H.B. No. 2464 Hefner (Senate Sponsor - Middleton) 1-1 By: (In the Senate - Received from the House May 15, 2025; May 15, 2025, read first time and referred to Committee on Local 1-2 1-3 Government; May 20, 2025, reported favorably by the following vote: Yeas 5, Nays 1; May 20, 2025, sent to printer.) 1-4 1-5 COMMITTEE VOTE 1-6 1-7 Yea Absent PNV Nav 1-8 Bettencourt Х Middleton Х 1-9 1-10 1-11 Cook Х Gutierrez Х 1-12 Nichols Х 1-13 Paxton Х 1-14 West X 1-15 A BILL TO BE ENTITLED 1-16 AN ACT relating to the authority of a municipality to regulate a 1-17 -1**-**18 home-based business. 1-19 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: 1-20 1-21 1-22 1-23 Sec. 229.902. AUTHORITY TO REGULATE HOME-BASED BUSINESSES. In this section: (a) (1) "Business" has the meaning assigned by Section 1-24 1-25 1.002, Business Organizations Code. "Home-based business" means a business that is 1-26 (2) 1-27 operated: 1-28 (A) from a residential property; by the owner or tenant of the property; and 1-29 (B) 1-30 (C) for the purpose of: 1-31 (i) manufacturing, providing, or selling a lawful good; or 1-32 1 - 33providing a lawful service. (ii) "No-impact 1-34 home-based business" (3)means а 1-35 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 1-36 1-37 1-38 occupancy limit for the property; 1-39 (B) does not generate on-street parking or a 1-40 1-41 substantial increase in traffic through the area; (C) operates in a manner in activities are visible from a street; and which none of its 1-42 1-43 1-44 (D) does not substantially increase noise in the 1-45 area or violate a municipal noise ordinance, regulation, or rule. 1-46 (b) The governing body of a municipality may not adopt or 1-47 enforce an ordinance, regulation, or other measure that: (1) prohibits the operation of a no-impact home-based 1-48 1-49 business; 1-50 (2) requires a person that operates no-impact а 1-51 home-based business or that owns the property where the business is 1-52 operated to obtain a license, permit, or other approval to operate 1-53 the business; or 1-54 (3) requires a person that operates a home-based 1-55 business or that owns the property where the business is operated 1-56 to: 1-57 rezone the property for a non-residential (A) 1-58 use; or 1-59 install a fire sprinkler protection system if (B) the residence where the business is operated consists only of: 1-60 (i) a single-family detached residential 1-61

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2-1 2-2	structure; or
2-2 2-3	(ii) a multi-family residential structure with not more than two residential units.
2-4	(c) Subject to Subsection (b), the governing body of a
2-5	municipality may:
2-6	(1) require that a home-based business be:
2-7	(A) in compliance with federal, state, and local
2-8	law, including:
2-9	(i) a municipal fire and building code; and
2-10 2-11	(ii) a municipal regulation related to: (a) health and sanitation;
2-11	(b) transportation or traffic
2-13	control;
2-14	(c) solid or hazardous waste; or
2-15	(d) pollution and noise control;
2-16	(B) compatible with the residential use of the
2 - 17 2 - 18	property where the business is located; and (C) secondary to the use of the property as a
2-18 2-19	(C) secondary to the use of the property as a residential dwelling; and
2-20	(2) limit or prohibit the operation of a home-based
2-21	business that:
2-22	(A) sells alcohol or illegal drugs;
2-23	(B) is a structured sober living home; or
2 - 24 2 - 25	(C) is a sexually oriented business as defined by
2 - 25 2 - 26	Section 243.002. (d) This section does not prohibit:
2-20	(1) a person from enforcing a rule or deed restriction
2-28	imposed by a homeowners' association or by other private agreement;
2-29	or
2-30	(2) a municipality from adopting or enforcing an
2-31	ordinance regulating the operation of a short-term rental unit.
2-32 2-33	SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as
2-33 2 - 34	provided by Section 39, Article III, Texas Constitution. If this
2-35	Act does not receive the vote necessary for immediate effect, this
2-36	Act takes effect September 1, 2025.

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