SENATE BILL REPORT
ESHB 2879

As of February 21, 2020

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: House Committee on Innovation, Technology & Economic Development (originally sponsored by Representatives Vick and Eslick).

Brief History: Passed House: 2/19/20, 98-0.
Committee Activity: Financial Institutions, Economic Development & Trade: 2/25/20.

Brief Summary of Bill

- Directs the Department of Commerce (Commerce), in consultation with Legislature, to complete a study of public policies to grow manufacturing subsectors and manufacturing jobs throughout all Washington counties.
- Requires Commerce to regularly meet with an advisory group of manufacturing stakeholders, and consult with certain state agencies, in its completion of the study.
- Requires Commerce to complete the study and recommend policies to develop manufacturing across the state by December 31, 2020.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, ECONOMIC DEVELOPMENT & TRADE

Staff: Clint McCarthy (786-7319)

Background: The mission of Commerce 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 Commerce include aerospace, agriculture, food manufacturing, clean technology, information and communication technology, forest products, life science, global health, maritime, and military and defense sectors.

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.

A business regulatory efficiency program administered by Commerce was established in 2013. Commerce and the Office of Regulatory Assistance are authorized to conduct annual multi-jurisdictional regulatory streamlining projects, beginning with the manufacturing sector. Commerce 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 Commerce created an online version of the manufacturing portal, which allows manufacturers to search by selected criteria and compare sites.

Summary of Bill: Commerce is directed to complete a study of public policies to grow all manufacturing subsectors, and grow manufacturing jobs, throughout all of Washington's 39 counties. The study must include a comprehensive assessment of policy recommendations that will lead to improvement in regulatory conditions, infrastructure, and workforce development resources to support the growth and sustainability of the state's manufacturing sector. Commerce must complete the study in consultation with the leaders of the economic development committees of the Legislature.

Commerce is required to gather information and analysis from other state agencies that have a regulatory and tax impact on the manufacturing industry in its completion of the study.

Commerce is required to regularly meet with an advisory committee to assist with the contents of the study and the evaluation of Commerce's policy recommendations. A statewide manufacturing trade association must convene the advisory committee. The advisory committee must include 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 committee may offer a report to be included as an appendix to Commerce's study and policy recommendations.

Commerce must complete the study and recommend policies to facilitate the development of manufacturing in all of Washington State's counties by December 31, 2020.

Appropriation: None.

Fiscal Note: Requested on February 21, 2020.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.