

Planning & Zoning Commission
Final Report of Recommended Zoning Text Amendments
to Sec. 308, Article 3, of the Zoning Code (currently titled "Home Occupations")

Background:

The City's current Section 308, Article 3, of the Zoning Code, relating to home occupations requires a person conducting any business, professional or commercial activity on or from property that is zoned for residential use (AR, R-1, R-2, and R-3 districts) to obtain either: (1) a home occupation permit issued by the code enforcement officer for specific home occupations listed in Section 308; or (2) a home occupation conditional use permit issued by the city council after a public hearing by the planning and zoning commission for any home occupation that is not listed in Section 308. In addition, Section 308 currently contains several other restrictions, including limiting permitted home occupations to the person residing at the location of the home occupation and to one room in the private dwelling. The current Section 308 also includes regulations and provisions relating to garage sales.

House Bill (HB) 2464 adopted by the 89th Texas Legislature amends the Texas Local Government Code to establish limitations on the ability of a municipality to regulate a home-based business that is classified by the bill as a "no-impact home-based business." A copy of the Legislative Summary for HB 2464 along with a copy of HB 2464 are contained in Attachment A, which is hereby made a part of this report.

HB 2464 specifically prohibits the governing body of a municipality from adopting or enforcing an ordinance, regulation, or other measure that: (1) prohibits the operation of a "no-impact home-based business"; (2) requires a person that operates such a business or that owns the property where such a business is operated to obtain a license, permit, or other approval from the city to operate the business; or (3) requires such a person to rezone the property for a non-residential use or install a fire sprinkler protection system if the residence where the business is operated consists only of certain residential structures. HB 2464 does allow municipalities to adopt certain requirements that will help ensure the business is compatible with the residential use of the property where the business is located.

In order to comply with HB 2464, an ordinance has been drafted with proposed zoning text amendments to delete the current Section 308 in its entirety and replace it with a substituted Section 308. The draft ordinance would permit a home-based business that meets the legal criteria of a "no-impact home-based business" to operate by right in a residential district if the property where the business is operated is: (1) secondary to the use of the property as a residential dwelling or is adjacent to property owned by the same owner and has a residential dwelling as the primary use; and (2) is not a business that sells alcohol or illegal drugs, is not a structured sober living home, and is not a sexually oriented business as defined by Tex. Local Gov't Code, Section 243.02. In addition, the draft ordinance incorporates current provisions relating to the City's limitations to regulate commerce in firearms, etc. and current regulations relating to garage sales. There are no changes to the garage sale regulations, but the formatting changes in the substituted Section 308 make it easier to locate and reference the regulations. The draft ordinance containing the proposed zoning text amendments to Section 308, Article 3, of the Zoning Code, is hereby incorporated into this final report as Attachment B.

Summary of the Planning & Zoning Commission Public Hearing Held on September 30, 2025:

Two residents were present and asked several questions and expressed concerns about the proposed ordinance and the impact on residential neighborhoods. In response to the questions and expressed concerns, the residents were advised that the proposed ordinance prohibits business signs that may be seen from the street, prohibits on-street parking related to the business, prohibits generating a substantial increase in traffic through the area; requires that the business be secondary to the use of the property as a residential dwelling, only allows the number of persons on the property at any one time as allowed by the certificate of occupancy, and allows the home-based business to be located on a parcel that is adjacent to

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the residential dwelling and owned by the same property owner. The residents appreciated the responses and understood that the ordinance follows state law.

Conclusion: The P&Z Commission concluded that the public hearing did not result in any changes to the zoning text amendments included in the Commission's preliminary report and that the amendments would be incorporated into the final report to the City Council as is.

Recommendation: The Planning & Zoning Commission recommends that the City Council vote to approve the proposed ordinance containing zoning text amendments to Sec. 308, Article 3, of the Zoning Code.

House Bill 2464

House Author: Hefner

Senate Sponsor: Middleton

Effective: 6-12-25

House Committee: Intergovernmental Affairs

Senate Committee: Local Government

House Bill 2464 amends the Local Government Code to provide limitations on the ability of a municipality to regulate a home-based businesses that is classified by the bill as a "no-impact home-based business." Accordingly, the bill prohibits the governing body of a municipality from adopting or enforcing an ordinance, regulation, or other measure that, as follows:

- prohibits the operation of such a business;
- requires a person that operates the business or that owns the property where the business is operated to obtain a license, permit, or other approval to operate the business; or
- requires such a person to rezone the property for a non-residential use or install a fire sprinkler protection system if the residence where the business is operated consists only of certain residential structures.

Nevertheless, the governing body, subject to those prohibitions, may require that a home-based business be in compliance with federal, state, and local law, be compatible with the residential use of the property where the business is located, and be secondary to the use of the property as a residential dwelling. Furthermore, the bill also authorizes the governing body to limit or prohibit the operation of such a business that sells alcohol or illegal drugs, is a structured sober living home, or is a sexually oriented business. The bill expressly does not prohibit a person from enforcing a rule or deed restriction imposed by a private agreement or a municipality from adopting or enforcing an ordinance regulating the operation of a short-term rental unit.

House Bill 2464 defines a "no-impact home-based business" as a business that, as follows:

- 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;
- does not generate on-street parking or a substantial increase in traffic through the area;
- operates in a manner in which none of its activities are visible from a street; and
- does not substantially increase noise in the area or violate a municipal noise ordinance, regulation, or rule.

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1 AN ACT

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

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

5 SECTION 1. Subchapter Z, Chapter 229, Local Government
6 Code, is amended by adding Section 229.902 to read as follows:

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

8 (a) In this section:

9 (1) "Business" has the meaning assigned by Section
10 1.002, Business Organizations Code.

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

13 (A) from a residential property;

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

15 (C) for the purpose of:

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

18 (ii) providing a lawful service.

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

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

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

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

5 (D) does not substantially increase noise in the
6 area or violate a municipal noise ordinance, regulation, or rule.

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

9 (1) prohibits the operation of a no-impact home-based
10 business;

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

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

18 (A) rezone the property for a non-residential
19 use; or

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

22 (i) a single-family detached residential
23 structure; or

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

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

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- 1 (1) require that a home-based business be:
2 (A) in compliance with federal, state, and local
3 law, including:
4 (i) a municipal fire and building code; and
5 (ii) a municipal regulation related to:
6 (a) health and sanitation;
7 (b) transportation or traffic
8 control;
9 (c) solid or hazardous waste; or
10 (d) pollution and noise control;
11 (B) compatible with the residential use of the
12 property where the business is located; and
13 (C) secondary to the use of the property as a
14 residential dwelling; and
15 (2) limit or prohibit the operation of a home-based
16 business that:
17 (A) sells alcohol or illegal drugs;
18 (B) is a structured sober living home; or
19 (C) is a sexually oriented business as defined by
20 Section 243.002.
21 (d) This section does not prohibit:
22 (1) a person from enforcing a rule or deed restriction
23 imposed by a homeowners' association or by other private agreement;
24 or
25 (2) a municipality from adopting or enforcing an
26 ordinance regulating the operation of a short-term rental unit.
27 SECTION 2. This Act takes effect immediately if it receives

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1 a vote of two-thirds of all the members elected to each house, as
2 provided by Section 39, Article III, Texas Constitution. If this
3 Act does not receive the vote necessary for immediate effect, this
4 Act takes effect September 1, 2025.

ATTACHMENT B TO P&Z COMMISISON FINAL REPORT

DRAFT ORDINANCE NO. O-10B-25

AN ORDINANCE AMENDING ARTICLE 3 OF APPENDIX A, ZONING, OF THE CROCKETT CODE, DELETING SECTION 308 "HOME OCCUPATIONS" IN ITS ENTIRETY, INCLUDING THE REQUIREMENTS FOR A HOME OCCUPATION PERMIT OR A HOME OCCUPATION CONDITIONAL USE PERMIT ISSUED BY THE CITY, AND REPLACING IT WITH A SUBSTITUTE SECTION 308 "HOME-BASED BUSINESSES AND GARAGE SALES" TO COMPLY WITH HOUSE BILL 2464 PASSED BY THE 89TH TEXAS LEGISLATURE RELATING TO THE AUTHORITY OF A MUNICIPALITY TO REGULATE A HOME-BASED BUSINESS; PERMITTING A "NO-IMPACT HOME BASED BUSINESS" AS DEFINED BY HOUSE BILL 2464 TO OPERATE BY RIGHT IN A RESIDENTIAL DISTRICT IF THE BUSINESS IS COMPATIBLE WITH THE RESIDENTIAL USE OF THE PROPERTY WHERE THE BUSINESS IS LOCATED, IS SECONDARY TO THE USE OF THE PROPERTY AS A RESIDENTIAL DWELLING OR IS ADJACENT TO PROPERTY OWNED BY THE SAME OWNER AND HAVING A PRIMARY USE AS A RESIDENTIAL DWELLING, IS NOT A BUSINESS THAT SELLS ALCOHOL OR ILLEGAL DRUGS, IS NOT A STRUCTURED SOBER LIVING HOME, AND IS NOT A SEXUALLY ORIENTED BUSINESS AS DEFINED BY TEX. LOCAL GOV'T CODE, SECTION 243.002; INCORPORATING CURRENT PROVISIONS RELATING TO THE CITY'S LIMITATIONS TO REGULATE COMMERCE IN FIREARMS, ETC. AND CURRENT PROVISIONS RELATING TO GARAGE SALES INTO THE SUBSTITUTED SECTION 308; PROVIDING A SEVERABILITY CLAUSE; CONTAINING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

THE COUNCIL OF THE CITY OF CROCKETT, TEXAS HEREBY ORDAINS:

SECTION I:

Section 308, Home Occupations, Article 3, Additional District Provisions, of the Crockett Zoning Code, is hereby deleted and replaced with the following substituted Section 308:

Section 308 – Home-Based Businesses and Garage Sales.

308.01. Home-Based Businesses.

- A. *Intent.* To permit the operation of a "no-impact home-based business" that is compatible with the residential use of the property where the business is located without requiring a license, permit, or other approval from the city or a change in the zoning district to a non-residential

district. [State law reference: Tex. Local Gov't Code, Sec. 229.902 as added by HB 2464, 89th Legislature.]

B. *Definitions.*

1. *Business*: Has the meaning assigned by Section 1.002, Business Organizations Code (a trade, occupation, profession, or other commercial activity.)
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 manufacturing, providing, or selling a lawful good or providing a lawful service.

C. *Criteria to be Classified as a No-Impact Home-Based Business.*

To be classified as a no-impact home-based business, the home-based business must meet the following criteria:

1. not have at any time on the property where the business is located a total number of employees and clients or patrons of the business that exceeds the City's occupancy limit for the property;
2. not generate on-street parking or a substantial increase in traffic through the area;
3. not operate in a manner in which any of its activities are visible from a street (activities include any advertising or marketing activities such as a business sign that is visible from a street);
4. not substantially increase noise in the area or violate the City's noise ordinance, regulation, or rule;
5. be in compliance with federal, state, and local law, including:
 - a. the City's fire and building code; and
 - b. the City's regulations relating to:
 - (1) health and sanitation;
 - (2) transportation or traffic control;
 - (3) solid or hazardous waste; or
 - (4) pollution and noise control;
6. be compatible with the residential use of the property where the business is located as determined by the City's code enforcement officer;

7. be secondary to the use of the property as a residential dwelling or share a property line with a property that is:
 - a. owned by the same owner as the property where the business is located; and
 - b. has a residential dwelling as the primary use; and
8. not be a home-based business that:
 - a. sells alcohol or illegal drugs;
 - b. is a structured sober living home; or
 - c. is a sexually oriented business as defined by Section 243.002, Tex. Local Gov't Code.

D. *Limitations on Regulating a No-Impact Home-Based Business.*

1. The City may not:
 - a. prohibit the operation of a home-based business that meets the criteria to be established as a no-impact home-based business; or
 - b. require a person that operates a no-impact home-based business or that owns the property where the business is operated to:
 - (1) obtain a license, permit, or other approval to operate the business; or
 - (2) to rezone the property for non-residential use; or
 - (3) install a fire sprinkler protection system if the residence where the business is operated consists only of a detached single-family structure or a two-family residential structure (i.e., duplex).
2. This section does not prohibit:
 - a. a person from enforcing a rule or deed restriction imposed by a homeowners' association or by other private agreement; or
 - b. the City from adopting or enforcing an ordinance regulating the operation of a short-term rental unit.
3. The criteria for a no-impact home-based business does not relate to commerce in firearms, air guns, knives, ammunition, or firearm or air gun supplies or

accessories, including the distribution or manufacture of same. The City may not adopt or enforce regulations that relate to such commerce. [State law reference: Tex. Local Gov't Code, Sec. 229.001; Crockett Home Rule Charter reference: Article III, Sec. 3.13]

308.02. Garage Sales.

Garage sales are permitted without special permits provided they meet the following standards:

- A. Sales must not last longer than three (3) days.
- B. Sales must not be held more than twice a year.
- C. Sales must be conducted on the owner's property. Multiple family sales are permitted if they are held on the property of one of the participants.
- D. No goods purchased for resale may be offered for sale.
- E. No consignment goods may be offered for sale.
- F. All directional and advertising signs shall be free-standing and removed after completion of the sale.
- G. All directional and advertising signs placed on private property shall have the owner's permission.
- H. No directional or advertising signs may be larger than two (2) feet b three (3) feet.

SECTION II: Severability.

The provisions of this Ordinance are declared to be severable, and if any section, sentence, clause or phrase of this Ordinance shall for any reason be held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining sections, sentences, clauses or phrases of this Ordinance, but they shall remain in effect, it being the legislative intent that this Ordinance shall stand notwithstanding the invalidity of any part.

SECTION III: Repealing Clause

All Ordinances, or parts of Ordinances, inconsistent or in conflict with the provisions of this Ordinance are hereby repealed.

SECTION IV: Effective Date.

A descriptive caption of this Ordinance shall be published two (2) times in the official newspaper of the City of Crockett, within fourteen (14) days after the date of passage thereof, and said

Ordinance shall become effective _____, 2025.

PASSED AND ADOPTED, at a regular meeting of the City Council of the City of Crockett, Texas,
on the _____ day of _____, 2025.

CITY OF CROCKETT

BY: _____

DR. LANTHIA FISHER, MAYOR

ATTEST:

MITZI STEFKA, CITY SECRETARY

DONNA GORDON, CITY ATTORNEY