

HOUSE BILL REPORT

HB 2879

As Reported by House Committee On:
Innovation, Technology & Economic Development

Title: An act relating to fostering economic growth in Washington by supporting in-state manufacturing.

Brief Description: Fostering economic growth in Washington by supporting in-state manufacturing.

Sponsors: Representatives Vick and Eslick.

Brief History:

Committee Activity:

Innovation, Technology & Economic Development: 2/4/20, 2/5/20 [DPS].

Brief Summary of Substitute Bill

- Establishes the Washington Manufacturing Work Group (Work Group) for the purpose of conducting a comprehensive assessment of policy recommendations to improve regulatory conditions, infrastructure, and workforce development resources that support the growth and sustainability of the manufacturing sector.
- Requires the Work Group to submit a report on the recommended policies that will facilitate the development of manufacturing in all of Washington counties to the Legislature by November 30, 2021.

HOUSE COMMITTEE ON INNOVATION, TECHNOLOGY & ECONOMIC DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Hudgins, Chair; Kloba, Vice Chair; Smith, Ranking Minority Member; Boehnke, Assistant Ranking Minority Member; Entenman, Slatter, Tarleton, Van Werven and Wylie.

Staff: Kyle Raymond (786-7190).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The mission of the Department of Commerce (Department) is to grow and improve jobs in Washington, facilitate innovation, and streamline access to business assistance and economic development services by providing them through sector-based, cluster-based, and regional partners. Industry clusters targeted by the Department include aerospace, agriculture, food manufacturing, clean technology, information and communication technology, forest products, life science, global health, maritime, and military and defense sectors.

A business regulatory efficiency program administered by the Department was established in 2013. The Department and the Office of Regulatory Assistance are authorized to conduct annual multi-jurisdictional regulatory streamlining projects, beginning with the manufacturing sector. The Department initiated a manufacturing Regulatory Roadmap Program that works with the cities of Arlington, Marysville, and Lynnwood to assess site feasibility for manufacturing facilities. In 2020 the Department created an online version of the manufacturing portal, which allows manufacturers to search by selected criteria and compare sites.

Summary of Substitute Bill:

Subject to appropriations, the Washington Manufacturing Work Group (Work Group) is established. The purpose of the Work Group is to conduct a comprehensive assessment of policy recommendations that will lead to improvement in the regulatory conditions, infrastructure, and workforce development resources that support the growth and sustainability of the manufacturing sector. The stated objective of the comprehensive assessment is to promote economic development in every Washington county.

The Work Group is composed of two Senators from each of the two largest caucuses of the Senate, and two Representatives from each of the two largest caucuses of the House of Representatives. Work Group members are appointed by the leader of each respective caucus in each respective chamber.

The Work Group must convene an advisory group of nonvoting members to provide information, assistance, and input to the Work Group in its development of policy recommendations. The Chair of the Work Group must appoint a statewide manufacturing trade association representative to the group. The manufacturing trade association representative is required to appoint advisory group members from each of the following industry subsectors:

- aerospace manufacturing;
- food manufacturing;
- beverage manufacturing;
- wood product manufacturing;
- primary metal manufacturing;
- machinery manufacturing;
- computer and electronic product manufacturing;
- furniture and related product manufacturing;
- transportation equipment manufacturing;
- chemical manufacturing;

- plastics and rubber products manufacturing;
- paper manufacturing;
- printing and related support activities;
- maritime manufacturing; and
- clean energy manufacturing.

The advisory group should also include, as a nonvoting member a designee from:

- the Department of Commerce;
- the Department of Revenue;
- the Department of Ecology;
- the Department of Labor and Industries;
- the Employment Security Department;
- the Governor Office's senior policy staff;
- the Manufacturing Extension Partnership (MEP) under the National Institute of Standards and Technology; and
- the Washington State Centers of Excellence.

The designee appointed from the MEP must be based in Washington.

The Work Group is required to hold its first meeting by August 1, 2020. The Chair of the committee must be elected at the inaugural meeting by a majority vote of the Work Group members present at the meeting.

A public comment period must be provided at every Work Group meeting. Staff support for the Work Group must be provided by Senate Committee Services and the House of Representatives Office of Program Research.

The Work Group is required to submit a report on recommended policies that will facilitate the development of manufacturing in all Washington counties to the Governor and the appropriate committees of the Legislature by November 30, 2021.

The Work Group dissolves August 1, 2022.

Substitute Bill Compared to Original Bill:

The substitute bill adds to the existing nonvoting members of the manufacturing advisory group a: (1) Washington-based designee from the Manufacturing Extension Partnership under the National Institute of Standards and Technology; and (2) designee from the Washington State Centers of Excellence.

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) This bill builds on the work of the Joint Legislative Task Force on Economic Resilience and Maritime Manufacturing in Washington (Task Force). The Task Force worked with business leaders and industry members to determine how to promote and grow maritime manufacturing.

This bill tries to replicate the work done by the Task Force to demonstrate to local and international partners that Washington is serious about growing manufacturing and jobs in the state. The bill will help identify manufacturing roadblocks and how to overcome these roadblocks across all of Washington's 39 counties. This bill brings together industry leaders and regulators to identify ways to grow jobs, increase economic output, and promote greater activity.

Washington needs these manufacturing jobs, and this bill can help bring different sectors and legislators together to identify ways the state can help the manufacturing sector grow.

Finding marketplaces for recycled material has become increasingly difficult. The manufacturing of metals is included in the advisory group under the bill. The Institute of Scrap Recycling Industries is excited about being a part of these discussions and the possibility of developing a marketplace for recycling materials and a localized recycling industry in Washington.

The bill takes a holistic approach to creating a healthy manufacturing ecosystem within the state. The Work Group is needed because there are currently no committees that focus specifically on manufacturing. Currently, different manufacturing industries are fairly siloed. The bill would also help provide lawmakers a high-level view of the manufacturing industry as a whole.

(Opposed) None.

Persons Testifying: Representative Vick, prime sponsor; Holly Chisa, Institute of Scrap Recycling Industries; and Tommy Gantz.

Persons Signed In To Testify But Not Testifying: None.