

By: Hefner

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 a person from enforcing a  
20 rule or deed restriction imposed by a homeowners' association or by  
21 other private agreement.

22 SECTION 2. This Act takes effect immediately if it receives  
23 a vote of two-thirds of all the members elected to each house, as  
24 provided by Section [39](#), Article III, Texas Constitution. If this  
25 Act does not receive the vote necessary for immediate effect, this  
26 Act takes effect September 1, 2025.