

1 State of Arkansas  
2 93rd General Assembly  
3 Regular Session, 2021  
4

# A Bill

HOUSE BILL 1416

5 By: Representative Underwood  
6 By: Senator M. Johnson  
7

## For An Act To Be Entitled

9 AN ACT TO ENCOURAGE HOME-BASED ENTREPRENEURSHIP; TO  
10 REMOVE UNNECESSARY BARRIERS TO WORKING FROM HOME; AND  
11 FOR OTHER PURPOSES.  
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## Subtitle

15 TO ENCOURAGE HOME-BASED ENTREPRENEURSHIP;  
16 AND TO REMOVE UNNECESSARY BARRIERS TO  
17 WORKING FROM HOME.  
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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22 SECTION 1. Arkansas Code Title 14, Chapter 1, Subchapter 1, is amended  
23 to add an additional section to read as follows:

24 14-1-104. Home-based businesses – Legislative findings and intent –  
25 Definitions.

26 (a) The General Assembly finds that:

27 (1) Small businesses often begin at home because of lower costs  
28 and increased flexibility;

29 (2) Home-based work plays a significant role in the economy as  
30 roughly half of all businesses in the United States operate primarily out of  
31 a residence; and

32 (3) Local government can hold back entrepreneurs and limit the  
33 economy of this state by enacting ordinances that require an individual to  
34 obtain a permit to operate a business in or work from the individual's own  
35 residence.

36 (b) It is the intent of the General Assembly that this section



1 strengthen home-based work and remove unnecessary barriers to working from  
2 home.

3 (c) As used in this section:

4 (1) "Home-based work" means any occupation performed or business  
5 conducted by a resident within a residence;

6 (2) "Legislative body" means the quorum court of a county or the  
7 council, board of directors, board of commissioners, or similar elected  
8 governing body of local government;

9 (3) "Local government" means a city of the first class, a city  
10 of the second class, or an incorporated town;

11 (4) "Ordinance" means an ordinance, resolution, or other  
12 appropriate legislative enactment of a legislative body that prohibits or  
13 requires an individual to obtain approval from a local government before  
14 operating a home-based business from a residence or performing home-based  
15 work, including without limitation home occupation permits and licenses; and

16 (5) "Residence" means a permanent dwelling place, unit, or an  
17 accessory structure.

18 (d) Notwithstanding any other law, local government may establish an  
19 ordinance concerning home-based work only if the ordinance is necessary to:

20 (1) Ensure the premises does not exhibit advertisements or  
21 similar exterior evidence that a residence is being used for any purpose  
22 other than a residence;

23 (2) Ensure home-based work does not cause an odor, excessive  
24 dust, smoke, vibration, noise, heat glare, or similar interference;

25 (3) Ensure the residence is in compliance with health and safety  
26 codes;

27 (4) Enforce traffic and building codes; or

28 (5) Prohibit or limit the use of home-based work for the  
29 purposes of protecting the public health, safety, and welfare and to prevent  
30 criminal activity, including without limitation selling illegal drugs,  
31 liquor, or pornography, or operating an adult-oriented business, animal  
32 boarding center, sober living home, or automotive repair center.

33 (e) This section does not supersede:

34 (1) An agreement between a homeowners' association and a  
35 homeowner; or

36 (2) Any valid deed restrictions.

1       (f) If a local government takes enforcement action against an  
2 individual for violating an ordinance, then the local government shall  
3 demonstrate that the ordinance is consistent with subsection (d) of this  
4 section.

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6       SECTION 2. Effective date.

7       This act is effective on and after January 1, 2022.  
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