

Date of Hearing: April 29, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1857 (Aguiar-Curry) – As Amended April 16, 2026

Policy Committee: Judiciary

Vote: 12 - 0

Urgency: No

State Mandated Local Program: Yes

Reimbursable: Yes

SUMMARY:

This bill, the Grocery Store Access Act, voids restrictive covenants in deeds, leases, and other property instruments that prohibit or restrict the use of commercial property as a grocery store or supermarket, where a grocery store previously operated on the property, and establishes a process for recording a covenant modification document to remove such restrictions.

FISCAL EFFECT:

- 1) Costs (local funds, General Fund) to the counties of an unknown but potentially significant amount. This bill requires county counsel to review and evaluate specified restrictive covenant modification documents, and requires a county recorder to record covenant modification documents upon approval by county counsel. Costs for additional workload imposed on county counsel may be reimbursable by the General Fund if the Commission on State Mandates determines these duties constitute a reimbursable state mandate. Actual costs will depend on the number of requests for modification submitted and the amount of time it takes to evaluate each request. Costs for additional workload to county recorders are likely non-reimbursable because county recorders are authorized to charge fees to offset costs.
- 2) Minor, absorbable workload costs to the trial courts (Trial Court Trust Fund) for actions challenging the validity of a restrictive covenant modification, which must be filed within 35 days of notice. Volume is expected to be limited given the narrow scope of the bill.

COMMENTS:

Grocery-restrictive covenants typically arise when a grocery chain closes an underperforming store and sells or leases the property. Before doing so, the chain records a covenant in the property's deed or lease prohibiting future use of the site as a grocery store. The effect is to prevent a competitor from opening at the vacated location, which protects sales volumes at the chain's remaining nearby stores. According to the Assembly Judiciary Committee analysis, this practice has contributed to the creation of food deserts — areas without convenient access to fresh and nutritious food — by preventing replacement grocers from serving communities after a store closure. Supporters of the bill cite the example of a Vallejo community that went 15 years without a full-service grocery store after a departing chain recorded such a covenant.

California has taken steps in recent years to void restrictive covenants that impede public policy goals. AB 721 (Bloom), Chapter 349, Statutes of 2021, enacted Civil Code Section 714.6 to void covenants that block affordable housing developments and established a process for removing

them. AB 1050 (Schultz), Chapter 504, Statutes of 2025, amended Section 714.6 to cover reciprocal easement agreements and restrictions that block residential use of commercial property. This bill adds a new Civil Code Section 714.8 applying a similar framework to covenants that prohibit grocery store or supermarket use of commercial property, where a grocery store previously operated on the site. The procedural machinery — submission to the county recorder, review by county counsel, notice to interested parties, and a 35-day window for challenges — is drawn from the existing Government Code Section 12956.2 “Restrictive Covenant Modification” process.

An interested party — defined to include owners, current lessees, prospective purchasers or lessees, and parties that have applied for a business license or land use entitlement to operate a grocery store — may submit a modification document to the county recorder, who forwards it to county counsel within five business days. County counsel must determine within 15 days whether the covenant is of the type prohibited by the bill, whether the property previously operated as a grocery store, whether required notice has been given, and whether any exemption applies. If approved, the modification is recorded. Challenges must be filed within 35 days of notice, and prevailing interested parties are entitled to attorney's fees.

The bill preserves several categories of existing commercial arrangements, including exclusive-use provisions and radius restrictions in leases where a grocery store is actually operating within the same shopping center; covenants that limit the number of grocery tenants but do not prohibit grocery use outright; restrictions in development agreements and similar public land use entitlements; and aesthetic, common-area maintenance, and similar obligations that do not have the purpose or effect of prohibiting grocery use. All local building, fire, health and safety, zoning, and land use requirements remain in effect.

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