

By: Hefner

H.B. No. 2464

Substitute the following for H.B. No. 2464:

By: Bell of Montgomery

C.S.H.B. No. 2464

A BILL TO BE ENTITLED

AN ACT

relating to the authority of a municipality to regulate a home-based business.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter [Z](#), Chapter [229](#), Local Government Code, is amended by adding Section 229.902 to read as follows:

Sec. 229.902. AUTHORITY TO REGULATE HOME-BASED BUSINESSES.

(a) In this section:

(1) "Business" has the meaning assigned by Section [1.002](#), Business Organizations Code.

(2) "Home-based business" means a business that is operated:

(A) from a residential property;

(B) by the owner or tenant of the property; and

(C) for the purpose of:

(i) manufacturing, providing, or selling a lawful good; or

(ii) providing a lawful service.

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

(A) has at any time on the property where the business is operated a total number of employees and clients or patrons of the business that does not exceed the municipal occupancy limit for the property;

1 (B) does not generate on-street parking or a
2 substantial increase in traffic through the area; and

3 (C) operates in a manner in which none of its
4 activities are visible from a street.

5 (b) The governing body of a municipality may not adopt or
6 enforce an ordinance, regulation, or other measure that:

7 (1) prohibits the operation of a no-impact home-based
8 business;

9 (2) requires a person that operates a no-impact
10 home-based business or that owns the property where the business is
11 operated to obtain a license, permit, or other approval to operate
12 the business; or

13 (3) requires a person that operates a home-based
14 business or that owns the property where the business is operated
15 to:

16 (A) rezone the property for a non-residential
17 use; or

18 (B) install a fire sprinkler protection system if
19 the residence where the business is operated consists only of:

20 (i) a single-family detached residential
21 structure; or

22 (ii) a multi-family residential structure
23 with not more than two residential units.

24 (c) Subject to Subsection (b), the governing body of a
25 municipality may:

26 (1) require that a home-based business be:

27 (A) in compliance with federal, state, and local

1 law, including:

2 (i) a municipal fire and building code; and

3 (ii) a municipal regulation related to:

4 (a) health and sanitation;

5 (b) transportation or traffic

6 control;

7 (c) solid or hazardous waste; or

8 (d) pollution and noise control;

9 (B) compatible with the residential use of the
10 property where the business is located; and

11 (C) secondary to the use of the property as a
12 residential dwelling; and

13 (2) limit or prohibit the operation of a home-based
14 business that:

15 (A) sells alcohol or illegal drugs;

16 (B) is a structured sober living home; or

17 (C) is a sexually oriented business as defined by
18 Section 243.002.

19 (d) This section does not prohibit:

20 (1) a person from enforcing a rule or deed restriction
21 imposed by a homeowners' association or by other private agreement;
22 or

23 (2) a municipality from adopting or enforcing an
24 ordinance regulating the operation of a short-term rental unit.

25 SECTION 2. This Act takes effect immediately if it receives
26 a vote of two-thirds of all the members elected to each house, as
27 provided by Section 39, Article III, Texas Constitution. If this

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1 Act does not receive the vote necessary for immediate effect, this
2 Act takes effect September 1, 2025.