Multiple Agency Fiscal Note Summary

Bill Number: 2294 HB	**Title:** Use restrictions/food, med.

Estimated Cash Receipts

NONE

Agency Name	2025-27		2027-29		2029-31	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	No fiscal impact					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outloo	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Attorney General	.0	0	0	0	.0	0	0	0	.0	0	0	0
Environmental and Land Use Hearings Office	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total $	**0.0**	**0**	**0**	**0**	**0.0**	**0**	**0**	**0**	**0.0**	**0**	**0**	**0**

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Expenditures

NONE

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General									
Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
Environmental and Land Use Hearings Office									
Total $	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

FNPID: 75386

FNS029 Multi Agency rollup

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Prepared by: Val Terre, OFM	**Phone:** (360) 280-3073	**Date Published:** Final 1/20/2026

FNPID: 75386

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 2294 HB	Title: Use restrictions/food, med.	Agency: 100-Office of Attorney General

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Peter Clodfelter	Phone: 360-786-7127	Date: 01/12/2026
Agency Preparation:	Kate Adams	Phone: 3605864945	Date: 01/15/2026
Agency Approval:	Joe Zawislak	Phone: 360-586-3003	Date: 01/15/2026
OFM Review:	Val Terre	Phone: (360) 280-3073	Date: 01/16/2026

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

1. The AGO Agriculture & Health Division (AHD) has reviewed HB 2294 and determined it will not significantly increase or decrease the division's workload in representing the Department of Commerce (Commerce). Commerce was assigned this fiscal note request for its role in estimating the impact of bills on local governments. This work by Commerce is not expected to generate requests for legal services from AHD. Therefore, no costs are included in this request.

2. The AGO Consumer Protection Division (CPR) has reviewed HB 2294 and determined it will not significantly increase or decrease the division's workload. The enactment of HB 2294 will not significantly impact CPR because it provides for enforcement by cities, towns, and counties, which are better placed to enforce the provisions and have expertise in this area. CPR anticipates any impact would be limited to monitoring for compliance. New legal services are nominal, and costs are not included in this request.

3. The AGO Licensing & Administrative Law Division (LAL) has reviewed this bill and determined it will not significantly increase or decrease the division's workload in representing the Environmental and Land Use Hearings Office (ELUHO). The HB 2294 language does not mention ELUHO or its boards, for example no express language regarding right to appeal to the boards, LAL does not assume any impact to client or LAL. Therefore, no costs are included in this request.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2294 HB	Title: Use restrictions/food, med.	Agency: 468-Environmental and Land Use Hearings Office

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Peter Clodfelter	Phone: 360-786-7127	Date: 01/12/2026
Agency Preparation:	Griffin Howe	Phone: (360) 974-9514	Date: 01/13/2026
Agency Approval:	Dominga Soliz	Phone: 3606649173	Date: 01/13/2026
OFM Review:	Lisa Borkowski	Phone: (360) 742-2239	Date: 01/14/2026

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Sec. 1 adds a new definitions to chapter 19 RCW, the miscellaneous business regulation section.

Sec. 2 prohibits private real estate agreements that restrict the use of real property to prohibit grocery stores or pharmacies subject to certain limitations.

Sec. 3 provides for cities, towns, and counties to provide limited exceptions.

Sec. 4 provides for attorney general enforcement and enforcement by cities/towns and counties.

Sec. 5 is a legislative finding that the practice of restricting is not reasonable for the development and preservations of business and is an unfair or a deceptive practice and is a restraint on trade.

Sec. 6 provides that if any act or application is held invalid, the remaining provisions are not affected.

This bill does not appear to impact the Environmental and Land Use Hearings Office or its Boards.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

None.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

None.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 2294 HB	Title: Use restrictions/food, med.

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- [ ] Cities:
- [ ] Counties:
- [ ] Special Districts:
- [ ] Specific jurisdictions only:
- [ ] Variance occurs due to:

Part II: Estimates

- [X] No fiscal impacts.
- [ ] Expenditures represent one-time costs:
- [X] Legislation provides local option: Municipalities could adopt civil enforcement processes, or authorize other relief, for a violation of a local ordinance that is similar to the prohibition in section 2 of this act.
- [ ] Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 01/14/2026
Leg. Committee Contact: Peter Clodfelter	Phone: 360-786-7127	Date: 01/12/2026
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/14/2026
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 01/16/2026

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This fiscal note reflects language in HB 2294 from the 2026 legislative session.

This proposed legislation would create a new chapter under the Consumer Protection Act that would void certain private agreements that prohibit or restrict using property for a grocery store or pharmacy when that use would otherwise be allowed under local land use ordinances.

Sec. 1 is definitions of food and medicine stores that pertain to following sections of the act.

Sec. 2 is a new section that prohibits any private agreement that imposes a negative use restriction upon real property that would restrict the use of that real property for a grocery store or pharmacy when the use would otherwise be permitted under applicable land use ordinances, including as a conditional use. Exemptions are provided for agreements made before the effective date of this act as well as if the grocery store or pharmacy is relocating (with certain conditions).

Sec. 3 is a new section that establishes the notice for an extension that city, town, or county may use as evidence established extenuating circumstances.

Sec. 4 is a new section that establishes enforcement mechanisms, enforcement jurisdiction, and authorizes cities, towns, and counties to adopt their own ordinances imposing additional civil penalties.

Sec. 5 is a new section that establishes enforcement of section 2 of this act is the sole authority of the Attorney General.

This act would go into effect 90 days after then adjournment of the session in which it is passed.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

Under HB 2294, there would be no expenditure impact as it does not require a local government to take action.

Section 5 of this legislation establishes that the Attorney General would be enforcing the new statutory requirements under the Consumer Protection Act, so there would be no law enforcement, prosecution or defense costs.

JURISDICTONS CHOOSING THE LOCAL OPTION:
For cities, towns, or counties that choose to implement the local option in Sec. 4, there may be costs associated with ordinance adoption to establish civil penalties or other relief if the city, town, or county adopts a significantly similar local regulation as the prohibition in Sec. 2 of this act.

Local ordinance adoption and implementation is expected to require approximately $9,850 for cities and towns and to $9,800 for counties in staff time and direct expenses as well as legal review. These costs are associated with a moderately complex ordinance with hearing of the same complexity. The number of local governments that would take the local option is not currently known, but assumed to be non-zero.

As a current examples, the City of Bellingham has this codified in a substantially similar ordinance into local statute under BMC 20.10.027 "Restrictive covenants related to grocery stores", the City of Seattle issued emergency ordinance 127329 in late 2025 adding SMC 23.42.140 and amending sections 23.90.004 and 23.90018 to prohibit negative use restrictions (like restrictive covenants) that block real property from being used as a grocery store or pharmacy.

BACKGROUND:
Land use restrictions unlawfully barred competitors from occupying its former Albertsons location since 2018. The

property has been sold twice since Albertsons closed its store, located in the Birchwood neighborhood in Bellingham, but the restrictions imposed by Albertsons still barred a grocery store from moving into the development through 2038, leaving thousands of residents without a full-service supermarket within reasonable walking distance. (Washington Attorney General's Office)

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

There is no expected local government revenue associated with this bill.

SOURCES:
Association of Washington Cities, Salary Survey (2025)
Attorney General's Office
City of Bellingham, BMC 20.10.027 "Restrictive covenants related to grocery stores"
City of Seattle, Council Bill 121094 (Oct. 2025)
Local Government Fiscal Note Program, Unit Cost Model (2026)
My Bellingham Now, Grocery giant to remove land restriction in Birchwood neighborhood (June 26, 2024)