" would mean a home-based business located outside the boundaries of a city or with private premises exceeding one acre in size and for which the business activities:
    - Are limited to the sale of lawful goods and services; and
    - Occur inside the residential dwelling or within the property limits.

## **Background**

The bill was introduced by the House Committee on Commerce, Labor and Economic Development at the request of Representative Turk.

### ***House Committee on Commerce, Labor and Economic Development***

In the House Committee hearing, **proponent** testimony was provided by Representative Turk and representatives of Americans for Prosperity, the Kansas Chamber of Commerce, and the Opportunity Solutions Project. Proponents generally stated the bill would support small businesses and economic growth, prevent over-regulation,

and recognize the unique needs of rural home-based businesses.

Written-only proponent testimony was provided by representatives of Mow-It-All Repair, the Goldwater Institute, and the National Federation of Independent Business.

**Opponent** testimony was provided by representatives from the City of Topeka, Kansas Association of Counties, and the League of Kansas Municipalities. Opponents generally stated the bill would eliminate certain licensing requirements, could raise possible tax implications when mixing commercial operations with residential properties without appropriate regulatory oversight, and would limit the Home Rule and regulatory powers of municipalities.

Written-only opponent testimony was provided by the cities of Liberal, Overland Park, and Shawnee and a representative of the Northeast Johnson County cities of Prairie Village, Mission, Merriam, Roeland Park, and Westwood Hills.

No other testimony was provided.

The House Committee amended the bill to:

- Allow rural no-impact home-based businesses in the exemption from rezoning or fire sprinkler requirements; and
- Clarify that the permitted use of a home-based business would not supersede certain restrictions in homeowner association bylaws.

## **Fiscal Information**

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Kansas Department of Revenue indicates the bill would have no fiscal effect on agency operations. The League of Kansas Municipalities indicates the bill could increase costs to municipalities associated with litigation, but the costs are unknown.

Home-based business; licensing