

HOUSE BILL REPORT

HB 1175

As Reported by House Committee On:
Local Government

Title: An act relating to allowing small business establishments in residential zones.

Brief Description: Allowing small business establishments in residential zones.

Sponsors: Representatives Klicker, Leavitt, Taylor, Parshley, Richards, Ryu, Thai, Barkis, Fitzgibbon, Dye, Macri, Doglio, Wylie, Kloba, Nance and Bernbaum.

Brief History:

Committee Activity:

Local Government: 1/21/25, 1/24/25 [DPS].

Brief Summary of Substitute Bill

- Requires cities and towns to allow neighborhood stores and neighborhood cafés to be permitted in residential zones.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Duerr, Chair; Parshley, Vice Chair; Klicker, Ranking Minority Member; Stuebe, Assistant Ranking Minority Member; Griffey, Hunt and Zahn.

Staff: Elizabeth Allison (786-7129).

Background:

Local governments divide land within their jurisdictions into regulated zones that designate land into different uses and purposes. These include residential, commercial, and industrial zones. Each local government adopts a zoning map which provides visualization of various

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zones throughout the jurisdiction. Residential zones include land that is permitted for residential use.

Residential zones may allow single-family residences and multi-family residences.

Summary of Substitute Bill:

A city or town must allow neighborhood stores and neighborhood cafés in any zone allowing residential uses, provided that a café must offer food if alcoholic drinks are offered.

Cities may regulate parking, limit the hours of operation, and establish additional regulations as necessary, including maximum square footage requirements. Neighborhood stores and cafés must be permitted to operate for at least 12 consecutive hours.

A neighborhood café is an establishment that has at least 500 square feet of gross floor area.

A neighborhood store is a convenience grocery store or mini-market that provides a variety of convenience items that may include food, beverages, and household items. A neighborhood store must have at least 500 square feet of gross floor area.

Substitute Bill Compared to Original Bill:

The substitute bill removes language regarding a limited food menu from the definition of "neighborhood café." The timeline for implementation requires cities that plan under the Growth Management Act with comprehensive plan updates due in 2027 to implement the requirements in their 2027 comprehensive plans. All other cities must implement the requirements within two years of the bill's effective date.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Many people want this bill. It is important to residents and it creates community. This was highlighted during the COVID-19 pandemic. It creates walkable communities and opens the door for new entrepreneurial opportunities. It also increases the

revenue for the state and will be a catalyst for economic development. Cafés provide a welcoming environment for individuals of many backgrounds. This will serve as a positive change to allow more secure neighborhoods by getting to know your neighbors. This bill requires cities to allow neighborhood cafés and stores. The bill did not make it through the Senate last year, but this version allows cities to have more control.

(Opposed) None.

(Other) "Limited menu of food items" could be hard to regulate. "Infeasible" is an ambiguous term.

Persons Testifying: (In support) Representative Mark Klicker, prime sponsor; Katie Beeson, Washington Food Industry Association (WFIA); Bryce Yadon, Futurewise; Sean DeWitz, Washington Hospitality Association; Mark Schuller, City of Cheney; Rachel Mazur, Hillis, Clark, Martin and Peterson; and Paul Woods.

(Other) Carl Schroeder, Association of Washington Cities.

Persons Signed In To Testify But Not Testifying: None.