
SECOND SUBSTITUTE HOUSE BILL 1175

State of Washington

69th Legislature

2025 Regular Session

By House Appropriations (originally sponsored by Representatives Klicker, Leavitt, Taylor, Parshley, Richards, Ryu, Thai, Barkis, Fitzgibbon, Dye, Macri, Doglio, Wylie, Kloba, Nance, and Bernbaum)

READ FIRST TIME 02/28/25.

1 AN ACT Relating to allowing small business establishments in
2 residential zones; reenacting and amending RCW 43.21C.450; adding a
3 new section to chapter 35.21 RCW; and adding a new section to chapter
4 35A.21 RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 35.21
7 RCW to read as follows:

8 (1) A city or town must allow neighborhood stores and
9 neighborhood cafés to be permitted in any zone allowing residential
10 uses provided that a café must offer food if alcoholic drinks are
11 offered.

12 (2) Cities and towns may regulate parking provided that the
13 regulations are not infeasible.

14 (3) Hours of operation may be limited by the city or town
15 provided that neighborhood cafés are permitted to operate for at
16 least 12 consecutive hours.

17 (4) Neighborhood stores and cafes permitted under this section
18 may not have signage, displays, or advertising visible from a
19 sidewalk or street for products that are illegal to sell to
20 individuals under 21 years of age. Neighborhood stores permitted in

1 residential zones may not sell products containing nicotine, either
2 as a tobacco product or manufactured nicotine.

3 (5) Cities may establish additional regulations as necessary,
4 including regulations relating to signage and advertising that are
5 visible from the street for neighborhood stores and cafes and maximum
6 square footage requirements. Nothing in this section limits a city's
7 zoning authority to regulate neighborhood cafes and neighborhood
8 stores as the city would with other uses in the same zoning district
9 provided that all such regulations adopted by a city are both
10 consistent with this section and are no more restrictive than the
11 development regulations governing residential uses within the same
12 zoning district.

13 (6) Cities that plan under the growth management act and that are
14 required to submit their next comprehensive plan update in 2027
15 pursuant to RCW 36.70A.130 must adopt or amend by ordinance, and
16 incorporate into their development regulations, zoning regulations,
17 and other official controls, the requirements of this section in
18 their next comprehensive plan update. All other cities must implement
19 the requirements of this section within two years of the effective
20 date of this section.

21 (7) For the purposes of this section:

22 (a) "Neighborhood café" means an establishment that has at least
23 500 square feet of gross floor area; and

24 (b) "Neighborhood store" means a convenience grocery store or
25 mini-market that provides a variety of convenience items that may
26 include, but are not limited to, food, beverages, and household
27 items. A neighborhood store must be at least 500 square feet of gross
28 floor area.

29 NEW SECTION. **Sec. 2.** A new section is added to chapter 35A.21
30 RCW to read as follows:

31 (1) A code city or town must allow neighborhood stores and
32 neighborhood cafés to be permitted in any zone allowing residential
33 uses provided that a café must offer food if alcoholic drinks are
34 offered.

35 (2) Cities and towns may regulate parking provided that the
36 regulations are not infeasible.

37 (3) Hours of operation may be limited by the city or town
38 provided that neighborhood cafés are permitted to operate for at
39 least 12 consecutive hours.

1 (4) Neighborhood stores and cafes permitted under this section
2 may not have signage, displays, or advertising visible from a
3 sidewalk or street for products that are illegal to sell to
4 individuals under 21 years of age. Neighborhood stores permitted in
5 residential zones may not sell products containing nicotine, either
6 as a tobacco product or manufactured nicotine.

7 (5) Code cities may establish additional regulations as
8 necessary, including regulations relating to signage and advertising
9 that are visible from the street for neighborhood stores and cafes
10 and maximum square footage requirements. Nothing in this section
11 limits a code city's zoning authority to regulate neighborhood cafes
12 and neighborhood stores as the code city would with other uses in the
13 same zoning district provided that all such regulations adopted by a
14 code city are both consistent with this section and are no more
15 restrictive than the development regulations governing residential
16 uses within the same zoning district.

17 (6) Code cities that plan under the growth management act and
18 that are required to submit their next comprehensive plan update in
19 2027 pursuant to RCW 36.70A.130 must adopt or amend by ordinance, and
20 incorporate into their development regulations, zoning regulations,
21 and other official controls, the requirements of this section in
22 their next comprehensive plan update. All other code cities must
23 implement the requirements of this section within two years of the
24 effective date of this section.

25 (7) For the purposes of this section:

26 (a) "Neighborhood café" means an establishment that has at least
27 500 square feet of gross floor area; and

28 (b) "Neighborhood store" means a convenience grocery store or
29 mini-market that provides a variety of convenience items that may
30 include, but are not limited to, food, beverages, and household
31 items. A neighborhood store must be at least 500 square feet of gross
32 floor area.

33 **Sec. 3.** RCW 43.21C.450 and 2023 c 332 s 9 and 2023 c 285 s 4 are
34 each reenacted and amended to read as follows:

35 The following nonproject actions are categorically exempt from
36 the requirements of this chapter:

37 (1) Amendments to development regulations that are required to
38 ensure consistency with an adopted comprehensive plan pursuant to RCW
39 36.70A.040, where the comprehensive plan was previously subjected to

1 environmental review pursuant to this chapter and the impacts
2 associated with the proposed regulation were specifically addressed
3 in the prior environmental review;

4 (2) Amendments to development regulations that are required to
5 ensure consistency with a shoreline master program approved pursuant
6 to RCW 90.58.090, where the shoreline master program was previously
7 subjected to environmental review pursuant to this chapter and the
8 impacts associated with the proposed regulation were specifically
9 addressed in the prior environmental review;

10 (3) Amendments to development regulations that, upon
11 implementation of a project action, will provide increased
12 environmental protection, limited to the following:

13 (a) Increased protections for critical areas, such as enhanced
14 buffers or setbacks;

15 (b) Increased vegetation retention or decreased impervious
16 surface areas in shoreline jurisdiction; and

17 (c) Increased vegetation retention or decreased impervious
18 surface areas in critical areas;

19 (4) Amendments to technical codes adopted by a county, city, or
20 town to ensure consistency with minimum standards contained in state
21 law, including the following:

22 (a) Building codes required by chapter 19.27 RCW;

23 (b) Energy codes required by chapter 19.27A RCW; and

24 (c) Electrical codes required by chapter 19.28 RCW;

25 (5) Adoption or amendment of ordinances, development regulations,
26 zoning regulations, and other official controls necessary to comply
27 with RCW 35A.21.440 and 35.21.990;

28 (6) Amendments to development regulations to remove requirements
29 for parking from development proposed to fill in an urban growth area
30 designated according to RCW 36.70A.110;

31 (7) Adoption or amendment of ordinances, development regulations,
32 zoning regulations, and other official controls necessary to comply
33 with sections 1 and 2 of this act.

--- END ---