SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 3738

1.1   A bill for an act

1.2   relating to zoning; permitting home-based businesses in residential dwellings;
1.3   proposing coding for new law in Minnesota Statutes, chapter 462.

1.4   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5   Section 1. **[462.3575] THE HOME-BASED BUSINESS FAIRNESS ACT.**

1.6   Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have

1.7   the meanings given.

1.8   (b) "Goods" means any merchandise, equipment, products, supplies, or materials.

1.9   (c) "Home-based business" means any business for the manufacture, provision, or sale

1.10   of goods or services that is owned and operated by the owner or tenant of the residential

1.11   dwelling.

1.12   (d) "No-impact home-based business" means a home-based business for which all of

1.13   the following apply:

1.14   (1) the total number of on-site employees and clients do not exceed the municipal

1.15   occupancy limit for the residential property; and

1.16   (2) the business activities are characterized by all of the following:

1.17   (i) are limited to the sale of lawful goods and services;

1.18   (ii) do not generate on-street parking or a substantial increase in traffic through the

1.19   residential area;

1.20   (iii) occur inside the residential dwelling or in the yard; and

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2.1   (iv) are not visible from the street.

2.2   (e) "Residential dwelling" has the meaning provided in section 326B.163, subdivision

2.3   19.

2.4   Subd. 2. **Permitted use of residential dwelling for home-based business.** (a) The use

2.5   of a residential dwelling for a home-based business is a permitted use, except that this

2.6   authority does not supersede any of the following:

2.7   (1) any deed restriction, covenant, or agreement restricting the use of land; or

2.8   (2) any master deed, bylaw, or other document applicable to a common interest ownership

2.9   community.

2.10   (b) A municipality shall not require application, registration, or any permit, license,

2.11   variance, or other type of prior approval for a no-impact home-based business to operate in

2.12   the municipality.

2.13   (c) A municipality may establish reasonable regulations on a home-based business if

2.14   the regulations are narrowly tailored for any of the following purposes:

2.15   (1) the protection of the public health and safety, including rules and regulations related

2.16   to fire and building codes, health and sanitation, transportation or traffic control, solid or

2.17   hazardous waste, pollution, and noise control;

2.18   (2) ensuring that the business activity is:

2.19   (i) compatible with residential use of the property and surrounding residential use;

2.20   (ii) secondary to the use as a residential dwelling; and

2.21   (iii) complying with state and federal law and paying applicable taxes; and

2.22   (3) limiting or prohibiting the use of a home-based business for the purposes of selling

2.23   illegal drugs, liquor, operating or maintaining a structured sober living home, pornography,

2.24   obscenity, nude or topless dancing, and other adult-oriented businesses.

2.25   (d) A municipality shall not require a person as a condition of operating a home-based

2.26   business to:

2.27   (1) rezone the property for commercial use; or

2.28   (2) install or equip fire sprinklers in a single family detached residential dwelling or any

2.29   residential dwelling with not more than two dwelling units.

3.1   (e) The question of whether a regulation complies with this section shall be a judicial

3.2   question, and the municipality that enacted the regulation shall establish by clear and

3.3   convincing evidence that the regulation complies with this section.