

STATE AND LOCAL UPDATE*January 9, 2020***Policy and Politics****I. Trending Topics****Issue in Focus**

STATES TO BE BATTLEFIELDS FOR 2020 TECH POLICY FIGHTS: The tech industry's most [consequential](#) policy fights in 2020 will play out in the states, not Washington. Momentum on a range of tech issues, from governing online privacy to regulating the gig economy, has stalled in D.C. as impeachment and election campaigns consume attention. State leaders and legislators are stepping in to fill the void. These are the policy fights that have shifted to the states.

Privacy: California's landmark consumer privacy law takes effect this month, while other state legislatures are considering their own privacy efforts amid a stalled attempt in Congress on a bipartisan national law. (Though some on Capitol Hill are still hoping for a breakthrough.) Industry watchers expect to see privacy legislation come up in New York, Washington and Illinois in 2020.

Net Neutrality: California and Vermont are facing litigation over their attempts to impose their own net neutrality regulations after the FCC repealed the Obama-era open-internet rules. New York Gov. Andrew Cuomo said he intends to advance statewide net neutrality legislation.

Gig-economy labor: California is starting to implement a new law that codifies a state supreme court ruling making it hard for companies to treat gig economy workers as independent contractors rather than employees. New Jersey recently fined Uber for allegedly misclassifying drivers as independent contractors and not employees.

Facial recognition: California has a three-year ban on police departments using facial recognition on body cam footage, and the cities of San Francisco and Berkeley have banned the use of the technology by local government. Boston suburbs Brookline and Somerville have also implemented bans.

Home-sharing: Legislatures in some states such as Tennessee and Arizona have passed laws placing restrictions on popular short-term-rental sites like Airbnb and HomeAway.

And then there's antitrust. Here, there may well be federal action. The Justice Department and FTC have both opened competition probes into major tech companies. But the states are throwing their own weight around as well.

A. BUDGETS, TAXES, & REVENUE

CUOMO SIGNS 'DESIGN BUILD' BILL THAT COULD SAVE NYC BILLIONS: Gov. Andrew Cuomo [signed](#) the "design build" legislation that will allow New York City to save millions on public construction projects. The bill allows government agencies to combine design and construction project bids into one contract to save dollars and time. Fiscal watchdog group, the Citizens Budget Commission, estimates the measure could save the city \$2 billion over 10 years. The law will provide project labor agreements to use union labor and language for hiring of minority contractors.

GEORGIA'S FILM, TV INCENTIVES COULD BECOME PART OF 2020 BUDGET: Georgia's generous tax [credits](#) to film and TV production companies have sparked a billion-dollar studio boom here. This is a solid fact. The question now is whether the financial lure will remain a sacred cow in a season of widespread cuts to the state budget. The tax credits, which grew from \$141 million in 2010 to an estimated \$870 million in 2019, have been a policy mainstay over the course

of two previous Republican administrations. Only last September, another joined the choir. Gov. Brian Kemp bragged that we remain “the Hollywood of the South,” pointing to \$2.9 billion in direct spending from film and TV production in the state. The protection has been bipartisan. Georgia Democrats have shaken off liberal attempts to take the state’s film industry hostage in a battle over abortion — and in November they held a presidential debate on one of Tyler Perry’s sound stages. But a new challenge to the tax credit policy is emerging from the political right.

NEW MEXICO BOOSTING STATE SPENDING: New Mexico state spending would [surge](#) significantly for the second consecutive year under a budget proposal unveiled by Gov. Michelle Lujan Grisham on Monday that would boost state spending by \$596.3 million – or roughly 8.4% – over current levels. The nearly \$7.7 billion spending plan includes a proposed 4% salary increase for New Mexico teachers and more money for school districts with a large number of low-income students, as the state continues to grapple with the fallout of a landmark legal ruling about its public education system. It would also provide additional dollars to hire 60 new State Police officers, create a New Mexico Opportunity Scholarship that would benefit an estimated 55,000 college students and expand funding for child care assistance and prekindergarten programs statewide.

BGR Insights

BGR SENIOR DIRECTOR OF STATE AFFAIRS KRISTIN STROBEL WRITES ON THE INFLUENCE OF ATTORNEYS GOVERNORS: State attorneys general play a significant role in various policy matters. Over the past decade, their activism has become more common and is increasingly consequential in shaping national policy. State AGs hold unique and influential positions as separate and independent entities from their state governments and governors. They are the leading voices on several national issues, including immigration, healthcare, the environment, data privacy, and opioids. Their jurisdiction provides them the ability to protect consumers and their families, while also enabling them to uphold state regulations and rights.

Last year set a precedent by serving as one of the most active years in history for state attorneys general. In 2019, multi-state lawsuits were filed against e-cigarette manufacturers, the attempted mergers of wireless network providers, tech companies over advertising and search engine practices, illegal collections of consumers’ personal data, robocall companies, and opioid makers. Additionally, state attorneys generals collectively submitted dozens of letters on various policy issues to the Trump Administration, the FTC, the FCC, and they offered a plethora of comments on pending federal and state rules and regulations. Just before the holidays, 26 attorneys general sent a letter to the FTC urging them to strengthen rules on how companies market to and collect personal information from children. Both the FTC and state attorneys general are empowered to enforce the Children’s Online Privacy Protection Act (COPPA), though only the FTC is empowered to issue regulations based on COPPA.

In early January of 2020, history was made by three state attorneys general. This week in Kentucky, General Daniel Cameron became the first ever African American to serve as his state’s AG. Furthermore, Mr. Cameron is the first Republican in 70 years to hold the title of Kentucky’s AG. Next week in Mississippi, Attorney General Lynn Fitch will become the first woman to ever serve and the first Republican since 1878 to serve as her state’s AG. Lastly, next week in Iowa, Democratic Attorney General, Tom Miller, will become the longest-serving state attorney general in U.S. history, having served almost four decades in office. As the power and influence of state attorneys general continues to grow, these generals will tackle even more pressing issues that affect consumers, our vulnerable populations, and the environment. In 2020, 10 attorneys general seats will be up for election (IN, MO, MT, NC, OR, PA, UT, VT, WA and WV). Be on the lookout this year for state AGs to challenge the protection levels of personal data privacy, how companies implement cybersecurity practices, and how unfair and deceptive drug prices affect constituents. And, as we approach

the 2020 elections, state attorneys general will also play an integral role in reviewing the validity of ballot initiative language, and ultimately, certifying the approved versions for voters.

President Trump best summarized the essential role of state attorneys general and the impact they have on the federal government during his remarks at the White House at last spring's National Association for Attorneys General's (NAAG) annual conference. "Together, we're making our communities safer, our future brighter, and our people more prosperous than ever before," the president said. "This is what our state and federal partnership is all about."

At BGR, Kristin leads outreach to multistate policy organizations such as the National Governors Association (NGA), the National Association of Attorneys General (NAAG) and the National Conference of State Legislatures (NCSL) as well as political organizations state government leaders rely on to advance their priorities. She can be reached at kstrobel@bgrdc.com.

GILTI, OTHER CONFORMITY ISSUES STILL LOOM FOR STATES IN 2020: Even two years after [enactment](#) of the federal Tax Cuts and Jobs Act (TCJA), many states have yet to issue guidance explaining how they conform to key provisions of the law, particularly those pertaining to international income. Twenty-one states and the District of Columbia conform to changes in the federal tax code on a rolling basis, while 15 have what is known as "static conformity" and two have rolling conformity for corporate, but not individual, income taxes. The remaining states with income taxes only selectively conform to the federal tax code. Twenty-four states tax or potentially tax Global Intangible Low-Taxed Income (GILTI), of which 17 have issued guidance; in most cases, this represents the states' first significant foray into the taxation of international income. State tax systems were not made to accommodate international income, and many of the resulting tax regimes give rise to serious constitutional questions.

GOVERNMENTS INCREASINGLY RELY ON EVALUATIONS FOR TAX INCENTIVE REFORM: The District of Columbia scaled back funding earlier this year for a tax incentive program [targeting](#) technology companies by approximately \$16 million after a statutorily required [evaluation](#) by the city's chief financial officer revealed that, among other findings, several large companies had received substantial credits without evidence of new economic activity in the district. In implementing changes to the Qualified High Technology Companies incentive, lawmakers used the evaluation findings to debate the budget trade-offs of continuing the program as it was structured. This process illustrates the growing frequency with which states and cities are translating strong incentive reviews into policymaking. Like its peers, the district followed a strategy that research by [Pew](#) has shown can lead to important reforms: Make a plan, measure the impact, and use the findings to inform decisions.

B. HEALTHCARE & INSURANCE

WOLF UNVEILS MENTAL HEALTH INITIATIVE AIMING TO 'END THE STIGMA': Many Pennsylvanians from children to older adults are [struggling](#) with mental health issues but lack the support and resources to get the help they need. That is a problem that Gov. Tom Wolf wants to address in the new year. Wolf announced on Thursday the launching of a multi-agency effort and anti-stigma campaign, "Reach Out PA: Your Mental Health Matters," that seeks to remove barriers that keep the state's residents from access to mental health care. Wolf was unclear about the anticipated cost for the campaign or whether more funding to provide mental health services would be part of his 2020-21 budget proposal to be unveiled next month. But clearly the latter was uppermost in the minds of some of those who issued statements lauding the initiative.

LOOPHOLE CLOSED IN TEXAS LAW DESIGNED TO PROTECT AGAINST SURPRISE MEDICAL BILLING: A new Texas law [designed](#) to protect against “surprise” medical bills contained a loophole that could have exposed patients to just the kind of costly surprises the law was supposed to prevent. But the Texas Department of Insurance closed the loophole by approving emergency rules in early December. The legislation, which took effect this month, aims to protect patients who have health insurance under state-regulated plans from becoming entangled in billing disputes between medical providers and insurers.

C. ECONOMY, TRADE & INFRASTRUCTURE

CITIES ARE GROWING MORE UNEQUAL BETWEEN ONE AND ANOTHER: Picture San Francisco. It has [become](#), in recent years, the [epitome of inequality](#): a city where the tech industry has brought incredible wealth, where the median price for a home is \$1.3 million, yet 20% of the households earn just above \$16,000, and homelessness is a problem so big there is an app to track [outdoor human defecation](#). But as it is in the micro, it is in the macro: San Francisco is also the symbol of another type of inequality shaping the US—that between cities. Most of the economic growth in the US is driven by the tech industry, and most of it is concentrated in a few key locations, which continue to become richer, leaving the rest of the country behind. As a [report last month](#) (pdf) from the Brookings Institute and the Information Technology & Innovation Foundation outlines, nearly 90% of the whole growth in the tech sector that has occurred in the US between 2005 and 2017 has been concentrated in a handful of metropolitan areas in three states: San Francisco, San Jose, and San Diego in California; Seattle in Washington; and Boston in Massachusetts. Together, these areas account for nearly a fourth of all employment opportunities in the tech sector, having grown from providing 17.6% of jobs in 2005 to 22.6% in 2017. This growth happened at the expenses of the bottom 90%—343 cities around the country.

MOUNTAIN STATES BEST AT BRINGING DOWN POVERTY: A collection of Western and Mountain states [boast](#) the biggest drops in their poverty rates across the country over the course of the last decade, according to an analysis of new 5-year estimates from the 2014-2018 American Community Survey from the U.S. Census Bureau. Utah, Colorado, Oregon, Washington and Montana lead the nation in reducing their percentage of families and residents whose income over the past 12 months sits below the poverty level since 2009. In Utah and Colorado, in particular, the percentage of impoverished families and residents dropped by more than 20%.

D. EDUCATION & THE ENVIRONMENT

COLORADO PROGRAM TO PROVIDE EVERY CHILD WITH \$100 COLLEGE KICKSTARTER ACCOUNTS: Starting in 2020, a new program in Colorado will [give](#) each child born or adopted in the state a \$100 contribution to their Collegenest 529 college savings account. The program will be funded and administered by Collegenest without any taxpayer dollars. First Step is the result of HB19-1280, a bipartisan bill Gov. Polis signed into law in 2019.

HOW COLLEGES CAN HELP REVERSE REGIONAL INEQUALITY: Most of us know by now that the richest Americans are getting even richer. What’s less well known is that America’s richest places are getting richer too. From 2005 to 2017, just five metro area—Boston, San Francisco, San Jose, Seattle, and San Diego—accounted for more than 90 percent of the nation’s growth in the high-tech industries [driving](#) our economy, according to a new [report](#) by the Brookings Institution and the Information Technology and Innovation Foundation (ITIF). These superstar tech and innovation hubs now hold more than one in five of the country’s innovation jobs, in well-paid sectors such as tech and telecom, pharmaceutical research and advanced manufacturing. Meanwhile, much of the rest of the nation has *lost* its share of the economy’s best jobs. The Brookings/ITIF findings are the latest in a spate of recent research highlighting what’s now clearly the nation’s most urgent long-term economic challenge: extreme and growing inequality between rural and urban areas. Recent

research by the Economic Innovation Group (EIG) also finds increasing [divergence](#) between upwardly mobile cities and increasingly distressed rural parts of the country. This growing gulf between the geographical haves and have nots, as has been [noted](#) before, coincides all too well with the rise of populist discontent and increasing political polarization. So, the million-dollar question is, how to reverse these trends?

What We Are Reading

NINTH CIRCUIT SIDES WITH AGs IN FIGHT TO UPHOLD CONGRESSIONAL REVIEW ACT: A higher court has [backed](#) Georgia Attorney General in a case to uphold the Congressional Review Act. In March, Attorney General Chris Carr led a coalition of 13 state attorneys general in filing a friend-of-the-court brief in the United States Court of Appeals for the Ninth Circuit, defending the constitutionality of the Congressional Review Act (CRA), a federal law that provides Congress with a streamlined process for reviewing, and, if necessary, nullifying new regulations by federal agencies. Last week, the Ninth Circuit issued an opinion upholding the constitutionality of the CRA. The court echoed the arguments of the 13-state coalition in holding that the CRA and the joint congressional resolutions are consistent with separation-of-powers principles and otherwise do not violate the Constitution.

URBAN AMERICA LIKELY TO GAIN CLOUT AFTER CENSUS: A decades-long trend of Americans [moving](#) to densely-packed urban cores is likely to sap rural parts of the country of their political power in coming years as a new reapportionment and redistricting process kicks off just three months from now. New figures released last week by the U.S. Census Bureau show states in the Northeast and Midwest will continue to hemorrhage seats in the House of Representatives, while Sun Belt and Western states continue to grow. But even in states where the size of congressional delegations won't change, power is likely to shift toward cities at the expense of rural communities. Long-term population estimates show the nation has grown by about 19 million residents since the last U.S. Census was conducted in 2010, to about 328 million people. Previously released data shows that growth has been concentrated almost entirely in the largest cities and counties in the country. The 100 largest counties in America added a net 9.8 million people between 2010 and 2018, Census figures showed. Counties with populations of more than a quarter million account for three-quarters of the country's net population growth. Among the largest 100 counties, only 11 lost population — and all of those were in Rust Belt and Northeastern cities like Chicago, Detroit, Cleveland and Pittsburgh. By contrast, two-thirds of the 2,153 counties in America with fewer than 50,000 residents have lost population over that same period. Collectively, those counties have lost about 238,000 residents.

SOUTH DAKOTA SUES TO KEEP EQUAL RIGHTS AMENDMENT OFF U.S. CONSTITUTION: South Dakota is [suing](#) the archivist of the United States to prevent the addition of the Equal Rights Amendment to the U.S. Constitution. South Dakota Attorney General Jason Ravnsborg announced that the state is joining Alabama and Louisiana [in a federal lawsuit](#) against Archivist David Ferriero, who oversees the ratification process, "to stop activists from illegally amending the U.S. Constitution." The Equal Rights Amendment is a constitutional amendment passed by Congress in 1972 to guarantee the equal rights of men and women. Ravnsborg said the duty of the state attorney general is to defend the South Dakota Legislature, and he would be doing a disservice to South Dakotans to ignore that obligation. The South Dakota Legislature ratified the ERA in 1973 but then rescinded its ratification in 1979.

E. TECHNOLOGY & PROCUREMENT

STATES PRESS AHEAD WITH PRIVACY LAWS EVEN AS CONGRESS STALLS: States across the country will [keep](#) moving on privacy regulation next year as Congress struggles to come up with a broad federal law, lobbyists and privacy attorneys say. California's new privacy law took effect Jan. 1. New York legislators are debating whether to force companies to disclose how customer data is sold, Washington state lawmakers want to limit facial recognition, and Colorado's attorney general wants more enforcement powers. Even though companies don't have to worry about a comprehensive federal privacy law soon, they may have to deal with several new state laws, privacy attorneys said. States will use momentum from California's privacy law to push efforts to craft new bills to hold tech companies accountable for data use failures, they said.

FTC ASKED TO STRENGTHEN ONLINE PROTECTIONS FOR KIDS: Attorney General Herbert H. Slatery III and a bipartisan coalition of 24 State Attorneys General [recently](#) submitted a comment letter to Federal Trade Commission ("FTC") asking the agency to strengthen its rules prohibiting websites, mobile applications, and other digital marketing companies from collecting personal information from children under the age of 13 and using that information to track children across the internet. Many websites and mobile applications collect personal information from users, including geolocation information, browser histories, search histories, voice recordings, and more. In 1996, Congress passed the Children's Online Privacy Protection Act (or "COPPA") prohibiting this type of data collection from children under the age of 13. Both FTC and all State Attorneys General are empowered to enforce COPPA, though only FTC is empowered to issue regulations based on COPPA.

STATE GOVERNMENT MIGHT NOT BE ENOUGH TO STOP DEEPPAKES: The past year has seen a [remarkable](#) rise in the [quality and quantity of deepfakes](#) — realistic-looking images and videos produced with artificial intelligence that portray someone doing or saying something that never actually happened, such as [Nixon delivering an alternate moon landing speech](#). As the [tools to produce this synthetic media advance](#), policymakers are scrambling to address public concerns, and state lawmakers in particular have put forth several proposals this year to respond to deepfakes. One of the top concerns is that deepfakes will be used as part of a misinformation campaign to influence elections. For example, researchers at an [MIT conference](#) demonstrated how they could use the technology to create a [real-time fake interview](#) with Russian President Vladimir Putin. In response to such concerns, [Texas passed a law](#) in September to criminalize publishing and distributing deepfake videos intended to harm a candidate or influence results within 30 days of an election. California [passed a law](#) in October that makes it illegal for anyone to intentionally distribute deepfakes intended to deceive voters or harm a candidate's reputation within 60 days of an election. The law excludes news broadcasters from its rules, as well as any videos that are made for satire or parody and videos that are clearly labeled as being fake. These laws are good steps toward preventing campaigns from using deepfakes to attack their opponents, but they will do nothing to stop foreign political interference. And some First Amendment activists are concerned these laws might unduly [restrict free speech](#).

STATES ARE AT FRONT LINES OF 2020 ELECTION-SECURITY EFFORTS: Inside a hotel ballroom [near](#) the nation's capital, a U.S. Army officer with battlefield experience told 120 state and local election officials that they may have more in common with military strategists than they might think. These government officials are on the front lines of a different kind of battlefield — one in which they are helping to defend American democracy by ensuring free and fair elections. "Everyone in this room is part of a bigger effort, and it's only together are we going to get through this," the officer said. That officer and other past and present national security leaders had a message to convey to officials from 24 states gathered for a recent training held by a Harvard-affiliated democracy project: They are the linchpins in efforts to defend U.S. elections from an attack by Russia, China or other foreign threats, and developing a military mindset will help them

protect the integrity of the vote. The need for such training reflects how elections security worries have heightened in the aftermath of the 2016 election, when Russian military agents targeted voting systems across the country as part of a multi-pronged effort to influence the presidential election. Until then, the job of local election officials could had been described as akin to a wedding planner who keeps track of who will be showing up on Election Day and ensures all the equipment and supplies are in place.

STATES INVESTIGATE TURBOTAX TAX FILING SOFTWARE: Multiple state attorneys general, including Josh Stein of North Carolina, have [opened](#) investigations of TurboTax maker Intuit, following [ProPublica's reporting](#) that the company charged millions of Americans for tax filing services they were eligible to receive for free, according to people with knowledge of the investigations. As part of the investigations, Intuit has been subpoenaed for records. At least four states besides North Carolina are investigating, but the exact number is not clear.

MS-ISAC CAUTIONS OF CYBERATTACKS FOLLOWING DEATH OF IRANIAN GENERAL: State and local government cybersecurity officials should [raise](#) their monitoring for suspicious network activity in the wake of the U.S. airstrike last week that killed Qassem Soleimani, the top commander of Iran's security and foreign intelligence forces, according to an advisory by the Multi-State Information Sharing and Analysis Center obtained by StateScoop. The MS-ISAC's cyber intel advisory, issued last Friday, instructs state and local governments to "maintain heightened log monitoring and awareness" of activity on their networks, particularly as they pertain to critical infrastructure.

TEXAS GOVERNMENT WEBSITE DEFACED WITH PRO-IRAN MESSAGE: The website of the Texas Department of Agriculture was briefly [defaced](#) Tuesday morning, its usual contents replaced with an image of Qassem Soleimani, the Iranian general who was killed last week in a U.S. airstrike. A group of hackers referring to themselves as "Shield Iran" claimed credit. While the department's site has since been restored, the defacement is similar to other attacks on U.S.-based websites in the days following President Donald Trump's order to kill Soleimani, who commanded Iran's Quds Force. Over the weekend, a website belonging to the U.S. Government Publishing Office was defaced with a similar message. The website of the Southern Alabama Veterans Council, a nonprofit group, was also targeted on Tuesday.

ABBOT WARNS TEXAS AGENCIES SEEING 10,000 ATTEMPTED CYBER ATTACKS PER MINUTE FROM IRAN: Gov. Greg Abbott is [warning](#) Texans to be "particularly vigilant" regarding potential cyberterrorism from Iran, suggesting that heightened tensions with the country have caused an increase in attempted attacks on state agencies. Abbott, citing information from the Texas Department of Information Resources, said that as many as 10,000 attempted attacks per minute from Iran had been detected over the past 48 hours on state agency networks. He pointed to a cyberattack last year that involved dozens of local governments in Texas, stressing the importance of public and private sectors alike practicing "good cyber hygiene."

BGR in the News

LISTEN UP: BGR Group Vice President Lester Munson joined Bloomberg's *Sound On* podcast to talk about the drone strike that killed Iran's top military commander, as well as developments on the 2020 campaign trail. He was joined by Bloomberg Chief Washington Correspondent Kevin Cirilli and Maxx Burns, Democratic Strategist and Contributor at The Daily Beast. Listen [here](#).

II. Politics

A. GOVERNORS & ATTORNEYS GENERAL

STATE OF THE STATE: NASBO has [released](#) its list of when each governor's State of the State address will be over the next three months. While not every date has been announced, many have. NASBO will update the list as each address is given, and BGR will highlight news from relevant addresses over the next several months.

GOP GOVERNORS GRAPPLE WITH WHETHER TO ACCEPT REFUGEES: An executive order by President Donald Trump giving states the [right](#) to refuse to take refugees is putting Republican governors in an uncomfortable position. They're caught between immigration hardliners who want to shut the door and some Christian evangelicals who believe helping refugees is a moral obligation. Others say refugees are vital to fill jobs and keep rural communities afloat. More than 30 governors have agreed to accept refugees, but about a dozen Republican governors have stayed silent as they face a decision that must be made by Jan. 21 so resettlement agencies can secure federal funding in time to plan where to place refugees. [Trump's executive order](#) requires governors to publicly say they will accept refugees. They cannot automatically come to their states, even if cities and counties welcome them. So far, no one has opted to shut out refugees.

NEWSOM'S AMBITIOUS, UNEVEN FIRST YEAR AS GOVERNOR: Few California governors have [entered](#) office with a more ambitious agenda than Gov. Gavin Newsom, whose ascension to the job one year ago was marked by a sense of urgency, an insistence that the times demanded a leader who would multitask in a way his predecessors had not. As his first year draws to a close, the 52-year-old Democrat can point to a string of high-profile victories in service of a progressive agenda and [fortifying California's political resistance to President Trump](#). But those achievements are only part of the story. Less known outside of Sacramento is that Newsom has struggled with what some critics believe is an undisciplined and impatient governing style. And even many of those who agree with the governor worry the turbulence could disrupt his ability to fix the state's most pressing issues: the homeless crisis, access to affordable healthcare and the increasingly unattainable "California Dream."

WALZ, FLANAGAN BRING 'UNLIKELY FRIENDSHIP' TO MINNESOTA GOVERNOR'S OFFICE: Now a year into their administration, Walz and Flanagan are [establishing](#) their own model for governor and lieutenant, with Flanagan staking out a prominent role. She moved into an office down the hall from Walz. She has a big say in policies and positions as his top adviser behind the scenes. In public, she flanks him at nearly all public appearances, often speaking before the governor. That's in part because of how they met — Flanagan as the experienced politico, showing Walz the way.

LOUISIANA GOVERNOR'S RACE MOST EXPENSIVE IN STATE HISTORY: John Bel Edwards [may](#) have been considered the "accidental governor" when he was elected in 2015, but about \$73 million was spent on his reelection – or to get rid of him – making the 2019 race the most expensive in state history. Edwards will take the oath for his second term on Jan. 13. The three major 2019 candidates, alone, raised and spent \$46.9 million, nearly the same amount as the previous total cost record in 2015, about \$50 million, a race that featured four major candidates and included contributions from political action committees, operating for the first time without donation limits.

NOEM'S CHIEF, COMMS DIRECTOR OUT, NEW POLICY DIRECTOR IN: Gov. Kristi Noem [announced](#) that she is losing her second chief of staff in a year. Noem announced that longtime aide Joshua Shields would be leaving her team at the beginning of the new year. Shields had been in the position less than three months after he replaced Herb Jones. Emily Kiel, Noem's communications director, will also be departing. Noem announced that Maggie Seidel will be joining her staff as a senior adviser and policy director. Seidel was most recently the vice president of public affairs and policy

communications for the American Property Casualty Insurance Association. She's also worked for the Charles Koch Institute, the Consumer Bankers Association and on Capitol Hill for numerous members of Congress from Nebraska, Virginia, Texas, and New Jersey. She holds a Master's degree in Economics from George Mason University.

DEWINE ELECTED LEAD GOVERNOR ON APPALACHIAN REGIONAL COMMISSION: Fellow governors have [elected](#) Ohio's Mike DeWine as the states' co-chairman of the Appalachian Regional Commission. The joint federal-state commission works to bolster economic development across the 13-state Appalachian region, which spans 420 counties, including 32 in southern and eastern Ohio. As state co-chair, DeWine will host the Appalachian Regional Commission's annual summit, which has yet to be announced. The commission reported investing nearly \$177 million into the Appalachian region in the most-recent fiscal year, leveraging \$247 million in matching funds and \$542 million in private-sector investment to create and retain 17,300 jobs.

CAMERON SWORN IN AS KENTUCKY AG: Daniel Cameron was [sworn in](#) as Kentucky's 51st attorney general during a midnight ceremony. He is the first African American independently elected to state office in Kentucky history, and the first Republican attorney general since World War II.

IOWA AG TO BECOME LONGEST SERVING: There is something about being a public servant in the state of Iowa. There is a pretty good chance that you'll be at it for quite a while! You might even end up in the record books. First, it was Governor Terry Branstad. Back in 2015, he became the nation's longest-serving governor. Then, last year, it was current 10 term state treasurer Michael Fitzgerald who became the longest-serving state treasurer. Now, this year, on November 11th, Iowa Attorney General Tom Miller will [become](#) the longest-serving attorney general in U.S. history. The 75-year-old Miller says that it certainly doesn't feel like its been 37 years. He says that he is both happy and proud to be the longest-serving attorney general in the United States. He says that the job is great because he gets to use the law to serve the interests of ordinary lowans. Miller's list of accomplishments is lengthy, but he prides himself on the work of consumer protection for lowans. He said that is something that affects us all.

GRASSROOTS EFFORT UNDERWAY TO RECALL AG BOB FERGUSON: There's a grassroots effort [underway](#) right now to recall Attorney General Bob Ferguson. It's being led in part by Matt Marshall of Eatonville, who charges Bob Ferguson with malfeasance, misfeasance, and violation of his oath of office.

RESOLUTION SEEKS TO MAKE TENNESSEE AG POSITION ELECTED INSTEAD OF APPOINTED: A Joint Resolution [filed](#) in the Tennessee General Assembly would change the attorney general and reporter post from an appointed position to an elected position. State Representative Bruce Griffey (R-Paris), submitted House Joint Resolution 0657 on Wednesday, calling for the change. Under Article VI, Section 5 of the Tennessee Constitution, the state's attorney general and reporter is appointed by judges on the Supreme Court for an 8 year term.

B. STATE LEGISLATURES & MAYORS

DEM SUPERPAC UNVEILS CAMPAIGN TARGETING CRITICAL STATE LEGISLATURES: A Democratic super PAC dedicated to flipping state legislatures unveiled a new campaign that will send at least \$10 million into four states it will fight to turn blue before the bodies oversee political redistricting in 2021. Forward Majority, founded in 2017, on Friday released a [Roadmap 2020](#) that focuses on 50 legislative seats in Florida, Texas, Arizona and North Carolina that Democrats came close to winning in 2018. All four states are already set to be battlegrounds of varying degrees of competitiveness in the presidential race this year, and will be redistricting their congressional maps the year after the election. "There are four states that represent the most powerful points of leverage to fortify our democracy," said Vicky Hausman, Forward Majority co-founder. "Quite simply: these states are where Democrats face the greatest risk of being locked out of power

nationally for the next 10 years.” State legislature races, which often get less attention in presidential election years, have been thrust into the spotlight this time due to states’ redistricting efforts and the resulting effect on the makeup of the national government. Florida, Texas, Arizona and North Carolina, all of which are completely or mostly controlled by Republicans, are expected to account for 82 congressional seats pending the results of the 2020 census.

NATIONAL DEMS TARGET REPUBLICAN CANDIDATE IN BATTLEGROUND HOUSTON-AREA

STATEHOUSE RACE: The battleground [race](#) for a Texas House seat in the Houston suburbs is heating up as a national Democratic group launches TV ads highlighting past allegations that the Republican candidate mistreated his children. Child Protective Services eventually dropped the case, but the matter has followed businessman Gary Gates through his multiple runs for public office. It is now surfacing in the Jan. 28 special election runoff to replace former state Rep. John Zerwas, R-Richmond, a race that is drawing national attention as Democrats treat it as their first big battle ahead of trying to capture the House majority in November. They are effectively nine seats away from the majority. In a sharp escalation, the super PAC Forward Majority is set to start airing a commercial Tuesday that raises the accusations from two decades ago that sparked Gates’ high-profile crusade against CPS. The 30-second spot zeroes in on a few of the most severe claims that his children made to investigators — such as punishing them with vomit-inducing medicine — and then says Gates “spent a fortune to shield alleged abusers like himself.”

STATES ACROSS THE COUNTRY PLAN AMBITIOUS LEGISLATIVE AGENDAS THIS YEAR: State legislatures are [crafting](#) ambitious plans for legislative sessions in 2020, even though many have only a few months to tackle the contentious issues confronting them. In interviews with legislators from across the country, many said they would move to fund K-12 and higher education; expand childcare and early education; reconsider their tax codes; and address a shortage of qualified workers in a low-unemployment economy. A growing number of states will consider spending millions or even billions to build new housing units to relieve a congested market and the growing homelessness crisis. Coastal states with the largest cities in the country face some of the biggest housing challenges, but increasingly so do smaller states with growing mid-sized cities. In some states, housing is part of a larger challenge of attracting a qualified workforce necessary to grow a local economy. And while politicians gleefully cheer the lowest unemployment rate in half a century, they now have to feed growing businesses hungry for employees. Several states will address emerging technology companies like Uber and Lyft, which are creating new industries and worker definitions faster than legislators can keep up. A California bill last year to define gig economy workers as employees of those companies will be revisited, and states like New York and New Jersey are moving to create similar rules.

WHAT TO EXPECT IN COLORADO’S LEGISLATIVE SESSION: Perhaps the [most](#) significant piece of unfinished business is family leave, after Democrats were unsuccessful last year in passing legislation requiring paid family and medical leave for all workers. They are intent on making it happen this year, but the details are yet to be worked out: How many weeks of leave will workers be entitled to? How much will the program cost, and how much of the burden will fall on workers versus their employers? This time last year, most everyone at the Capitol would’ve said that the state was primed to abolish the death penalty. “Full steam ahead,” state Sen. Lois Court said. The repeal never happened, though, as four wavering Democrats left the bill’s sponsors without enough confidence to bring the bill to a vote. It was pulled in dramatic fashion, but lawmakers have assured The Post that it’s coming back in 2020, and they’re hopeful it’ll actually pass this time. And you can bet on vaccines being a big topic in 2020, following the fizzling of a bill meant to boost Colorado’s worst-in-the-nation vaccination rates by formalizing the exemption process. Last year’s bill died in the Senate after pushback from Gov. Jared Polis, who declared himself “pro-choice” on vaccines. Republicans and a group of Colorado parents had opposed the bill because of privacy concerns.

DESPITE DYSFUNCTION IN DC, MAYORS MADE HEADWAY IN 2019: Bryan K. Barnett is president of the U.S. Conference of Mayors and mayor of Rochester Hills, Michigan [writes](#) in The Hill: “Despite federal leaders’ failure to deliver, we don’t have to feel hopeless. At the municipal level, we’ve made great progress this year. Mayors know that everyone does better when we put politics aside, roll up our sleeves and get things done. As the president of the U.S. Conference of Mayors, I’ve seen firsthand the innovative programs mayors across the country implemented in 2019.”

BLOOMBERG TAPS FORMER PHILADELPHIA MAYOR NUTTER AS CAMPAIGN CHAIRMAN: Michael Bloomberg has [reached](#) deep into the City of Brotherly Love to head his longshot 2020 bid, naming former Philadelphia Mayor Michael Nutter as national chairman. Bloomberg worked with Nutter on urban issues during his tenure as New York City mayor. Like Bloomberg, Nutter had to deal with legal fights over stop-and-frisk in Philly. Nutter was initially elected on a law-and-order platform in 2007 and he backed the expanded use of stop-and-frisk to get guns off the street and curb crime.

C. BALLOT INITIATIVES & POLITICS

MARIJUANA ON THE BALLOT: Ever since Colorado and Washington [became](#) the first two states to approve marijuana legalization initiatives in 2012, additional states have joined them in each biennial election that has followed. And 2020 could be a banner year for cannabis on the ballot. There are at least 16 states where advocates believe marijuana measures could go before voters next year—some considering full-scale recreational legalization while others would focus on medical cannabis.

Campaign News

MISSOURI

DGA SAYS MISSOURI IS 'WIDE OPEN' IN 2020: After scoring victories in Kentucky and Louisiana this month, the Democratic Governors Association is turning its [attention](#) to Missouri for 2020. Early polling on the race to this point shows Republican Gov. Mike Parson with a healthy lead, and experts say Galloway faces an uphill battle. The DGA could help with money, though, and while its poll of 921 likely 2020 voters earlier this month also showed Parson leading Galloway, 45 percent to 36 percent, Cohen wrote that the deficit was no reason to despair, especially because Parson was below the 50% threshold.

MONTANA

DEM GOV CANDIDATE REPORTS BIG FUNDRAISING HAUL: Democrat Whitney Williams, a late entry into Montana’s 2020 gubernatorial race, reported Monday that she raised more than \$439,000 in the final three months of last year – more than any other candidate in that period. Williams, 48, the founder of a Missoula-based consultancy that works with nonprofit and philanthropic groups, said the amount is a record for the first quarter of any Montana Democratic candidate. Republican Greg Gianforte, Montana’s current U.S. House representative, a multimillionaire high-tech entrepreneur, also reported his latest fundraising totals Monday – and he continues to be the money leader in the crowded race for an open governor’s seat. His campaign said it raised about \$345,000 during the past three months,

increasing his total campaign take since entering the race last June to nearly \$1.44 million, including \$22,000 from his own pocket.

NEW HAMPSHIRE

NEW HAMPSHIRE'S RACE FOR GOVERNOR: Buoyed by LLCs, Incumbent Republican Sununu beat out Democrats in the first six months of [contributor collections](#). Republican Gov. Chris Sununu raised \$467,043 in the last six months, followed by Democratic candidates, state Sen. Dan Feltes with \$369,703 and District 2 Executive Councilor Andru Volinsky with \$66,682. The vast majority of the \$900,000 raised by the three comes from New Hampshire. At least half of the money Sununu raised comes from businesses, either large corporations or small limited liability companies. Feltes does have some business contributions, but most of his contributions come from individuals, as do almost all Volinsky's monetary supporters.

NEW YORK

TOM REED NOT RULING OUT RUNNING FOR GOVERNOR IN 2022: U.S. Rep. Tom Reed [says](#) running for governor in 2022 is not out of the question. "We're not ruling it out," Reed said Tuesday while speaking in Elmira. "Obviously, some folks have come up to us and expressed some interest in supporting us to consider that path and this is my home, to see people leaving here by the hundreds of thousands tells me something needs to change in Albany." Reed represents the 23rd Congressional District, which includes New York's Southern Tier, as well as Seneca, Tompkins and Ontario counties. He has served in the House of Representatives since 2010.

VERMONT

ZUCKERMAN TO RUN FOR VERMONT GOVERNOR: Lt. Gov David Zuckerman will [announce](#) next week that he is running for Vermont governor in 2020, according to a news report from VTDigger. The report cites "two Democratic insiders familiar with his announcement plans," although Zuckerman, a Progressive/Democrat, declined to say Tuesday whether he will enter the race. He said he will announce his plans Monday. Former education secretary Rebecca Holcombe, a Democrat, said in July that she would run for governor. Gov. Phil Scott has not yet formally announced his reelection bid, but VT Digger reports that he has already begun raising money for a campaign.

VIRGINIA

GOVERNOR'S RACE BEGINS TO TAKE SHAPE: While his office maintains it was not an "official" announcement, Lt. Gov. Justin E. Fairfax told a [group](#) of senior citizens that he will "be planning to run" for the Democratic nomination for governor in 2021. Following the event, a Fairfax spokeswoman attempted to clarify the lieutenant governor's remarks, calling them not an "official" announcement. A public acknowledgment of his plans was not unexpected, as political

observers have anticipated him to make a run for the governorship ever since he was elected lieutenant governor in 2017. Virginia Attorney General Mark R. Herring also is expected to seek the party's nomination.

WEST VIRGINIA

SPONAUGLE ANNOUNCES CAMPAIGN FOR AG: Isaac Sponaugle, a lawyer from Pendleton County and a member of the House of Delegates, [announced](#) his intentions to become the state's top attorney. In a room full of family, supporters and fellow lawmakers, Sponaugle said he would challenge Republican Patrick Morrisey for the Attorney General's Office. Sponaugle is the second Democrat to announce, with Beckley attorney Samuel Petsonk filing precandidacy papers in June.

FEDERAL PROBE INTO WV GOVERNOR CLOSED WITH NO CHARGES: Federal prosecutors have [closed](#) a nearly year-long investigation into West Virginia Gov. Jim Justice's administration and his family business empire without bringing any criminal charges. The announcement was made a week into the new year, one in which Justice is seeking reelection, and just a day before the state's 2020 legislative session is to start. DOJ public corruption investigators had issued at least three subpoenas to state agencies — the Commerce Department, the Department of Revenue, and the Tax Division — seeking records about the state's dealings with The Greenbrier resort, which Justice owns, and about a settlement Justice family companies made to resolve millions of dollars in overdue taxes. The billionaire governor still faces a lawsuit over not living in Charleston, as governors are required to do under the state constitution.