Home-Based Businesses Narrative
Dominique Harrington and Mariah Turner

I. INTRODUCTION

A home-based business is a business that operates out of a person’s residence.\textsuperscript{1} In such situations, residential use is the primary function of the home; while the business serves as an incidental and secondary use of the dwelling.\textsuperscript{2} In Pennsylvania, home-based businesses are typically mentioned as a definition or section within a municipality’s zoning ordinance.

Generally, acceptable home-based businesses are those customarily associated with residential dwellings, in accordance with general experience, such as baking, dressmaking, and pottery.\textsuperscript{3} Accessory use provisions enable small-scale business pursuits in residential dwellings as home-based businesses if they meet additional criteria.\textsuperscript{4}

Overwhelmingly, the most vexing issues affecting local and state governments concern the balancing of economic opportunities of home-based businesses with the specific character of the neighborhood in which they operate.\textsuperscript{5} Advocates for home-based businesses champion the decreased amount of time and cost associated with not commuting, the simplification of childcare for working parents, the increased work productivity from home, and the availability of jobs associated with 21\textsuperscript{st} century technologies.\textsuperscript{6} Conversely, critics of home-based businesses

\textsuperscript{1} Michael B. Snyder, § 46:229 Home-based businesses in general, HR Series 4 Compensation and Benefits § 46:229 (updated September 2018).
\textsuperscript{6} Id.
wish to keep commercial and residential zones separated. Their biggest concerns are issues of increased traffic and parking, noise pollution, potential illicit activities, and irreparable changes to the integrity of the neighborhood. These opposing positions create a dilemma for governments when drafting effective zoning ordinances because of the struggle between the benefits and the burdens of a home-based business.

The model ordinance will largely allow for more occupations to qualify as home-based businesses. It contains two as of right provisions that allow for a greater variety of businesses while giving the municipality control over the specific requirements. Further, the ordinance does not specifically prohibit certain types of businesses. Although there are articles and blogs that provide quantitative analysis, there are no free verifiable empirical data studies to provide accurate information about home-based businesses. The social purpose of this ordinance is to enrich the lives of the business operator by lessening burdens related to familial demands and mental health. It will stimulate the economy by attracting more people to the municipalities that will spend more money at businesses within the community. Lastly, the environmental impacts related to the construction of more commercial buildings would be reduced by people using their homes for business activities.

While there are municipality policies and ordinances addressing no-impact home-based businesses, they fail to incorporate many other emerging commercial operations. Those in opposition allege there is a disruption to the character of residential neighborhoods, and they decline to understand the need for expansion related to societal changes. Ideally, a suitable ordinance would be flexible enough to allow growth of prospective businesses while keeping the

---

7 Id.  
8 Id.  
original characteristics of the residential area.\textsuperscript{10} This is done by revitalizing zoning requirements, ensuring proper permitting, and focusing on being a “good neighbor.”\textsuperscript{11} The overall policy of municipalities must be more creative in balancing the public health, safety and welfare in residential districts and the requirements of appropriate home-based businesses.\textsuperscript{12} The proposed ordinance seeks to assist in solving the explained problems by providing a flexible framework that municipalities can use to implement home-based businesses.

The model ordinance supported by this narrative is meant to stimulate economic opportunities within the municipalities and preserve the integrity of residential neighborhoods. This narrative will address the home-based business policies that must be adopted by municipalities moving forward to promote a profitable, convenient and efficient job industry. This paper will first analyze the dispute between home-based businesses and residential districts, followed by why new policies are needed. Next, it will discern how jurisdictions have addressed the problem and their effectiveness. Finally, this narrative will tackle the policy concerns of implementing home-based businesses, offer recommendations on enacting a flexible ordinance, and discuss benefits.

\textbf{II. PROBLEM}

There are several problems with home-based business ordinances concerning the balancing of economic opportunities and respecting the character of the neighborhood. The following contentions, while not an exhaustive list, are the major issues commonly associated with home-based businesses.

\textsuperscript{10} See Zoning and Land Use Planning, 35 Real Est. L.J. 181 at 181-82.
\textsuperscript{12} See Salkin, supra note 10.
Traditionally, residential zoning purposes are to “maintain the ‘residential character and quality of life’ of an area in which people reside.”\textsuperscript{13} There is a debate over whether to stay with the traditional approach of residential zoning or to move to a more progressive approach.\textsuperscript{14} The traditional approach to residential zoning strives to separate commercial and residential areas.\textsuperscript{15} Those who support a more progressive approach understand the need to conform to the changes in society.\textsuperscript{16} This progressive approach seeks to make consistent changes to keep up with modern social and economic realities. In this context, it includes the concept of giving parents the ability to play an active role in the lives of their children while having modern employment. Some municipalities have attempted to resolve the issue of conflicting commercial and residential interests by completely prohibiting home-based businesses.\textsuperscript{17} Most jurisdictions try to modify existing zoning regulations to allow home-based businesses with “stringent operational limitations.”\textsuperscript{18} These conflicting approaches to drafting zoning ordinances limit consistency among various municipalities and restrict societal progress.

Additionally, those that oppose home-based businesses are concerned over whether the use will adversely impact the character of the residential neighborhood.\textsuperscript{19} The following are the obvious impacts that home-based businesses may have on the residential character of the neighborhood. Allowing home-based businesses would greatly increase vehicle traffic into

\textsuperscript{14} See Julie A. Tappendorf, \textit{Municipal Regulation of Home-Based Businesses}, SM004 ALI-ABA 1541, 1544 (August 2006).
\textsuperscript{15} See Nicole Stelle Garnett, \textit{Castles and Commerce: Zoning Law and Home-Business Dilemma}, 42 Wm. & Mary L. Rev. 1191, 1204-05 (citing Wulfsbohn v. Burden, 150 N.E. 120, 123 (N.Y. 1925)).
\textsuperscript{16} See Tappendorf, \textit{supra} note 14.
\textsuperscript{17} Id.
\textsuperscript{18} Id.
\textsuperscript{19} See Dennison, \textit{supra} note 9.
residential neighborhoods. Most residential communities lack sufficient parking capabilities for an influx of stationary vehicles. Additional vehicle presence disrupts easy maneuverability on roads and speeds up the deterioration of residential streets. Consequently, residents will be unable to easily navigate their neighborhood, the deteriorated infrastructure will require continuous repairs, and the presence of more vehicles can increase the likelihood of collisions.

Along with traffic and parking concerns, residents dislike an increase in signs and storage of business equipment in their neighborhood. Residents do not want to have houses in their neighborhoods that look unkempt or bombard residents with solicitations for multiple businesses. Particularly, lighted signs have the potential to keep residents up at night. Large and/or animated signs have the potential to distract drivers, which may cause automobile accidents. Continuing with the theme of external displays, large structures for storage can hinder the aesthetics of the neighborhood. Though additional structures are normally associated with larger operations, in areas where citizens have an abundance of land, large structures could be used to store additional supplies and/or equipment for the home-based business. Both of these concerns stem from residents’ desire to maintain a suburban atmosphere.

Furthermore, residents are concerned about an increase of noise and/or other pollution. Too much noise can be extremely disruptive to residential living by affecting residents’ quiet use.

---

21 *Id.*
22 *Id.*
23 *Id.*
24 *Id.*
25 *Id.*
26 *Id.*
27 *Id.*
28 *Id.* at 5.
and enjoyment of their property.\textsuperscript{29} This noise is brought about by an influx of people and vehicle traffic to the area.\textsuperscript{30} Likewise, larger home businesses may lead to the introduction of industrial waste and pollution to an area that has minimum waste.\textsuperscript{31} Again, in areas where homeowners have a sizable amount of land, they are able to operate more industrialized businesses, such as a quilt or clothing operation that produces a large amount of products in a short time. With these kinds of operations, there is a higher likelihood of pollution, including chemical pollutants.\textsuperscript{32} Overall, residents fear that they will not be able to enjoy their property due to too much noise, pollution, and nuisances.

Furthermore, it is important to ensure that people do not fraudulently claim that they operate a home-based business. People fraudulently create home-based businesses, because most state and local governments provide tax incentives for them.\textsuperscript{33} These are bogus home-based businesses that taxpayers establish to write off every day home expenses as business expenses.\textsuperscript{34} It is important that ordinances are drafted with strict punishments to prevent such fraudulent activity from occurring.\textsuperscript{35} Illegalities cause residents to be weary of allowing home-based businesses in their communities.

Although there are issues that come from home-based businesses, many benefits are gained for home-based business owners, the government, and society as whole. For business entrepreneurs, working from home allows time for familial demands.\textsuperscript{36} Entrepreneurs are able to

\begin{flushleft}
\textsuperscript{29} Id.
\textsuperscript{30} Id.
\textsuperscript{31} Id.
\textsuperscript{34} Id.
\textsuperscript{35} Id.
\end{flushleft}
maximize work hours and avoid costs and time related to commuting.\textsuperscript{37} It also removes costly rental fees for commercial buildings.\textsuperscript{38} Additional benefits include mental health benefits related to the casual and relaxed work environment of the home.\textsuperscript{39} Some tax incentives for home-based businesses could include tax deductions and tax credits.

Along with the personal benefits of home-based businesses, the government also benefits from home-based businesses. Many municipalities require permitting to start a home-based business. Logically, costs associated with the acquisition and distribution of such forms brings in money to the local government. Once these businesses are allowed, they have the potential for bringing in more people into the municipality. This increased foot traffic will prove beneficial for other shops and businesses in the area, as people may want to stop into their establishment for a quick bite, oil change, or new outfit before returning to their homes.

In general, society as a whole benefits from the public policies regarding the concern of climate change and the future well-being of the planet. Environmental and energy conservation advocates have expressed great support for home-based business because of the proven reduction to daily commuter traffic.\textsuperscript{40} Fewer drivers on roads reduce carbon dioxide emissions from vehicles and efficient use of homes to limit the construction of large buildings that may be responsible for tree depletion.

Thus, the problem is finding the right elements for a flexible home-based business ordinance. The ordinance must allow for a greater variety of occupations to reap the social, environmental and economic benefits detailed above. A flexible ordinance must also

\begin{flushright}
\textsuperscript{37} \textit{Id.} \\
\textsuperscript{38} \textit{Id.} \\
\textsuperscript{39} \textit{Id.} \\
\end{flushright}
acknowledge the externalities detailed above and make efforts to limit their negative effects to the boundaries of the home.

III. A NEW ORDINANCE IS NEEDED TO PROVIDE GREATER FLEXIBILITY

This section will discuss how home-based business ordinances have developed and changed over the years. It will discuss how existing laws cannot address the problem properly. It will be followed with the need for the construction of flexible ordinances. Finally, it will address the benefits of allowing businesses within residential areas.

A. Historical development

Over time, municipalities have found four major ways to deal with the conflict of interests between converging commercial and residential uses of land. First, municipalities thought the easiest way to resolve the conflicting interests would be to prohibit home-based businesses entirely.41 Municipalities reasoned that the purpose of zoning ordinances was to protect single-family residential uses from industrial and commercial uses.42 In the United States Supreme Court case, Euclid v. Ambler Realty Co.,43 the court found that it was permissible to exclude commercial buildings from residential districts when it was rationally related to the health and safety of the community. This “Euclidean” separation of the three zoning spheres validates the original purpose of limiting the use of certain neighborhoods to single-family residences and allows municipalities to completely prohibit home-based businesses.44

41 See Tappendorf, supra note 14.
44 See Dennison, supra note 42.
Second, in Pennsylvania, no-impact home-based businesses are required as a use permitted by right in all residential zones.\textsuperscript{45} The Pennsylvania Municipalities Planning Code identifies a no-impact home-based business as one that is “compatible with the residential use of the property and surrounding residential uses” and does not have any effect on the neighborhood.\textsuperscript{46} These permissions must not overrule agreements restricting the use of land, deed restrictions, or covenants.\textsuperscript{47} Because of this requirement, municipalities create zoning ordinances that only allow home occupations that are “customarily associated with residential dwellings.”\textsuperscript{48} In other words, the business must be within the understanding and general experience of the residential dwelling, such as dressmaking.\textsuperscript{49} Consequently, some municipalities only create zoning ordinances that allow no-impact home-based businesses.

Third, municipalities will create ordinances to permit accessory uses instead of listing the permitted uses.\textsuperscript{50} Accessory uses are those that are incidental or secondary to the primary purpose of the property.\textsuperscript{51} For a home occupation to be a valid accessory use within the residential zoning ordinance, municipalities must consider a number of factors.\textsuperscript{52} The landowner must establish a right to an accessory use by proving: (1) the use that is sought is secondary to the principal use and (2) is customarily incidental to the principal use.\textsuperscript{53} To satisfy the incidental and secondary requirement, it is the burden of the landowner to prove with evidence that the use

\textsuperscript{45} 53 P.S. § 10603(l) (Effective July 4, 2008).
\textsuperscript{47} Id.
\textsuperscript{51} Id.
\textsuperscript{52} Id. at § 9.
\textsuperscript{53} Id. at § 5.
is clearly subordinate to the property being used as a residence. Some courts may require a showing of a particular home occupation being “customarily” associated with single-family dwellings, or they may only take notice of the general experience of what occupations are customary in relation to single-family dwellings. In analyzing whether these home occupations are considered incidental or secondary, the municipality’s Zoning Hearing Board will make the determination based on aspects of the occupational use; including how much space the use requires, any modifications to the residence, whether the use is minimal enough to be accessory, or whether the use is significant enough to be considered the primary use.

Finally, more modern trends in resolving the issue of conflicts between commercial and residential interests are to modify existing zoning regulations to permit home-based businesses but require stringent operational limits. There are five categories that most zoning restrictions on home-based businesses fall under: (1) limitations on the types of commercial activities conducted within home; (2) employee restrictions; (3) regulations on exterior appearance of residence and outdoor activities; (4) operational restrictions; and 5) regulation of adverse effects of neighboring properties. These categories of regulations are established to protect the residential character of the neighborhoods while allowing an increase in home-based businesses in the United States.

B. Inability to adequately address the problems and the need for flexible construction

---

54 Id. at § 10.
55 Id.
56 Id.
57 See Tappendorf, supra note 14.
58 Municipal Regulation of Home-Based Businesses, SM004 ALI-ABA 1541 at 1549.
Existing ordinances throughout Pennsylvania do not adequately address the current problems related to home-based businesses, because Pennsylvania’s Municipalities Planning Code only specify that home-based businesses have no impact.\textsuperscript{59} No-impact home-based business uses restrict the business activities from being in excess of what is “normally associated with residential use.”\textsuperscript{60} This clearly is much too restrictive as it limits nearly all types of successful home-based businesses from occurring. Nearly every kind of business operation that would occur in a home would be precluded as they would have some impact on the home. While no-impact home-based businesses protect the integrity of the residential neighborhood, they fail to allow for expansion of current societal changes, such as 21\textsuperscript{st} century jobs.

IV. HOW SURROUNDING JURISDICTIONS HAVE HANDLED THE PROBLEM

Jurisdictions throughout the country have attempted to alleviate the issues stated above by drafting specific provisions in their ordinances. In this section, we will analyze the laws used by multiple jurisdictions to balance the economic benefits with maintaining the character of the neighborhood. We will then show the effectiveness of those enacted laws and any exemptions that may be part of them. The complete prohibition of home-based businesses within Pennsylvania cannot occur because the Pennsylvania Municipalities Planning Code (MPC) explicitly allows for “no-impact home-based businesses”.\textsuperscript{61} To include a broad range of geographical regions, we have chosen to look at some methods used in rural, large metropolitan areas, and suburban municipalities throughout Pennsylvania.

\textsuperscript{61} 53 P.S. § 10107
A. Rural Municipalities

In rural municipalities, great strides to prevent some of the negative externalities of allowing home-based businesses. To account for the possibility of increased parking, ordinance provisions have required that homes have adequate land available for operations related to their business, such as delivery, customer parking and pedestrian connectors. Noise pollution is minimized by the state’s inclusion of a restriction on mechanical or other equipment, which creates noise beyond the home itself. There is also a restriction that in order to be a legitimate home-based business, the normal traffic patterns of the neighborhood must not be altered; traffic cannot increase.

These methods, along with many others used in rural municipalities, address some of the core issues of traffic, parking, and noise in neighborhoods. Initially, most ordinances in rural municipalities were too restrictive when trying to incorporate 21st century jobs. They specifically included provisions that prohibited businesses such as barber shops, beauty salons, and real estate offices. Those are exactly the kinds of businesses that should be deemed legitimate. They are noise-free and, combined with the already in-place parking and traffic restrictions, would be easy to incorporate. It appears that these municipalities are realizing the error of such prohibitions and are permitting these businesses by right in updated codes of ordinance. Southampton Township, in Franklin County, Pennsylvania, expanded its definition of permitted businesses to include medical, dental, or other professional offices, bed and breakfasts, and

---

63 Id.
64 Id.
65 Id.
daycare services.\textsuperscript{66} Uses permitted by right will be incorporated into our model ordinance to ensure many more rural municipalities can maximize their citizen’s home uses.

\textbf{B. Suburban Municipalities}

In suburban municipalities, like those in Bensalem, Pennsylvania employ permitted accessory uses. Guests, and therefore traffic, are limited to the amount customary in the neighborhood.\textsuperscript{67} Noise-creating equipment is also prohibited in these municipalities.\textsuperscript{68} Unlike rural municipalities, suburban municipalities specifically added provisions limiting the amount of waste and sewage home-based businesses can discharge, which is “normally associated with residential use.”\textsuperscript{69} Lastly, there are no provisions that limit specific at-home work, such as beauty salons and barber shops.\textsuperscript{70} The provisions for home-based businesses, are much more modern and does a better job at balancing the benefits and negative externalities than rural municipalities. By allowing these permitted accessory uses that are minimally affecting neighborhoods, most suburban municipalities take full advantage of the diverse occupations of their home-based businesses. This will lead to a more diverse and stronger economy. The provision limiting the production of waste proves to be extremely helpful in protecting the environment, since excess business paraphernalia will be limited to what is normally produced in a household.

\textbf{C. Metropolitan municipalities}

On the other hand, large metropolitan municipalities pay particular attention to the percentage of dwelling size, traffic, and parking concerns when dealing with home-based

\textsuperscript{66} Township of Southampton Franklin County, Pennsylvania Code of Ordinances, Ch. 39, Part 3 § 39-307.
\textsuperscript{67} Bensalem, Pennsylvania Code of Ordinances, Ch. 232 § 232-594.
\textsuperscript{68} Id.
\textsuperscript{69} Id.
\textsuperscript{70} Id.
businesses. Other large metropolitan municipalities outside the state even limit the home-based business operation to a certain percentage of the entire house or specific square footage.\textsuperscript{71} This is quickly becoming the norm for Pennsylvania metropolitan municipalities, such as Philadelphia, as it has the benefit of ensuring the primary purpose of the house is to be a residence that keeps waste production relatively low compared to those who may not have specific operation size limitations. Strict parking provisions establish that the businesses will not use more parking than is already allocated to the dwelling.\textsuperscript{72} Finally, Pittsburgh municipalities attempt to deal with traffic generated by the business by limiting the time of day and number of vehicle trips that can be made to the home.\textsuperscript{73} These provisions are the result of modifications to existing zoning regulations to better fit the municipality.

V. RECOMMENDATIONS

Based upon experience of other municipalities, we will identify and describe recommendations for addressing the issue of balancing the character of neighborhoods with home-based businesses in a revised ordinance. We will then address the major policy choices in adopting and implementing those recommendations based on the experiences of other municipalities. Following that, we will analyze how our proposed ordinance will resolve the balancing issue. Lastly, we will explain the social, environmental, and economic benefits that the ordinance would bring residents.

A. Identify and describe recommendations for addressing problem in new ordinance based on the experience of other municipalities

\textsuperscript{71} The Philadelphia Code, Title 14 Ch. 14-600 § 10 (2018).
\textsuperscript{72} Id.
\textsuperscript{73} Pittsburgh Zoning Code, Title 9 Art. IV. § 912.05 (2018).
In this section, we will identify and describe recommendations for addressing the problems detailed above in a new ordinance based upon experience of other municipalities. As described previously in this narrative, the best ordinance for home-based businesses would incorporate prior successful provisions while improving those that are problematic. We believe this would be accomplished by establishing a new standard for home-based businesses based on “minimal impact” to neighborhoods.

Most ordinances in rural, suburban, and metropolitan municipalities limit home-based businesses to those that are no-impact. This restricts business activities to those that are “normally associated with residential use”. Our improved ordinance establishes a slightly broader “minimal impact” standard. It maintains the positive provisions of existing ordinances and makes much needed improvements by including refocusing administrative provisions and incorporating incentives.

We will first explain how to refocus current administrative provisions. By borrowing provisions used by other municipalities, such as making sure the business is compatible with the residential use, limiting employees to the resident plus one other person, and not allowing business signs on the property or neighborhood. Another refocusing effort is not placing strict limitations on suitable home-based businesses. Rural municipalities restrict such businesses as beauty salons, barber shops, real estate offices, child care services, and others from being considered legitimate home-based businesses. The improved ordinance does not exclude these kinds of jobs if they comply with the general minimal impact standards. Thus, to refocus the administrative actions, our ordinance will borrow provisions that work and enact changes that are more suitable to the current job market.
Adult live-streaming has been a booming, yet contentious, occupation for some home-based business operations. Courts are largely undecided on whether local governments can limit one’s ability to operate businesses like concerning the filming of sexually explicit activities at the home. Therefore, our ordinance will enable Zoning Hearing Boards to make these kinds of home-based businesses optional if, like all other businesses, they comply with minimal impact basic standards, involve consenting adults, and satisfy special rules. The main goal is to restrict visibility of the activities to only those in the home during the times in which the activities take place.

Next, our ordinance will include incentives by local governments to help expand and support current home-based businesses. A unique incentive that will be included in the proposed ordinance is an award program. The mayor, or leading government official of the municipality, will recognize the best home-based business in the municipality. This should ensure that home-based businesses strive to thrive and receive recognition for their work. The program also gives notoriety to the business and the community in which they reside. These kinds of incentives also provide non-invasive oversight of the home-based businesses to ensure there are no illegal activities or fraud taking place at the home.

B. Major policy choices in adopting and implementing recommendations based on experience of other municipalities

The above recommendations support strong progressive policies. By allowing for everyday jobs, such as hair styling, to be considered home-based businesses, the municipality will be empowering women and minorities by giving them stronger voice in the business community. Municipalities that promote such ideals will yield great notoriety and bring more

---

people to the community. The same rationale and policy considerations are attributed to allowing for adult-suggestive live-streaming. The stated incentives serve to support and promote strong businesses in the community while also acting as a check in a way that is less obvious than overt government oversight.

The model ordinance allows for businesses as of right and by special exception. We recommend no-impact and accessory use businesses as of right to give homeowners more flexibility in starting their home-based business while giving municipalities control over the implementation. Further, the new ordinance contains special exceptions that are permitted by the Zoning Hearing Board. The special exceptions are rural home-based businesses and landscaping home-based businesses. We provided these special exceptions because Pennsylvania is a largely rural state. Both as of right and special exceptions must meet the specific requirements in order to be categorized and permitted under their respective sections.

C. Flexibility by allowing more occupations as home-based businesses

When a municipality creates a flexible ordinance, there is room for advancement within the entire community. Flexible ordinances are instrumental in allowing municipalities the ability to easily make future changes. As society continues to evolve, it is necessary to allow zoning ordinances to progress with the ideals of those living within residential communities. Municipalities must consider the ability to accommodate the advancements of home-based businesses, because some states have enacted statutes that limit the ability of local governments to restrict or prohibit home-based businesses. As more states enact regulations to limit the authority of local zoning relating to this topic, home-based businesses will continue to grow and require flexible constructions of zoning ordinances.
Our ordinance balances the development of home-based businesses with the desire to maintain the character of the neighborhood. When *Euclid* was decided, the precedent was established to keep the three spheres of zoning separate. As society and culture evolved, the “Euclidean” ideal started to conflict with the desires of economic development. Flexible ordinances allow for the expansion of these home-based businesses, while ensuring that neighborhoods are not adversely affected. Therefore, our ordinance specifically prohibits nuisances and illegalities. These limitations will allow residents to know exactly when neighborhoods are being adversely impacted. At the same time, our ordinance will have the ability to progress with the changes in society since the ordinance does not create rigid constructions on what business activities are expressly allowed.

**D. Social, environmental, and economic opportunities**

In drafting ordinances considering future generations, it is important to create opportunities that provide sustainable developments for the present and the future. Sustainable development focuses on the development of the welfare of human beings by employing a “decision-making framework” that integrates social and economic viability into the protection of the quality of the environment.75 Home-based businesses provide opportunities for sustainable development in all three spheres.

First, home-based businesses provide social opportunities for entrepreneurs. Home-based businesses allow for flexible familial obligations. Single-parents or parents that have busy business schedules can provide easier child care. For instance, parents would not need to worry about day care of after school care, because they would be able to work from home and attend to the children. Also, if there is a terminally ill family member, then it would be easier for the

---

family to care for that person. Additionally, home-based businesses allow for a stress reduced work environment, which is important to the mental and physical health of people. Further, it could strengthen the relationship of the members of the community. If people like your business and products, they will become patrons and get to know the business owners better. This would create stronger communities, because neighbors would get to know one another, instead of just cohabitating in the same area.

Second, home-based businesses provide economic opportunities for communities and local governments. By allowing home-based businesses in communities, people will be able to create jobs for themselves. This will help reduce the rate of unemployment and stimulate the economy. Stimulating the economy helps local governments, because it provides more revenue for taxes, which will then be poured back into the community. On a micro level, home-based businesses allow for a stimulation of local and state economies. At a macro level, home-based businesses increase the productivity in America, which allows for a more competitive global market.

Third, home-based businesses provide environmental protection opportunities. Home-based businesses allow for a reduction in commuting, which reduces the carbon footprint and depletion of fossil fuels. Also, home-based businesses decrease the amount of parking lots, commercial buildings, and industrial areas. Once parking lots, commercial buildings, and industrial areas are created, the environment is forever impacted. For instance, some impacts on the environment include impaired soil productivity, increase in land erosion, and flooding based on storm water management issues. Thus, home-based businesses can protect the quality of the environment by decreasing urbanization of rural or suburban areas.

**E. Funding for home-based business implementation**
The ordinance is largely self-sufficient, as municipalities are only responsible for issuing permits, application fees, and other costs associated with maintaining the ordinance. Fees collected from the operating process will be combined with the Zoning Hearing Board’s general fund. The governing body of the municipality will ensure the funds associated with home-based businesses are available to cover expenses for the maintenance of the home-based business ordinance.

VI. CONCLUSION

In this narrative, we first introduced and defined what constitutes a home based-business. We highlighted that the major problem jurisdictions face when dealing with home-based businesses is properly balancing economic development and maintaining the character of the neighborhood. Great attention was placed on how municipalities attempted to address this issue. As stated above, municipalities use ordinances to limit the impact of home-based businesses. These ordinances state home-based businesses must have no impact on the community in order to be legitimate.

We then analyzed that new ordinances were needed because of the historical treatment and development of home-based businesses. We explained that these ordinances were unable to properly address the balancing concern, because they were much too restrictive and limited a large amount of business opportunities. As such, we went on to explain the benefits of improving these ordinances. Great attention was focused on how these businesses assisted family demands, increased economic stimulation within the community, and yielded environmental benefits as less carbon dioxide could be emitted into the atmosphere.
Next, we looked at how jurisdictions attempted to handle the problem. For diversity, we chose jurisdictions in rural, suburban, and metropolitan municipalities throughout Pennsylvania. From this, we recommended changes and policy choices regarding home-based business ordinances that allowed for greater flexibility. We ended by emphasizing the many social, environmental and economic benefits attributed to expanding the no-impact standard.

Thus, our new ordinance would finally give more flexibility and provide greater balance between promoting economic development and maintaining the ideal American neighborhood residents so desperately desire.
Proposed Model Ordinance for Home-Based Businesses

Dominique Harrington and Mariah Turner

_______________ MUNICIPALITY
_______________ COUNTY, PENNSYLVANIA

ORDINANCE No. _____________ - _____

AN ORDINANCE OF THE _____________ [TOWNSHIP/BOROUGH] OF
______________ COUNTY, PENNSYLVANIA, TO ESTABLISH ZONING
REGULATIONS RELATED TO HOME-BASED BUSINESSES.

WHEREAS, Controversy between the separation of residential and commercial use to preserve
the character of the neighborhood and the integration of home-based businesses;

WHEREAS, Twenty-first century technology and societal trends create a growth in prospective
home-based businesses;\(^6\)

WHEREAS, Home-based businesses promote sustainable communities through economic,
social and environmental benefits;

u-s-home-based-business-statistics/
WHEREAS, Home-based businesses provide social benefits including flexibility to address familial demands, maximizing work hours, avoiding costs and time related to commuting, and providing positive mental health benefits;\(^77\)

WHEREAS, Home-based businesses provide environmental benefits including a reduction of carbon dioxide emissions from vehicles and efficient use of homes to limit the construction of large buildings that may be responsible for tree depletion;

WHEREAS, Home-based businesses provide economic benefits to the local government such as funds from applications, permitting, penalty fees, and increased economic stimulation in the municipality;\(^78\)

WHEREAS, In adopting this ordinance, this municipality can address the balance between demand for home-based businesses and preservation of the character of residential neighborhoods.

AND NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the ____________ Municipality Board of Commissioners/Council, ____________ County, Pennsylvania.

The _______ code is amended by adding the following chapter to read:


Chapter 1

Preliminary Provisions

Section 101. Short Title.

This ordinance shall be known and may be cited as the Municipality Home-Based Business Ordinance.

Section 102. Legal Authority. 79

This ordinance is enacted and ordained under the grant of powers by the General Assembly of the Commonwealth of Pennsylvania under the Act of July 31, 1968 (P.L. 805, No. 247), known as the Pennsylvania Municipalities Planning Code.

Section 103. Definitions.

The following words and terms, when used in this chapter, shall have the meanings given to them in this section unless the context clearly indicates otherwise: 80

“Accessory Structure.” A structure subordinate to the principal permitted building on the same lot and designed for purposes which are accessory to the principal use of the lot. 81

“Accessory Use.” A use of a single-family dwelling of a nature customarily incidental and subordinate to the principal use. 82

“Board.” The Zoning Hearing Board. 83


“Homeowner.” The legal owner of a residential dwelling.

80 PROPOSED MODEL ORDINANCE FOR PARKLETS, Athanasia Georgakopoulos and Jo-Anne Thompson, (accessible at https://widenerenvironment.files.wordpress.com/2018/01/parklets2017.pdf.)
81 London Grove Township, Pennsylvania Code of Ordinances § 27-202
82 Kennett Township, Pennsylvania Code of Ordinances § 240-201
“Home-based business.” A money-making activity that a homeowner conducts in the homeowner’s residential dwelling.


“No-impact home-based business.” A business or commercial activity administered or conducted as an accessory use which is clearly secondary to the use as a residential dwelling and which involves no customer, client or patient traffic, whether vehicular or pedestrian, pickup, delivery or removal functions to or from the premises, in excess of those normally associated with residential use.\(^{84}\)

“Nuisance.” A home activity in the residential dwelling that contributes to any of the following:\(^{85}\)

(a) Substantial noise that is not associated with residential use.

(b) Emission of odorous gases or other odorous matter that is offensive at property boundary lines.

(c) A production of intense glare or heat that extends beyond the property lot.

(d) Vibrations, discernible to the human sense of feeling, that extend beyond the property lot.

(e) Unsightly outside storage.

(f) A significant increase of traffic.

“Pennsylvania Municipalities Planning Code.” The Act that empowers counties and municipalities, individually or jointly, to plan their development and to govern the same by zoning, subdivision, and land development ordinances and additional tools.

“Permit.” A physical authorization to operate a home-based business which allows the municipality to provide oversight of the homeowner and their business.

---

\(^{84}\) Id.

\(^{85}\) Fuquay-Varina, North Carolina Code of Ordinances § 9-1255
“Permittee.” A homeowner issued a permit for the authorization of a home-based business.

“Report.” A letter, review, memorandum, compilation or similar writing made by a body, board, officer or consultant for the purpose of assisting the recipient of the report in the rendering of a decision or determination.\textsuperscript{86}

“RHBB.” A rural home-based business.

“Zoning Hearing Board.” A body granted jurisdiction by the authority or under this ordinance to render final adjudications.\textsuperscript{87}

“Zoning Officer.” An officer appointed by the governing body of the municipality to administer this ordinance in accordance with the MPC.\textsuperscript{88}

\textsuperscript{86} See supra note 8.
\textsuperscript{87} Id.
Chapter 2

General Provisions

Section 201. No-impact home-based businesses. As of Right.

(a) **Specifications.** For the business to qualify as a no-impact home-based business as of right, the business or commercial activity must meet the following requirements.\(^{89}\)

1. The business activity shall be compatible with the residential use of the property and surrounding residential uses.
2. The business shall employ no employees other than family members residing in the dwelling.
3. There shall be no display or sale of retail goods and no stockpiling.
4. There shall be no outside appearance of a business use, including parking, signs, or lights.
5. The business activity may not use any equipment or process which creates a nuisance that is detectable in the neighborhood.
6. The business activity may not generate any solid waste or sewage discharge in volume or type which is not normally associated with residential use in the neighborhood.
7. The business activity shall be conducted only within the dwelling and may not occupy more than 25% of the habitable floor area.
8. The business may not involve any illegal activity.

Section 202. Accessory uses. As of Right.

\(^{89}\) *Id.*
(a) **Specifications.** For the business to qualify as an accessory use as of right, the business or commercial activity must meet the following requirements:\(^{90}\)

1. The operator of the business shall be the owner and occupant of the dwelling to which it is accessory.
2. Up to two persons who are not residents of the dwelling may be engaged in the business.
3. The business use shall be clearly incidental and subordinate to the dwelling’s use for residential purposes and may not occupy an area exceeding 35% of the floor area of the dwelling unit. Up to 100% of the floor area of an accessory structure may be used for the business use so long as no more than 35% of the combined floor area of the dwelling and accessory structure is used for the business.
4. The business shall cause no change in the external appearance of the dwelling or premises, and there shall be no visible external evidence other than a sign approved by the Zoning Officer to indicate that the premises are being used for the business.
5. Instruction in music and other tutorial services shall be limited to two students at a time.\(^{91}\)
6. Not more than six children may be kept in the home as a business. Safe, proper and efficient loading and unloading spaces must be supplied and at least 100 feet of outdoor play area is required for each child accommodated. The entire outdoor play area shall be enclosed by a wooden security fence with lockable gates approved by the building official or other substantial building material affording

---

\(^{90}\) Powhatan County, Virginia Code of Ordinances § 83-438  
\(^{91}\) Lanier County, Georgia Code of Ordinances § 9
equal or better protection, having a minimum height of at least four feet and
construction to ensure that maximum safety to the children.\textsuperscript{92}

(7) No more than three vehicles associated with the business use including vehicles
used by nonresident employees, customers, delivery services, etc. may be parked
on the premises at a given time and may not include heavy equipment or more
than one truck exceeding 5,000 pounds net weight and having more than two
axles. Any additional need for parking generated by the business use shall be met
with off-street parking that is not located in a required front yard.

(8) Any shipments or deliveries of products or supplies shall be limited to between
the hours of 8:00 a.m. and 5:00 p.m. and shall regularly occur only via single rear
axle straight trucks or smaller vehicles generally used to serve residential
neighborhoods.

(9) No equipment or process shall be used in the business that creates a nuisance.

(10) The business may not involve any illegal activity.

\textsuperscript{92} Id.
Chapter 3
Permitting Process

Section 301. Prohibition. It shall be unlawful for any homeowner to operate a home-based business within the municipality without first obtaining a permit to operate from a Zoning Officer. If a job-specific license is required, it is unlawful for a homeowner to operate a home-based business within the municipality without first obtaining the job-specific license required within the industry for any business of that type from the appropriate governing body.

Section 302. Special Exceptions.

(a) Specifications. The following businesses may be allowed by special exceptions issued by the Board:

(1) Rural Home-Based Businesses. Uses of property for the RHBB must meet the following requirements:93

(i) Property shall be owner occupied and contain a minimum of five acres of land.

(ii) The accessory structure shall be located behind the residential structure and shall contain no more than 75% of the gross square footage of the principal residential dwelling.

(iii) A RHBB may not be a nuisance to adjacent residential structures.

(iv) No display of products shall be allowed in the front yard.

(v) Only one sign advertising that accessory use, not exceeding 16 square feet in size, motionless and non-lighted, shall be permitted in the conduct of the proposed RHBB use.

93 Id.
(vi) Each RHBB operating under this ordinance section shall provide designated off-street parking to the rear of the primary residential structures for customers of said RHBB.

(vii) Any use approved as a RHBB which proposes outside storage shall provide screening of the entire service or storage area upon request of the Board.

(2) **Home-Based Landscaping Business.** Home-based landscaping business uses are allowed as accessory to a dwelling in accordance with the following standards:94

(i) The use shall comply with the standards for accessory uses in section 202. The business may include employees other than resident family members. However, these employees are not permitted to work on the dwelling site.

(ii) Equipment used for the business shall be limited to residential or commercial mowing equipment and attachments, string trimmers, and a maximum of one trailer for transportation of such equipment.

(iii) Only one truck exceeding 5,000 pounds net weight and having more than two axles may be used in the conduct of the business and parked on the dwelling site.

**Section 303. Application Requirements.**

(a) **Application Fee.**

---

94 Powhatan County, *supra* note 14
(1) The annual fee for maintaining a permit for a business shall be in the amount set forth by the governing body of the municipality as provided by an approved Fee Schedule.

(2) In addition to any other restoration fee required by this ordinance, an additional restoration fee in the amount set by the governing body of the municipality as provided by an approved Fee Schedule shall be assessed and collected before reinstating a business permit following a suspension or revocation under this ordinance.

(b) Application Requirements. Application for a permit to operate a business shall be made to the Zoning Officer upon forms prepared and furnished by the municipality. The application shall be submitted and filed with the Zoning Officer. New applications shall be accompanied by a nonrefundable application fee in the amount set by the governing body of the municipality. Each application shall contain at least the following:

(1) Name, address, tax ID and telephone number of the applicant, email, and signature of the applicant.

(2) Name of business and description of activities occurring at the home.

(3) Household size and number of expected employees.

(4) Nature of the business which the applicant intends to carry out at the home.

(5) A map of the property or an aerial photograph indicating any existing or proposed structures and parking areas.

(6) Proof of insurance.

(c) Inspection. Inspection of the prospective business shall be conducted after the Board has reviewed the application. The inspector shall document the findings of the inspection.
(d) **Licensing.** Any job-specific license that is required within the industry for any business shall be photocopied and submitted as an attachment to the home-based business application.

**Section 304. Approval and Denial.**

(a) **Application.** The application must be completed with the required information set out in section 303(b). An application that is missing this information shall be denied a permit.

(b) **Notice.** Within 30 days of receiving the application for a business, the Zoning Officer shall send a notification in the mail of an approval or denial. The notification document shall include the following information:

   (1) Information discovered during the inspection.

   (2) Reason for the approval or denial, and

   (i) Approval determinations shall attach the permit, as created by the Zoning Officer, to the determination letter.

   (ii) Denial determinations shall include a statement notifying the homeowner that they may appeal the determination as provided under section 306 of this ordinance.

   (iii) The Zoning Officer shall deny a permit application that is incomplete or demonstrates inability to comply with the requirements of the ordinance.

   (3) Notice that the permittee may appeal the determination as provided under section 306 of this ordinance.

**Section 305. Operating Requirements.**
(a) **Generally.** A permittee shall operate a business in accordance with Municipal, State, and Federal laws, including this ordinance.95

(b) **Parking.** Parking for business purposes shall be allowed as follows:96

1. Between the hours of 8:00 a.m. and 4:00 p.m. unrestricted.

2. Between the hours of 4:00 p.m. and 8:00 a.m. parking for business purposes must be off-street.

3. In all cases, parking for businesses located within areas controlled by communal or community associations must be consistent with the governing declaration of covenants, documents or regulations of the community association.

4. Any vehicles owned, used, operated or under the control of those engaged in the business, and which vehicles are used in the business shall not be parked overnight on any public street and, if parked on the premises permitted for the business, must be parked on a paved driveway or parking pad which is connected to the principal dwelling or garage located on the premises permitted for the business.97

5. Where a permit is required for a business, the Zoning Officer may promulgate conditions and establish parking requirements as may be necessary to accommodate the business and prevent inharmonious impacts upon adjacent properties and roadways.

95 PROPOSED MODEL ORDINANCE FOR PARKLETS, Athanasia Georgakopoulos and Jo-Anne Thompson, (accessible at https://widenerenvironment.files.wordpress.com/2018/01/parklets2017.pdf.).
96 Gaithersburg, Maryland Code of Ordinances § 24-215
97 Woodway, Texas Code of Ordinances § 2.8
(c) **Traffic.** Unless specified in Chapter 2, a business may not generate pedestrian or vehicular traffic in excess of that which is customary for a dwelling unit, or which would have a disruptive effect on the neighborhood.\(^98\)

(d) **Modifications.** Any prospective modifications to a permitted business operation must be requested to the Zoning Officer. The permittee shall describe, in detail, the modifications desired. The Zoning Officer will determine whether the modification is approved or denied, with the determination being mailed to the permittee.

**Section 306. Appeals.**

(a) **Jurisdiction.** All appeals related to the business shall follow the MPC. Permits approved or denied by the Zoning Officer shall be heard by the Board. All appeals from the Board shall be taken to the Court of Common Pleas.\(^99\)

(b) **Aggrieved Parties.** An individual, who receives a denial determination from the Zoning Officer, may appeal the decision to the Board. A community member, residing in the neighborhood of which a business operates, may appeal a permitted homeowner’s operation of a business to the Board within 30 days of approval by the Zoning Officer. A signed notice of appeal, on a form created by the Board, shall be submitted to begin the appeals process.

(1) **Time Limitations.** No applicant shall be allowed to file any proceeding with the Board later than 30 days after receiving the mailed determination from the Zoning Officer.\(^100\)

---

\(^{98}\) Los Angeles County, California Code of Ordinances § 22.20.020


\(^{100}\) Id.

35
(2) **Procedure.** Upon receiving the notice of appeal, the Board will set a hearing date for the appeal. Following the hearing, the Board shall make a final determination and issue the results to the aggrieved applicant by mail. When the aggrieved party is a community member, the results shall be mailed to the aggrieved party and the business operator.

(3) **Court Appeals.** Adjudication of aggrieved applicants may be appealed to the Court of Common Pleas of the district in which this ordinance is implemented.\(^\text{101}\)

---

Chapter 4

Enforcement and Disciplinary Actions

Section 401. Enforcement Notice.\(^{102}\)

(a) If it appears to the municipality that a violation of this ordinance has occurred, the municipality shall initiation enforcement proceedings by sending an enforcement notice as provided in this section.

(b) The enforcement notice shall be sent to the permittee of the business on which the violation has occurred, to any person who has filed a written request to receive enforcement notices regarding that business, and to any other person requested in writing by the permittee.

(c) Any enforcement notice shall state at least the following:

1. The name of the permittee and any other person against whom the municipality intends to take action.
2. The location of the business in violation.
3. The specific violation with a description of the requirements which have not been met, citing in each instance the applicable provisions of the ordinance.
4. The date before which the steps for compliance must be commenced and the date before which the steps must be completed.
5. That the recipient of the notice has the right to appeal to the Board within a prescribed period of time in accordance with procedures set forth in this ordinance.

(6) That failure to comply with the notice within the time specified, unless extended by appeal to the Board, constitutes a violation, with possible disciplinary actions clearly described.

(d) In any appeal of an enforcement notice to the Board the municipality shall have the responsibility of presenting its evidence first.

(e) Any filing fees paid by a party to appeal an enforcement notice to the Board shall be returned to the appealing party by the municipality if the Board, or any court in a subsequent appeal, rules in the appealing party’s favor.

Section 402. Disciplinary Action. The governing body of the municipality shall determine the appropriate options of disciplinary actions for any business that violates the enforcement notice under section 401. Disciplinary actions may include suspension or revocation of business permits or penalties in a reasonable amount determined by the governing body of the municipality. The Board shall determine the appropriate disciplinary action against the permittee. The permittee may appeal the determination as provided under section 306 of this ordinance.

Section 403. Suspended permits. The Board shall determine the length of time a permit will be suspended. The violation shall be corrected before the suspension is lifted.

Section 404. Revoked permits. When a permit is revoked, the Board shall determine the length of time the homeowner must wait before they can re-apply, following the procedure in section 303 for a new permit.103

---

Chapter 5

Funding

Section 502. Uses. The governing body of the municipality shall place all money acquired from fees stated in prior sections into the Board’s general fund. The use of the funds for this ordinance shall be limited to the following transactions:

(a) Operating costs associated with printing applications, reports, and permits in accordance with Section 303.

(b) Inspection costs in accordance with Section 303.

(c) Minimal costs necessary to support programs that incentivize robust home-based business practices. Such incentives include:

(1) Quarterly certificate program or

(2) Annual award program.

(d) Other related expenses needed for the implementation of this ordinance as determined by the governing body of the municipality.

Oversight. The governing body of the municipality shall draft a quarterly expense and account report of the money in the fund.
Chapter 6

Repeals and Severability

Section 601. Repeals.\textsuperscript{104}

All other ordinances and parts of ordinances are repealed insofar as they are inconsistent with this ordinance.

Section 602. Severability.\textsuperscript{105}

The provisions of this ordinance are severable. If any provision of this act or its application to any person or circumstances is held invalid, the invalidity may not affect other provisions or applications of this act, which can be given effect without the invalid provision or application.

Section 603. Effective Date.

This ordinance shall become effective 30 days after enactment.

ORDAINED AND ENACTED as an Ordinance this _____ day of ____________, 20__.

\textsuperscript{104} 53 Pa. Stat. Ann. § 11202

\textsuperscript{105} Pittsburgh, Pennsylvania Code of Ordinances § 116.02