



Senate Bill 505

**Committee on Commerce
Kansas Senate**

March 14, 2022

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Opportunity Solutions Project

Chair Erickson, Vice Chair Dietrich, Ranking Member Holland, and committee members,

Thank you for the opportunity to submit testimony in support of Senate Bill 505 on behalf of Opportunity Solutions Project, a non-profit dedicated to advancing state policies that remove barriers to work.

Across the country, local governments enact ordinances that regulate how people work inside their homes.¹ These local ordinances often require permits to run a business or work from home, imposing standards to obtain these permits.²

Our research team reviewed local ordinances of the 60 most-populous cities in Kansas. Entrepreneurs and workers throughout Kansas need SB 505. The city-to-city differences have created a patchwork of complicated regulations. Some local restrictions are outdated, while others are arbitrary. Here are some examples.

In Kansas City, a garage or shed can't be used for a home-based business, whether it be for a home office or to store supplies.³ Prairie Village restricts in-home client visits to weekdays.⁴ So a piano teacher can't give lessons in her home on a Sunday afternoon. Overland Park only allows family members living in the home to work for a home-based business.⁵ This means a neighbor or roommate can't help and earn some extra cash. The city of Mission requires the entrance to a home office to be from within the home, which would prevent many people from working in their living room.⁶ Topeka prohibits on-site retail sales.⁷ So hosting a party to sell jewelry or skincare products is off-limits.

Wichita restricts the amount of floor space a resident may use to work inside their own home to 50 percent, while Emporia only allows the lesser of 15 percent or 250 square feet.⁸⁻⁹ Augusta calculates the floor space restriction based on a single story, while nearby-neighbor El Dorado considers the entire home.¹⁰⁻¹¹

If the amount of space you allocate to work in your home doesn't affect your neighbor, why does it matter? Small businesses often begin around the kitchen table, at the workbench in the garage, or on the couch of an apartment living room.

Local governments should be able to maintain peace and quiet in neighborhoods, but they shouldn't regulate work inside the home when it doesn't bother the neighbors. The discrepancies between ordinances demonstrate that city officials don't need to regulate the amount of floor space or hours of operation to maintain the quality of life in neighborhoods. Instead, cities can utilize traffic, parking, and noise ordinances, as well as building codes, to prevent nuisances.¹²

The law should be straightforward and easy to understand. Sometimes, local regulations rely on “reactive enforcement,” meaning they’re only triggered when neighbors complain. This doesn’t inspire confidence or help entrepreneurs navigate complex regulations to start a home business.

People need consistency, and local regulations need to be modernized to reflect the shift toward home-based work. More people are working from home because technology allows for more jobs to be done at home.¹³ Just last year, applications to start new businesses hit a decade high.¹⁴ Given that roughly half of businesses in the country are based out of the home, it’s safe to assume the recent surge in entrepreneurship has bled into home start-ups.¹⁵

It’s intuitive, and research confirms that working out of the home reduces costs for small businesses, provides flexibility, and improves quality of life, especially for working parents and people with disabilities.¹⁶

SB 505 would make it easier to start a home business or work remotely by establishing statewide standards. It doesn’t preclude local regulations on home-based work. Cities could still require a permit to run a business or work in the home, but the bill would place some boundaries on the requirements to obtain these permits. The bill targets some of the most common restrictions on home-based work, such as prohibitions on in-home visits by clients or retail sales, and restrictions on floor space, hours of operation, and usage of the garage.

States like Florida, Utah, and Arkansas have passed policies to remove local barriers on home-based work, while Missouri and Iowa are currently considering reforms. Kansas should advance SB 505 to protect entrepreneurs and workers across the state.

Thank you, and I am happy to take questions at the appropriate time.

¹ Olivia Gonzalez and Nolan Gray, “Zoning for Opportunity: A Survey of Home-Based-Business Regulations,” Utah State University’s Center for Growth and Opportunity (2020), <https://www.thecgo.org/research/zoning-for-opportunity-a-survey-of-home-based-business-regulations/>.

² Haley Holik and Alli Fick, “Florida’s Entrepreneurship Agenda: A Roadmap to Removing Barriers to Work,” Foundation for Government Accountability (2022), <https://thefga.org/paper/florida-roadmap-to-removing-barriers/>.

³ City of Kansas City, Section 88-305-04-D, https://library.municode.com/mo/kansas_city/codes/zoning_and_development_code?nodeId=ZODECOKAMI_300_SERIESUSRE_88-305ACUSST_88-305-04HOOC.

⁴ City of Prairie Village, Section 19.34.010, https://library.municode.com/ks/prairie_village/codes/code_of_ordinances?nodeId=CHXIXZORE_CH19.34ACUS_19.34.010HOOCACUSWHPEDI.

⁵ City of Overland Park, Section 18.390, <http://online.encodeplus.com/regs/overlandpark-ks/doc-viewer.aspx?secid=6069#secid-6069>.

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- ⁶ City of Mission, Section 605.240, <https://ecode360.com/28338536?highlight=home%20occupations&searchId=6492627328222310#28338536>.
- ⁷ City of Topeka, Section 18.210.035, <https://topeka.municipal.codes/TMC/18.210.035>.
- ⁸ City of Wichita, Article IV-E, <https://www.wichita.gov/Licenses/Licenses/Home%20Occ%205-13.pdf>.
- ⁹ City of Emporia, Section 20-10, <http://development.emporia-kansas.gov/files/gis/GIS%20Article%2020.pdf>.
- ¹⁰ City of Augusta, Section 11.02, <https://cms2files.revize.com/augustaks/Community%20Development/Zoning%20Regulations/Augusta%20Zoning%20Code%20Final%20V2.pdf>.
- ¹¹ City of El Dorado, Section 11, <https://www.eldoks.com/DocumentCenter/View/758/Article-6---Supplementary-District-Regulations-PDF>.
- ¹² Office of Advocacy, “Home-Based Business and Government Regulation,” U.S. Small Business Administration (2004), <https://www.sba.gov/sites/default/files/Home%20Based%20Business%20and%20Government%20Regulation.pdf>.
- ¹³ Jonathan I. Dingel and Brent Neiman, “How Many Jobs Can be Done at Home?,” Becker Friedman Institute for Research in Economics (2020), https://bfi.uchicago.edu/wp-content/uploads/BFI_White-Paper_Dingel_Neiman_3.2020.pdf.
- ¹⁴ Chris Edwards, “Entrepreneurship Is an Economic Bright Spot,” Cato (2022), <https://www.cato.org/blog/entrepreneurship-economic-bright-spot>.
- ¹⁵ Office of Advocacy, “Frequently Asked Questions About Small Business,” U.S. Small Business Administration (2019), <https://cdn.advocacy.sba.gov/wp-content/uploads/2019/09/24153946/Frequently-Asked-Questions-Small-Business-2019-1.pdf>.
- ¹⁶ Olivia Gonzalez and Nolan Gray, “Zoning for Opportunity: A Survey of Home-Based-Business Regulations,” Utah State University’s Center for Growth and Opportunity (2020), <https://www.thecgo.org/research/zoning-for-opportunity-a-survey-of-home-based-business-regulations/>.