STATE OF NEW YORK

8718

IN SENATE

January 7, 2026

Introduced by Sen. HINCHEY -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary

AN ACT to amend the real property law, in relation to the use of a residence as a no-impact home-based business within a homeowners' association

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The real property law is amended by adding a new article 9-E to read as follows:

ARTICLE 9-E

NO-IMPACT HOME-BASED BUSINESS RIGHTS ACT

Section 344. Certain covenants, conditions, and restrictions of homeowners' associations prohibited.

§ 344. Certain covenants, conditions, and restrictions of homeowners' associations prohibited. 1. Definitions. For the purposes of this section:

(a) "No-impact home-based business" means a business that:

(i) is consistent with the residential character of the dwelling unit;

(ii) is subordinate to the use of the dwelling unit for residential purposes and requires no external modifications that detract from the residential appearance of the dwelling unit;

(iii) uses no equipment or process that creates noise, vibration, glare, fumes, odors, or electrical or electronic interference detectable by neighbors or that causes an increase of common expenses that can be solely and directly attributable to a no-impact home-based business; and

(iv) does not involve use, storage, or disposal of any grouping or classification of materials that the United States secretary of transportation or the state or any local governing body designates as a hazardous material.

2. (a) Subject to the provisions of subdivisions three and four of this section, a recorded covenant or restriction, a provision in a declaration, or a provision of the bylaws or rules of a homeowners' association that prohibits or restricts commercial or business activity in general, but does not expressly apply to no-impact home-based busi-

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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nesses, may not be construed to prohibit or restrict the establishment and operation of a no-impact home-based business.

(b) Subject to the provisions of subdivisions three and four of this section, the operation of a no-impact home-based business shall be:

(i) considered a residential activity; and

(ii) a permitted activity.

3. (a)(i) Except as provided in subparagraph (ii) of this paragraph and subject to the provisions of paragraph (b) of this subdivision, a homeowners' association may include in its declaration, bylaws, or recorded covenants and restrictions a provision expressly prohibiting the use of a residence for the operation of a no-impact home-based business.

(ii) A homeowners' association may not include a provision described under subparagraph (i) of this paragraph expressly prohibiting the use of a residence for the operation of a no-impact home-based business in its declaration, bylaws, or recorded covenants and restrictions unless such provision is approved by at least ninety percent of the total eligible voters of the homeowners' association, not including the developer, under the voting procedures contained in the declaration or bylaws of the homeowners' association.

(iii) A provision described under subparagraph (i) of this paragraph expressly prohibiting the use of a residence for the operation of a no-impact home-based business shall apply to an existing no-impact home-based business in the homeowners' association.

(b) If a homeowners' association includes in its declaration, bylaws, or recorded covenants and restrictions a provision prohibiting the use of a residence as a no-impact home-based business, the homeowners' association shall also include a provision stating that such prohibition may be eliminated and individual no-impact home-based businesses may be approved by a simple majority of the total eligible voters of the homeowners' association under the voting procedures contained in the declaration or bylaws of the homeowners' association.

(c) If a homeowners' association includes in its declaration, bylaws, or recorded covenants and restrictions a provision expressly prohibiting the use of a residence as a no-impact home-based business, such prohibition may be eliminated and no-impact home-based business activities may be permitted by the approval of a simple majority of the total eligible voters of the homeowners' association under the voting procedures contained in the declaration or bylaws of the homeowners' association.

4. A homeowners' association may restrict or prohibit a no-impact home-based business in any common areas.

§ 2. This act shall take effect on the sixtieth day after it shall have become a law.