Multiple Agency Fiscal Note Summary

Bill Number: 2294 HB AMH FARI H3399.1	**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

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
Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
Total $	**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									

FNPID: 77138

FNS029 Multi Agency rollup

Estimated Capital Budget Breakout

Prepared by: Val Terre, OFM	**Phone:** (360) 280-3073	**Date Published:** Final 2/20/2026

FNPID: 77138

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 2294 HB AMH FARI H3399.1	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:	William Bridges	Phone: 360-786-7367	Date: 02/17/2026
Agency Preparation:	Dave Merchant	Phone: 360-753-1620	Date: 02/20/2026
Agency Approval:	Thomas Deaton	Phone: 3607096473	Date: 02/20/2026
OFM Review:	Val Terre	Phone: (360) 280-3073	Date: 02/20/2026

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 this bill and determined it will not significantly increase or decrease the division's workload. New legal services are nominal, and costs are not included in this request.

2. The AGO Consumer Protection Division (CPR) has reviewed this bill and determined it will not significantly increase or decrease the division's workload. 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). New legal services are nominal, and costs are not 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 AMH FARI H3399.1	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:	William Bridges	Phone: 360-786-7367	Date: 02/17/2026
Agency Preparation:	Griffin Howe	Phone: (360) 974-9514	Date: 02/18/2026
Agency Approval:	Dominga Soliz	Phone: 3606649173	Date: 02/18/2026
OFM Review:	Lisa Borkowski	Phone: (360) 742-2239	Date: 02/19/2026

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 new definitions to chapter 19 RCW, the miscellaneous business regulation section.

Sec. 2 adds a new section to chapter 19 RCW prohibiting private real estate agreements that restrict the use of real property to prohibit grocery stores or pharmacies subject to certain limitations.

Sec. 3 adds a new section to chapter 19 RCW that provides for cities, towns, and counties to provide limited exceptions.

Sec. 4 adds a new section to chapter 19 RCW that requires notification to the Attorney General and local jurisdiction of the negative use restriction.

Sec. 5 adds a new section to chapter 19 RCW that permits the attorney general or local jurisdiction to enforce the chapter.

Sec. 6 adds a new section to chapter 19 RCW that provides if one section is invalid, the remaining are not affected.

Sec. 7 adds these provisions to chapter 19 RCW.

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 AMH FARI H3399.1	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: 02/18/2026
Leg. Committee Contact: William Bridges	Phone: 360-786-7367	Date: 02/17/2026
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/18/2026
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 02/19/2026

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 amended HB 2294 (H-3399.1) from the 2026 legislative session.

CHANGES FROM PRIOR BILL VERSION:
Revises the provision for local governments to extend the distance limit in the relocation exception.

Requires notification from a party with a private agreement that would restrict the grocery store or pharmacy use of real property, within 10 days of entering into such agreement.

Revises enforcement of the bill to authorize an applicable local jurisdiction to enforce the bill through a cause of action in court.

SUMMARY OF CURRENT BILL VERSION:
This proposed legislation would prohibit and void private agreements that negatively restrict the use of real property for grocery stores or pharmacies when that use would otherwise be allowed under local land use ordinances. Certain exemptions are provided for existing restrictions in place before the effective date of this act, relocation of a grocery store or pharmacy under specific conditions, and to limit competition or conflicting uses within a retail center,

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, to limit competition or conflicting uses within a retail center, 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 a city, town, or county may use as evidence established extenuating circumstances.

Sec. 4 is a new section that establishes a notification requirement for private agreements that would impose a negative use restriction on real property used for grocery stores and pharmacies. Private parties must notify the local government where the real property is located within 10 days.

Sec. 5 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.

This act would go into effect 90 days after the 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.

CHANGES FROM PRIOR BILL VERSION:
Amendments made to this act would not change the expenditure impact associated with the prior bill version. There would be amended provisions related to the exemption, relocation exception, notification by private parties, and legal challenges for restrictive use agreements, which would be tied to discretionary authority of the local government to take specific actions.

EXPENDITURE IMPACT OF CURRENT BILL VERSION:
Under HB 2294, there would be no expenditure impact as it does not require a local government to take action.

Jurisdictions Choosing the Local Option:
For cities, towns, or counties that choose to implement the local option in Sec. 5, 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, such as through restrictive covenants, that block real property from being used as a grocery store or pharmacy.

Section 5 of this amended legislation establishes that local governments could enforce the new statutory requirements through a cause of action in a court of competent jurisdiction. In pursuing declaratory relief, injunctive relief, or other legal or equitable remedy there would be indeterminate legal costs.

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.

CHANGES FROM PRIOR BILL VERSION:
Amendments made to this bill version would not change the revenue impact associated with the prior bill.

REVENUE IMPACT OF CURRENT BILL VERSION:
There is no expected local government revenue associated with this act.

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)
House Bill Report, E HB 2294 (2026)
Local Government Fiscal Note Program, Unit Cost Model (2026)
My Bellingham Now, "Grocery giant to remove land restriction in Birchwood neighborhood" (June 26, 2024)