



To: Chair Robert E. Craven, Sr., and Members, House Judiciary Committee
From: Jessica David, President of Local Return
Date: March 25, 2025
Subject: Testimony in support of House Bill 5902

Thank you for the opportunity to submit this testimony. **I write today to express our strong support of Representative Ajello's bill 5902 to prohibit the use of restrictive covenants related to grocery stores.** This bill would make unenforceable any restrictive covenant that prohibits the use of a property as a grocery store.

Local Return is a nonprofit organization dedicated to building community wealth in historically disinvested neighborhoods in Rhode Island through community ownership and investment. We work to keep assets local, end economic leakages, and stop financial extraction. Big box retailers using restrictive covenants to stop communities' access to fresh food thwarts the kind of economic and community development that Rhode Island needs.

Many large, national food retailers add restrictive covenants to properties they sell. These agreements give the stores the ability to sue future owners of the property who open a grocery store, even decades after the previous owner has left. This practice results in higher grocery prices for consumers. Why should Rhode Island allow corporate entities, particularly those not based in Rhode Island, to restrict the use of land and property that they no longer own for decades? This gives them long-term, unfettered power over Rhode Islanders' economic and social well-being. Restrictive covenants are an enormous barrier to entry; they make it even harder for smaller, local, and independently-owned grocers to break into Rhode Island markets, thereby limiting competition and raising prices. They harm communities who need access to fresh, affordable food, leaving entire neighborhoods without a local grocery store. These restrictive covenants also hurt our neighborhoods by saddling them with large vacant or underutilized properties.

In Washington, DC, where this practice was banned, 20 new grocery stores opened in the five years after restrictive covenants became unenforceable. Last year, the Attorney General of Washington state enforced an ordinance in the municipality of Bellingham, forcing a major grocery chain to release its hold on a property which had created a food desert.

We urge the House Judiciary Committee to recommend passage of this legislation. Thank you for your attention to this critical issue.