

# Ord. 26-S-0006

Revisions to UDC Article 8, Home Occupations and Article 16, Definitions

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# Background

- On June 12, 2025, Texas House Bill (HB) 2464 was adopted
  - effective immediately
- Limits the municipal authority to regulate “No-Impact Home Based Businesses.”
- UDC Article 8 Section 21.8.4 – Home Occupations currently establishes “criteria and development standards for home occupations conducted within dwelling units.”
- Article 8 must be revised to comply with the Texas Local Government Code Section 229.902

# Proposed Amendments

- Including the alternative name “No- Impact Home Based Businesses” as described by the Texas LGC
- Removing all language referencing permitting and including references to the Texas LGC
- Revising or eliminating restrictions to become compliant with the Texas LGC
- Revising the definition of “Home Occupation” to comply with the Texas LGC

LOCAL GOVERNMENT CODE

TITLE 7. REGULATION OF LAND USE, STRUCTURES, BUSINESSES, AND  
RELATED ACTIVITIES

SUBTITLE A. MUNICIPAL REGULATORY AUTHORITY

CHAPTER 229. MISCELLANEOUS REGULATORY AUTHORITY OF MUNICIPALITIES

# Background

## Texas LGC 229.902:

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

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

- (1) prohibits the operation of a no-impact home-based business;
- (2) requires a person that operates a no-impact home-based business or that owns the property where the business is operated to obtain a license, permit, or other approval to operate the business; or
- (3) requires a person that operates a home-based business or that owns the property where the business is operated to:
  - (A) rezone the property for a non-residential use;

# Proposed Amendment: Article 8 Section 21.8.4

## Home Occupation

### Proposed Amendment:

#### A. *Purpose and Intent.*

1. Home Occupations are also known as a Home-Based Business or a No-Impact Home-Based Business per Texas Local Government Code (LGC) Section 229.902.0
2. Protect residential areas from adverse impact of activities associated with home occupations.
3. Permit residents of the community a reasonable choice in the use of their homes as a place of livelihood and the production or supplementing of personal and family income.
4. Establish criteria and development standards for home occupations conducted in dwelling units.

The addition of a reference to “No-Impact Home-Based Business” per the Texas Local Government Code

# Proposed Amendment: Article 8 Section 21.8.4

## Home Occupation

**Proposed Amendment:**

**Eliminated 10 criteria**

**Added or revised 8 total criteria**

- B. *Home Occupations—Required Conditions.* Home occupations shall be ~~permitted~~allowed as an accessory use in all residential zoning districts provided ~~that they comply with all the~~ restrictions herein ~~as defined and permitted by Texas LGC Section 229.902.~~
- ~~Such use~~ A home occupation shall be incidental and secondary to the use of the premises for residential purposes. ~~and shall not utilize floor area exceeding 30 percent of the combined enclosed gross floor area of dwelling unit and any accessory building(s). In no case shall the combined enclosed floor area utilized for a home occupation exceed 600 square feet.~~
  - ~~No interior or exterior business sign shall be permitted.~~
  - ~~Retail sales shall be prohibited on the premises except for items that are produced entirely on the premises in conformance with this Code.~~
  - ~~No more than one person other than the immediate family permanently residing on the premises shall be employed in the home occupation and at least one person permanently residing in the home must be involved in the business and shall obtain the Home Occupation Permit.~~
  - ~~No more than one home occupation shall be permitted within any single dwelling unit.~~
  - ~~The home occupation shall not result in the off-street or on-street parking of more than two (2) vehicles at any one (1) time not owned by members of the occupant family, and no more than one business-related commercial vehicle shall be present at one time.~~
  - A home occupation shall be carried on wholly within the principal building or accessory building.
  2. A home occupation shall be operated by the owner or tenant of the property.
  - Performance of the occupation ~~activity~~ activities shall not be visible from the street.
  - A home occupation shall not generate on-street parking or a substantial increase in traffic.
  - A home occupation shall not substantially increase noise in the area or violate the City of Schertz noise ordinance, regulations, or rules.
  - A home occupation operating a sexually oriented business or conducting the sales of alcohol or illegal substances shall be prohibited.
  - All home occupations shall comply with all federal, state, and municipal law related to all fire and building code requirements, health and sanitation requirements, transportation and traffic requirements, solid and hazardous waste requirements, and pollution and noise control.
  - All home occupations shall be subject to inspection by city staff for compliance with the mandates of this section herein.
  - ~~There shall be no exterior storage of materials, equipment, or display to be used in conjunction with a home occupation.~~
  - ~~A home occupation shall produce no offensive noise, vibration, smoke, electrical interferences, dust, odors, or heat detectable beyond the property limits or beyond the walls of the dwelling unit. The judgment of the City's Code Enforcement Officer pertaining to a violation under this section shall be considered decisive and final unless formally appealed to the Planning and Zoning Commission within thirty (30) days after the Code Enforcement Officer's written determination.~~
  - ~~All home occupations are subject to periodic inspections by the City.~~
  - ~~Said incidental use shall never be permitted as a principal use but only as an accessory use.~~

# Proposed Amendment: Article 8 Section 21.8.4

## Home Occupation

**Proposed Amendment:**  
Elimination of Section 21.8.4.C  
through 21.8.4.F to be compliant with  
the Texas LGC Section 229.902

- C. ~~Uses allowed as home occupations. Subject to the provisions of this Section, home occupations may include the following uses:~~
- ~~1. Office facility of an accountant, architect, landscape architect, attorney, engineer, consultant, insurance agent, mental health professional, realtor, broker, or similar profession.~~
  - ~~2. Author, artist, artisan, or sculptor.~~
  - ~~3. Dressmaker, seamstress or tailor.~~
  - ~~4. Music or dance teacher, or similar types of instruction, provided that instruction shall be limited to no more than five pupils at a time.~~
  - ~~5. Individual tutoring.~~
  - ~~6. Office facility of a minister, rabbi, priest or other cleric.~~
  - ~~7. Home crafts, such as rug weaving, model making, etc.~~
  - ~~8. Office facility of a salesman, sales or manufacturer's representative, provided that no retail or wholesale transactions or provision of services are personally and physically made on the premises except for items that are produced entirely on the premises in conformance with this Code.~~
  - ~~9. Repair shop for small electrical appliances, cameras, watches and clocks, and other small items, provided that the items can be carried by one person without using special equipment, and provided that the items are not equipped with an internal combustion engine.~~
  - ~~10. Food preparation establishments such as cake making, decorating or catering, provided that there is no on-premises consumption by customers, and provided that all aspects of the business comply with all state and local health regulations.~~
  - ~~11. Family homes, in compliance with applicable state laws, which are incorporated herein by reference, with no more than six children or adults.~~
  - ~~12. Barber shop or beauty salon or health spa, provided that no more than one customer is served on the premises at any one time.~~
  - ~~13. Swimming lessons and water safety instruction, provided that such instruction involves no more than two pupils at any one time.~~
  - ~~14. Activity involving primarily a computer.~~
  - ~~15. Contractor, provided that there shall be no outside storage of materials related to the operation of the business and any interior storage shall count toward the maximum area allowed in Subsection B.~~
  - ~~16. Pet grooming, provided that no overnight kenneling activity is taking place.~~
- D. ~~Uses prohibited as home occupations. Home occupations shall not, in any event, be deemed to include the following uses:~~
- ~~1. Animal hospitals or clinics, commercial stables having more than two horses per acre or kennels.~~

# Proposed Amendment: Article 16 Definitions – Home Occupation

## Proposed Amendment:

### Article 16: Definitions

**Home Occupation:** Also known as a Home-Based Business which is located on a residential property, operated by the owner or tenant of the property and is for the purpose of manufacturing, providing, or selling a lawful good, or providing a lawful service as a secondary use to the primary residential use of the property. Home Occupations / Home- Based Businesses must comply with regulations as defined in Article 8 Section 21.8.4.

Definition revised to comply with Texas LGC 229.902

# UDC Section 21.4.7.D Criteria for Approval

## 1. The proposed amendment promotes the health, safety, and general welfare of the City;

- Texas HB 2464 prohibits municipalities from adopting and enforcing ordinances that prohibit "no-impact home-based businesses," and prohibits the requirement of permits.
- The proposed amendment brings the UDC into compliance with Texas LGC 229.902
- Therefore, the proposed amendment promotes the welfare of the city.

# UDC Section 21.4.7.D Criteria for Approval

## 2. The proposed amendment is consistent with the goals, objectives and policies of the UDC and the City;

- The City of Schertz' Goal is to remain compliant with state law. The proposed amendment ensures compliance with Texas LGC 229.902.
- Thus, the proposed amendment is consistent with the goals of the City

# UDC Section 21.4.7.D Criteria for Approval

## 3. The proposed amendment corrects an error, meets the challenge of changing conditions, or is in response to changes in state law;

- Texas HB 2464 was passed on June 12, 2025, and made effective immediately. The proposed amendment is in response to the adopting of this bill, to comply with the changes in state law.

# UDC Section 21.4.7.D Criteria for Approval

## 4. Other factors which are deemed relevant and important in the consideration of the amendment.

- Staff has ensured all UDC requirements have been met for the proposed Unified Development Code Amendments.
- Schertz Fire, EMS and Police have reviewed the proposed amendments and have provided no objections.
- The proposed amendments have been reviewed without objection by our legal team.
- No additional recommendations were requested by the Planning and Zoning Commission.

# Recommendation

## ***Staff Recommendation:***

In order to bring the UDC in compliance with the policies established in Texas HB 2464, Staff recommends approval of Ord. 26-S-006.

## ***Commission Recommendation***

The Planning and Zoning Commission held a public hearing for Ord. 26-S-006 on February 4, 2026, and made a recommendation of approval to City Council with a unanimous vote.