



IOWA CITY HOME OCCUPATION REGULATIONS

The following information should answer many of the questions you may have about opening a business in your home. If, after reading through the following information, you still have questions or need help, please contact the Neighborhood & Development Services at 319-356-5120.

WHAT IS THE INTENT OF IOWA CITY'S REGULATION OF HOME OCCUPATIONS?

Home occupations are regulated to allow only those businesses or uses that:

- do not detract from the residential character of the neighborhood,
- are limited in extent,
- are compatible with residential use, and
- are clearly subordinate to the use of the premises as a residence.

WHAT IS A HOME OCCUPATION?

The business or professional use must be clearly subordinate to the principal use of the dwelling as a residence and the dwelling must be the primary residence of the owner/operator of the home business. There are two types of home occupation uses: Type A and Type B. Type A occupations are those types of business where a resident uses the dwelling as a place of work, but no employee or customers come to the site. Examples of this type would include artists, craftpersons, writers and consultants. Type B occupations are those types of businesses where a non-resident employee works or where customers frequent the site on a regular basis. Examples of this type include counseling, tutoring, and hair styling.

CAN ANY TYPE OF BUSINESS BE A HOME OCCUPATION?

No, certain types of businesses are specifically prohibited as home occupations. These include: adult business uses, veterinary clinics and kennels, commercial recreational uses, commercial parking, eating and drinking establishments, and medical/dental offices (except for psychiatrists, psychologists, chiropractors and physical/massage therapists), self service storage, industrial service or any use which changes the fire safety occupancy separation classification requirements for the structure. Also prohibited is any type of repair or assembly of vehicles or equipment with internal combustion engines (such as automobiles, motorcycles, scooters, snowmobiles, outboard marine engines, lawn mowers, chain saws and other small engines) or large appliances (such as washing machines, dryers and refrigerators) or any other work related to automobiles and their parts.



WHAT LIMITATIONS ARE PLACED ON HOME OCCUPATIONS?

A home occupation can be placed in the principal dwelling unit or in an accessory building for that dwelling unit. However, the space dedicated to home occupation cannot exceed 25% of the total floor area of the principal dwelling. There can be no indication from the exterior of the dwelling unit or accessory building such as noise, odor, smoke, dust, excessive outdoor lighting or outdoor storage of materials, that there is a home occupation use on the premises. No customers or deliveries to the home occupation use are permitted before 7:00 AM or after 10:00 PM. No commodities may be sold on the premises except for those produced on the premises or those associated with the home occupation conducted on the premises. For example, a hair salon may sell beauty products.

Type B home occupations are limited to 10 clients or customers a day.

WHAT ABOUT TRAFFIC AND PARKING?

A home occupation does not require any additional parking other than what is required for the residential use. However, the business cannot generate a greater volume or type of traffic than what is normally expected in the zone in which it is located. Nor can it necessitate parking in excess of what is normally expected in the zone in which it is located. Vehicles used for delivery and pick up are limited to those normally servicing residential neighborhoods. Commercial vehicles more than 7.5ft in height cannot be stored in residential zones and therefore cannot be used for a home occupation.

IS SIGNAGE ALLOWED FOR A HOME OCCUPATION?

A home occupation is allowed one (1) non-illuminated sign not to exceed one (1) square foot. The sign must be attached to the dwelling or the accessory building. It may not be placed in the yard.

IS A PERMIT FROM THE CITY REQUIRED?

A permit is not required for a Type A home occupation. A permit is required for a Type B home occupation. To apply for a home occupation permit, visit icgov.org and follow the instructions to the CSS portal. Look under "permits" for Home Occupation permit. The permit fee is \$35 for a 2-year permit.



IS A PERMIT OR A LICENSE REQUIRED FROM THE STATE?

Maybe. If your business involves food, you may need a license and should contact the Johnson County Health Department, 855 S Dubuque Street, telephone number 319-356-6040.

For questions regarding a sales tax permit and sales tax identification numbers, call the Iowa Department of Revenue and Finance at 1-800-367-3388. For employer/federal identification numbers, call the Internal Revenue Service in Kansas City at 1-800- 829-1040.

IS A NON-RESIDENT EMPLOYEE ALLOWED?

Non-resident employees are prohibited except one non-resident employee may be permitted if approved by the Building Official through the minor modification process. To apply for a minor modification, visit icgov.org and follow the instructions to the CSS portal. Look under “plans” for Minor Modification. The fee for a minor modification is \$100.