
SECOND SUBSTITUTE SENATE BILL 5269

State of Washington

68th Legislature

2023 Regular Session

By Senate Ways & Means (originally sponsored by Senators Shewmake, Keiser, Nguyen, Randall, Valdez, and Wellman)

1 AN ACT Relating to transforming and growing Washington state
2 manufacturing; adding a new section to chapter 43.330 RCW; and
3 creating new sections.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds and declares that:

6 (1) Washington state, with its strong climate commitments, highly
7 skilled workforce, and existing world-class manufacturing base is
8 well positioned to be a global leader in clean manufacturing.

9 (2) A strong state and domestic manufacturing sector can provide
10 stable, high-wage jobs and is a prerequisite to achieving Washington
11 state's statutory commitment to net zero greenhouse gas emissions by
12 2050.

13 (3) All Washingtonians deserve the opportunity of a high-road
14 manufacturing career. In building the Washington manufacturing
15 workforce pipeline, the state should fully leverage the transferable
16 skills of our existing manufacturing workforce and develop a
17 comprehensive, in-state pipeline with wraparound services and
18 equitable opportunities to ensure that every Washingtonian has a fair
19 shake at a manufacturing career and intergenerational well-being and
20 career growth opportunities.

1 (4) A holistic and coordinated state industrial strategy that
2 seeks simultaneously to transform and revitalize Washington state's
3 manufacturing base is vital to prevent the leakage of jobs and carbon
4 pollution.

5 (5) Washington has demonstrated a deep commitment to growing
6 manufacturing. In 2021, the legislature set a goal of doubling the
7 state's manufacturing base over 10 years. In 2022, the legislature
8 created tax incentives and updated siting and permitting practices to
9 accelerate the in-state production of clean energy product
10 manufacturing. Developing a statewide industrial strategy is an
11 important complement to accelerate progress and maximize the benefit
12 of new tax incentives and siting and permitting practices.

13 (6) The bipartisan infrastructure act and inflation reduction act
14 present a once in a generation opportunity to rapidly transform and
15 grow Washington's manufacturing base in a way that advances the
16 state's climate goals. The state has an important role to play in
17 ensuring that Washington fully leverages federal funding
18 opportunities and that the benefits are shared equitably.

19 (7) Washington must take steps to ensure that the transformation
20 and growth of the state's manufacturing base simultaneously addresses
21 and does not contribute to the disproportionate burden of pollution
22 on overburdened communities.

23 NEW SECTION. **Sec. 2.** (1) The department of commerce must
24 perform an independent assessment of opportunities for Washington to
25 capture new and emerging industries that align with statewide
26 greenhouse gas reduction limits and strengthen its existing
27 manufacturing base. By October 1, 2024, and in compliance with RCW
28 43.01.036, the department of commerce shall submit the independent
29 assessment to the appropriate committees of the legislature.

30 (2) By June 1, 2025, the department of commerce must develop a
31 proactive state industrial strategy based on the independent
32 assessment required by subsection (1) of this section.

33 (3) The independent assessment must include, but is not limited
34 to:

35 (a) Assessing how the transition to net-zero emissions by 2050
36 will impact the potential futures of manufacturing in Washington,
37 including identifying specific opportunities for Washington to
38 actively seek investment in new and emerging industries and to
39 transform and strengthen the state's existing manufacturing base to

1 meet the needs of a net-zero economy, taking into account the
2 Washington's existing key sectors, job quality, and regional
3 diversity;

4 (b) Assessing the needs of Washington's existing manufacturers,
5 including supply chain challenges and resources required to meet the
6 statutory greenhouse gas emissions reductions in RCW 70A.45.020;

7 (c) Identifying opportunities to build and maximize the
8 environmental and economic benefits of a circular economy for both
9 new and existing industries in building out and strengthening
10 Washington's manufacturing base;

11 (d) Identifying what is required to attract new private
12 investment and transform and strengthen Washington's existing
13 manufacturing base, including needs related to:

14 (i) Transportation and port infrastructure;

15 (ii) Supply chains;

16 (iii) Workforce; and

17 (iv) Energy;

18 (e) Identifying opportunities to support minority and women-owned
19 firms and small and medium-sized firms in capturing new and emerging
20 industries;

21 (f) Identifying existing and potential future gaps in the state's
22 manufacturing sector that inhibit in-state manufacturers from
23 producing the necessary goods, services, and infrastructure to
24 transition to the net-zero economy and attract new investment in the
25 state to accelerate the in-state production of clean energy product
26 manufacturing; and

27 (g) Evaluating opportunities for the state's use of public
28 ownership investment in developed and emerging manufacturing
29 industries to address the existing and potential future gaps
30 identified in (f) of this subsection. This evaluation shall provide
31 recommendations on the highest and best uses of public resources as
32 part of the state industrial strategy as provided in subsection (2)
33 of this section.

34 (4) The workforce assessment referenced in subsection (3)(d)(iii)
35 of this section should: (a) Catalogue and examine how to maximize the
36 use of the existing manufacturing workforce's transferable skills;
37 (b) address any remaining skills gaps and identify opportunities to
38 build a manufacturing workforce pipeline that ensures all current and
39 future Washingtonians have fair access to a manufacturing career by

1 sector; and (c) ensure equitable and accessible pathways and
2 advancement opportunities in manufacturing by sector.

3 (5) The energy assessment referenced in subsection (3)(d)(iv) of
4 this section should include the quantity, price, and location of
5 electricity necessary to decarbonize and grow Washington's existing
6 manufacturing base and capture new and emerging industries.

7 (6) The independent assessment will not replace but may inform
8 the work of the manufacturing council created in RCW 43.330.762 to
9 advise and consult on the department of commerce's recommendations to
10 achieve the goals established in RCW 43.330.760.

11 NEW SECTION. **Sec. 3.** (1) The department of commerce must
12 appoint an industrial policy advisor to ensure that Washington state
13 fully leverages available federal funding for manufacturing to meet
14 the state's economic development goals in RCW 43.330.760 and the
15 statutory greenhouse gas emissions reductions in RCW 70A.45.020 and
16 guide the implementation of the state industrial strategy created
17 pursuant to section 2 of this act.

18 (2) The industrial policy advisor must:

19 (a) Track federal and other funding opportunities to transform
20 and strengthen existing Washington manufacturers and promote the
21 growth of new and emerging industries;

22 (b) Alert Washington manufacturers to relevant federal and other
23 funding opportunities;

24 (c) Support Washington manufacturers in applying for federal and
25 other funding opportunities and in completing required reporting;

26 (d) Work to ensure that Washington's pursuit of its goals in RCW
27 43.330.760 and 70A.45.020 are aligned and mutually reinforcing;

28 (e) Foster interagency and coordination and collaboration,
29 including with the department of commerce sector leads, on
30 manufacturing-related policymaking and activities, including both
31 climate and economic development manufacturing-related policymaking;

32 (f) Coordinate with the workforce innovation sector lead,
33 particularly with respect to building the manufacturing workforce
34 pipeline; and

35 (g) Provide quarterly reports to the manufacturing council
36 created in RCW 43.330.762.

37 (3) The industry policy advisor may also:

38 (a) Form expert committees with industry representatives to
39 develop sector-specific strategies for attracting new investment and

1 transforming and strengthening existing manufacturing consistent with
2 the industrial strategy created pursuant to section 2 of this act;

3 (b) Assist local governments with economic plans to attract new
4 investment and transform and strengthen existing manufacturing
5 consistent with the industrial strategy created pursuant to section 2
6 of this act; and

7 (c) Support communities negatively impacted by the closure or
8 relocation of manufacturing facilities by supporting efforts to
9 attract new investment consistent with the industrial strategy
10 created pursuant to section 2 of this act and facilitate the movement
11 of existing skilled manufacturing workers into new industrial
12 sectors.

13 NEW SECTION. **Sec. 4.** This act may be known and cited as the
14 Washington clean manufacturing leadership act.

15 NEW SECTION. **Sec. 5.** Section 2 of this act is added to chapter
16 43.330 RCW and codified with the subchapter heading of "MANUFACTURING
17 AND RESEARCH AND DEVELOPMENT SECTOR PROMOTION."

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