

## HOUSE BILL No. 1309

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 36-7-2-15.

**Synopsis:** Local regulation of no impact home based businesses. Limits municipal regulation of a no impact home based business.

**Effective:** July 1, 2026.

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**Morris, Teshka, VanNatter, Judy**

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January 6, 2026, read first time and referred to Committee on Local Government.

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Introduced

Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

## HOUSE BILL No. 1309

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A BILL FOR AN ACT to amend the Indiana Code concerning local government.

*Be it enacted by the General Assembly of the State of Indiana:*

1        SECTION 1. IC 36-7-2-15 IS ADDED TO THE INDIANA CODE  
2        AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3        1, 2026]: Sec. 15. (a) **The following definitions apply throughout**  
4        **this section:**  
5            (1) "Goods" means merchandise, equipment, products,  
6            supplies, or materials.  
7            (2) "Home based business" means a business:  
8              (A) for the manufacture, provision, or sale of goods or  
9              services; and  
10             (B) that is owned and operated by:  
11                (i) the owner; or  
12                (ii) a tenant;  
13                of a residential dwelling.  
14            (3) "No impact home based business" means a home based  
15            business to which all of the following apply:  
16              (A) The total number of on-site employees and clients do  
17              not exceed the municipal occupancy limit for the



residential dwelling.

## **(B) The business activities:**

- (i) are limited to the legal sale of goods and services;
- (ii) do not generate on-street parking or a substantial increase in traffic through the residential area;
- (iii) occur inside the residential dwelling or in the yard;  
and
- (iv) are not visible from the street.

**(b) The use of a residential dwelling for a no impact home based business is a permitted use. A municipality may not:**

- (1) prohibit a no impact home based business; or
- (2) require a person to apply, register, or obtain:
  - (A) a permit;
  - (B) a license;
  - (C) a variance; or
  - (D) any other type of approval;

from the municipality to operate a no impact home based business.

**(c) This section does not supersede any of the following:**

- (1) A deed restriction, covenant, or agreement restricting the use of land.
- (2) A deed, bylaw, or other document of a homeowners association or condominium association.

(d) A municipality may establish reasonable regulations for a no impact home based business, if the regulations are narrowly tailored for any of the following purposes:

**(1) The protection of public health and safety, including rules and regulations related to:**

- (A) fire and building codes;**
- (B) health and sanitation;**
- (C) transportation or traffic control;**
- (D) solid or hazardous waste; and**
- (E) pollution and noise control.**

**(2) Ensuring that the business activity is:**

- (A) compatible with residential use of the property and surrounding residential use;
- (B) secondary to the use as a residential dwelling;
- (C) complying with state and federal law; and
- (D) paying applicable taxes.

**(3) Limiting or prohibiting the use of a no impact home based business for the following purposes:**

- (A) To operate a structured sober living home.
- (B) To manufacture, exhibit, distribute, or sell illegal



1                   **drugs, liquor, pornography, or obscenity.**  
2                   **(C) To operate an adult entertainment establishment (as**  
3                   **defined in IC 12-7-2-1.8).**

4                   **(e) A municipality may not require a person as a condition of**  
5                   **operating a no impact home based business to:**

6                    **(1) rezone the property for commercial use; or**  
7                    **(2) install or equip fire sprinklers in a:**

8                    **(A) single family detached residential dwelling; or**  
9                    **(B) residential dwelling with not more than two (2)**  
10                   **dwelling units.**

11                   **(f) The question of whether a regulation complies with this**  
12                   **section shall be subject to judicial review. The municipality**  
13                   **enacting the regulation must establish by clear and convincing**  
14                   **evidence that the regulation complies with this section.**

