

FINAL BILL REPORT

2SSB 5269

PARTIAL VETO

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Synopsis as Enacted

Brief Description: Concerning Washington state manufacturing.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Shewmake, Keiser, Nguyen, Randall, Valdez and Wellman).

Senate Committee on Business, Financial Services, Gaming & Trade

Senate Committee on Ways & Means

House Committee on Innovation, Community & Economic Development, & Veterans

House Committee on Appropriations

Background: Department of Commerce. The Department of Commerce (Commerce) is the lead state agency tasked with enhancing and promoting community and economic vitality in Washington. As the agency responsible for growing the Washington State economy, it supports sector leads in areas such as aerospace, agriculture and food manufacturing, clean technology, information and communication technology, the creative economy, forest products, life sciences and biotechnology, maritime, and the military. Sector leads work closely with the Governor, industry heads, and government leaders to develop strategies to support business growth statewide.

The Washington BEST Manufacturing Act. In 2021, the Legislature passed The Washington BEST Manufacturing Act (act), which directed Commerce to develop a biennial report on the state of the manufacturing and research and development industry and workforce. The report must identify progress or challenges the state has encountered in achieving the goal and identify recommendations. Commerce must convene a Manufacturing Council to advise and consult on the development of the biennial report and recommendations. The act also established a Workforce Innovation Sector Lead within Commerce.

Summary: The Washington Clean Manufacturing Leadership Act is created and directs Commerce to oversee an independent assessment of opportunities to capture new and

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emerging industries, and strengthen its existing manufacturing base. The independent assessment commissioned by Commerce must be shared with relevant stakeholders, the State Manufacturing Council, the appropriate committees of the Legislature, and the public by October 1, 2024. Commerce must use the independent assessment to develop the state industrial strategy by June 1, 2025.

The independent assessment has a variety of requirements that include, but are not limited to:

- an assessment of how the transition to net zero emissions by 2050 will impact manufacturing in Washington;
- an assessment of the needs of the state's existing manufacturers;
- the identification of opportunities to build and maximize environmental and economic benefits of a circular economy in new and existing industries;
- the identification of requirements to attract new investment;
- the identification of opportunities to support minority and women-owned firms, and small and medium-sized firms in capturing new and emerging industries;
- the identification of existing and potential future gaps in the state's manufacturing sector that inhibit in-state manufacturers from creating the infrastructure and goods to transition existing manufacturers and attract new manufacturers to the net-zero economy; and
- an evaluation to provide recommendations on the best use of public investment.

The assessment will not replace but may inform the manufacturing council, which advises and consults with Commerce.

Commerce is directed to appoint an industrial policy advisor to ensure that Washington fully leverages available federal funding for manufacturing to meet the state's economic development goals.

The state industrial strategy must strengthen and transform Washington's manufacturing base and capture new and emerging industries and be informed by the independent assessment. The State Manufacturing Council must advise and consult on the development of the state industrial strategy.

Votes on Final Passage:

Senate	28	20	
House	95	2	(House amended)
Senate	28	14	(Senate concurred)

Effective: July 23, 2023

Partial Veto Summary:

- Removed the intent section.