

## **State Actions on International Trade and Investment Policy** *When State Politics Go Global*

State leaders are increasingly impacting international trade and investment policy, exerting unprecedented influence on foreign relations and multinational corporations. While economic development historically propelled governors onto the international stage, a combination of local constituencies and the evolving geopolitical environment has further pushed states into the international arena, especially in an election year. From the origins of COVID-19 and ancillary supply chain dependencies to concerns about surveillance activities and incidents such as the spy balloon in 2023 to Russia's invasion of Ukraine and ongoing conflicts in the Middle East, foreign adversaries are increasingly becoming a focal point of state-level politics and policy. This is an important dynamic because it is oftentimes easier for states to take swift and decisive action within their borders than it is for policymakers in Washington. The result has been a number of policy measures that have created a complex political and regulatory environment across the states for many multi-national companies.

This document explores a variety of domestic levers that states are pulling to influence global affairs:

### **General Opposition to Foreign Adversaries:**

- I. Competing for foreign trade: Ports, Free Trade Zones, Trade Agreements, and USCMA.
- II. Divesting pension funds from foreign adversaries.
- III. Prohibiting state contracts with foreign adversaries.
- IV. Banning foreign ownership of land.
- V. Protecting cybersecurity and critical infrastructure.

### **Country-Specific Actions:**

- VI. Reevaluating Chinese tech and telecoms: TikTok, Chinese tech, and China-owned Telecoms.
- VII. Navigating the new politics of diplomacy with China: Trade missions and campaign issues.
- VIII. Opposing Russia in support of Ukraine: Economic sanctions.
- IX. Supporting Israel: Hamas sanctions, anti-BDS laws, and antisemitism policies.

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## **I. Competing for Foreign Trade**

In general, U.S. states engage internationally in two main ways: through their maintenance of international offices and governor-led overseas missions—both to promote exports and attract foreign direct investment (FDI). Last year, American exports reached record highs, growing 1.2% or \$35 billion. [Trading Economics](#) Additionally, U.S. ports are receiving substantial federal grants totaling \$21 billion to modernize port infrastructure and increase capacity, including deepening water channels to accommodate mega Panamax ships. [CNBC](#), [SPI Insights](#)

Meanwhile, China's port business is facing weakened external demand due to global economic uncertainties and geopolitical factors. [Site Selection](#) For context, among the top 10 port cities globally, four ports are European, three ports are Asian, two ports are Middle Eastern, and one port is American (New York/New Jersey). [Site Selection](#)

### **Ports & Free Trade Zones**

As federally designated free trade areas, Foreign Trade Zones (FTZs) incentivize trade with special customs and duty-free treatment. **The top 10 states with FTZs, in order, are LA, CA, SC, TN, FL, IN, AZ, PR, and MS.** Leading industry sectors in FTZs include pharmaceutical, oil refining, automobiles, electronics, and machinery and equipment. [Site Selection](#)

**Highlight – Louisiana and Ukraine:** Louisiana ports handle over 60% of U.S. grain, exporting more than 48 million tons annually. As two of the world’s leading grain exporters, Louisiana and Ukraine ports signed an agreement in August 2023 to establish a cooperative alliance in the defense of freedom and a shared mission to serve global customers. [Site Selection](#)

### **State Trade Agreements**

Looking ahead, the outcome of the 2024 presidential election will impact how states compete for foreign trade, particularly concerning changes to tariffs and trade agreements. Following the 2016 election of former President Trump, many governors on both sides of the aisle intensified efforts to secure direct trade agreements, as large federal deals with the Trump Administration were uncertain. [Governing](#)

**Multistate Highlight – 8 States and the United Kingdom:** In 2024, Texas became the 8<sup>th</sup> state to sign a Memorandum of Understanding with the United Kingdom to boost trade and investment, filling the void left by stalled federal agreements post-Brexit. **States with UK trade agreements include FL, IN, NC, OK, SC, TX, UT, and WA,** representing 20% of the U.S. economy.

**State Highlight – Nevada and Canada:** In 2024, negotiations are underway for Nevada and Canada to strike an agreement for lithium, a rare earth mineral used in tech manufacturing. Nevada, as the only state with a lithium mine, is in direct competition with China. [Toronto Star](#)

### **Impact of USCMA**

States—and their manufacturing sectors—await the impacts from implementation of the United States-Mexico-Canada Agreement (USCMA), the newest version of the North America Free Trade Agreement (NAFTA), signed during the Trump Administration. On July 1, 2024, alternate staging regimes will expire, necessitating that original equipment manufacturers (OEMs) adjust their global supply chains and prepare their products for an increase in regional value content (RVC) up to 75% of net cost, a provision that requires assemblers and part suppliers to boost their North American content. [ASF Law](#) In addition, 2024 and 2025 will be pivotal for the three countries to review provisions and modify the agreement, as it requires renewal every six years, with the first renewal slated for July 2026. [ASF Law](#) The renewal clause proposed by the United States, which is unique and unprecedented in free trade agreements, could adversely affect business confidence and economic predictability. [Brookings](#)

## **II. Divesting Pension Funds from Foreign Adversaries**

Amid larger and more partisan debates over economic, social, and governance (ESG) investments, there is a growing bipartisan movement among state leaders to divest pension funds from ties to “foreign adversaries”, such as China and Russia. State officials cite reasons ranging from national security to economic sustainability to ideological considerations as grounds to prioritize geopolitical divestments over a return on investment, even as many pension funds are in jeopardy.

In fact, on the national average, state pension funds are only funded at 76% with total debt rising to \$1.3 trillion in 2023. [Reason](#) At the same time, China holds the largest share in emerging market indexes, accounting for upwards of 30%, offering states higher-yield investment opportunities while problematically creating a “tug-of-war between political agendas and fiduciary duty”. [Reason](#)

#### **Recent State Actions from 2022-2024:**

- **CA Governor Gavin Newsom** called for state sanctions on Russia in 2022 by asking the leaders of the CA Public Employees’ Retirement System (CalPERS), CA State Teachers’ Retirement System (CalSTRS), and the University of California retirement system to leverage its sizable global investment portfolio to sanction the Russian government. Governor Newsom cited \$1.5 billion in state assets linked to Russian financial markets. [Press Release](#)
- **The FL Legislature** approved a bill in March 2024 to require the State Board of Administration—overseeing \$225 billion in overseas investments—to develop a plan to sell holdings linked to companies majority-owned (50.1%) by China, the CCP, or the Chinese military. A House report shows that 0.16% of the retirement system would be at risk with investments in more than 200 Chinese state-owned entities totaling \$277 million. [CBS News](#)
- **GA Governor Brian Kemp** stated in February 2022 that Georgia will fully divest the state from Russian funds and all associated investments to ensure Georgia taxpayer dollars are not being used to subsidize Russia. [AJC](#)
- **IN Governor Eric Holcomb** signed a bill in 2023 to prohibit the IN public retirement system—valued at \$42.5 billion—from investing in certain restricted entities confirmed to be controlled by China or the CCP, creating a five-year divestment plan. A report showed that the fund held \$1.1 billion in Chinese stocks. [Indiana Senate Republicans](#) In 2022, Governor Holcomb signed an Executive Order to review state pension investments for Russian securities, currencies, or companies. [Executive Order](#)
- **MO Legislature** is debating a bill this year that would prohibit the state from investing funds from pension or public endowments with foreign adversaries, including China, Russia, Iran, Korea, Cuba, Venezuela, and Syria. The State Treasurer reported that the MO State Employee Retirement System has approximately \$200 million invested in China. [Springfield News Leader](#) *Note that Governor Mike Parson appointed the Treasurer.*
- **OH Governor Mike DeWine** issued an Executive Order in 2022, calling for the divestment of the state pension fund from any Russian assets across all state agencies, boards and commissions, state educational institutions, and pension funds. [Executive Order](#)
- **The PA Legislature** is debating a bill to divest its government holdings of certain firms in China, following last year’s passage of a bill to divest from Russia and Belarus following the invasion of Ukraine. The proposed bill would require a gradual divestiture from the PA Treasury, State Employees Retirement System, and Public School Employees Retirement System. [PA Senate GOP](#)
- **SD Governor Kristi Noem** ordered a review of the state’s Investment Council’s \$19 billion portfolio for ties to China in 2022, following a sale of \$1.4 million in holdings of three companies headquartered in China. In 2023, Governor Noem urged Vanguard to finalize its creation of an emerging markets fund that excludes investments in China. [AP](#), [news.SD.gov](#)

*Note on Tennessee: In 2012, the Tennessee State Consolidated Retirement System (TCRS)—a \$67.6 billion pension fund—opted to exclude some countries, including China and Russia, from its emerging markets portfolio, a decision which paid off following COVID downturns. Instead, the state’s emerging market portfolio includes Taiwan (31.4%), South Korea (23%), and India (20%) among others, such as Brazil, South Africa, Thailand, Malaysia, Indonesia, and Poland. [Markets Group News](#)*

### **III. Prohibiting State Contracts with Foreign Adversaries**

The purchasing power of states is significant, and collectively, states possess the potential to impact the global economy. In fact, state and local governments allocate approximately \$1 out of every \$4 on procurement for goods and services, a significant portion of annual budgets. [Manhattan Institute](#) As of 2022, 40 states allow foreign businesses to bid for contracts tendered by state entities, opening their procurement markets to international competition. [CRS Report](#) However, due to supply chain concerns following COVID-19 and recent acts of aggression by U.S. adversaries, states are beginning to take action to prohibit state and/or local government contracts with certain foreign actors.

#### **Recent State Actions from 2022-2024:**

- **CA Governor Gavin Newsom** signed an Executive Order in May 2022 to ban state contracts with Russia. [Press Release](#)
- **FL Governor Ron DeSantis** signed a bill in 2023 to restrict state government contracts or economic development incentives by certain individuals and entities associated with foreign countries of concern, including China, Russia, Iran, North Korea, and Syria. [Greenberg Traurig Law](#)
- **IN Governor Eric Holcomb** issued an Executive Order in 2022 to review state contracts and university funding for ties to Russia or Russian-affiliated companies. [Executive Order](#)
- **The ME Legislature** is debating a bill in 2024 to forbid state and local governments from contracting with businesses affiliated with hostile foreign governments. [The Maine Wire](#)
- **MT Governor Greg Gianforte** directed a review in 2022 of Montana assets and operations that may benefit Russia. [Tweet](#)
- **The NE Legislature** is debating a bill in 2024 to require an assessment of all risks to state or national security, economic security, or public health in the event of a conflict involving China or other countries in the area of the Pacific Ocean and U.S. allies. [NE Legislature](#)
- **NJ Governor Phil Murphy** signed a bill in 2022 to prohibit government dealings with businesses associated with Russia and Belarus in response to Russia's invasion of Ukraine, which follows an Executive Order he issued requiring state agencies to suspend and revoke licenses or registrations with Russian or Belarussian businesses. [NJ Legislature](#)
- **NY Governor Kathy Hochul** issued an Executive Order in 2022 to prohibit state agencies and authorities from contracting with businesses conducting business in Russia. [Press Release](#)
- **VT Governor Phil Scott** issued an Executive Order in 2022 to review all contracts for the purchase of goods, immediately halting all purchases and terminating contracts for goods sourced from Russia or produced by Russian entities. [Press Release](#)
- **VA Governor Glenn Youngkin** issued an Executive Order in 2022 to immediately review all government contracts and procurement activities to identify any Virginia tax dollars spent on goods and services from primarily Russian companies. [Press Release](#)
- **WA Governor Jay Inslee** issued a directive in 2022 to cabinet agencies that bans new contracts and investments with Russian state entities. [Press Release](#)
- **The WI Legislature** led by Republican is debating a bill to bar the state from contracting with state-operated companies from China, Russia, Cuba, Iran, North Korea, and Venezuela to enhance information security. [Wisconsin Public Radio](#)

[See Section IV for specific state actions related to China tech procurement.]

### **IV. Banning Foreign Ownership of Land**

In response to concerns regarding foreign affiliated entities buying U.S. agricultural land, several states—all Republican—enacted measures prohibiting such purchases. [Politico](#) In fact, both the Heritage Foundation and the American Legislative Exchange Council (ALEC) support model legislation to establish

bans: see [Heritage](#) and [ALEC](#). Policy objectives primarily stem from security concerns related to military or critical infrastructure surveillance, trade secrets and intellectual property protections, and supply chain and food security issues.

*Federal Note:* Since land purchases are not controlled by the federal government, states are taking more and more action. [Politico](#) Although Congress expanded its authority, the Committee on Foreign Investment in the United States (CFIUS) lacks complete jurisdiction to review land acquisitions or real estate transactions by foreign owners. See the decision regarding the FuFeng Group in Grand Forks, North Dakota. [Reuters](#)

Over the past year, at least 15 governors—all Republican—signed bills or executive orders updating their laws to limit or bar foreign ownership of land: **AL, AR, FL, ID, IN, MS, MO, MT, ND, OK, SD, TN, UT, WV, and WV**. [CRS Report](#) Notably, the Republican-controlled legislature in **Louisiana** passed a ban last year that was vetoed by the Democratic former governor. However, the bill is being debated again this session under a newly elected Republican governor. [WAFB News](#)

#### **Sampling of Recent State Actions from 2023-2024:**

- **AR Governor Sarah Sanders** signed a bill in 2023, making Arkansas the first state to enforce a law requiring companies with ties to China to sell its land. [Stateline](#)
- **FL Governor Ron DeSantis** signed a bill in 2023 expanding the ownership prohibition to include properties within 10 miles of military and critical infrastructure, which includes airports, electrical power plants, water treatment plants, gas plants, and certain manufacturing plants. [USA Today](#)
  - *Note: The bill received immediate criticism for its perceived overreach and potential violation of fair housing laws. Concerns were raised about its impact on traditional real estate transactions near covered infrastructure, particularly in densely populated areas, such as South Florida, as well as EB-5 funded investments.*
- **ID Governor Brad Little** signed a bill in March 2024 expanding the ban on real property to water and mining rights. [The National Agricultural Law Center](#)
- **IN Governor Eric Holcomb** signed a bill in March 2024 expanding the ban of land ownership to mineral, water, and riparian rights and defined prohibited persons to those of a foreign adversary designated by the U.S. Secretary of Commerce. [The National Agricultural Law Center](#)
- **MS Governor Tate Reeves** created a study committee in March 2023 on purchasing, acquiring, leasing, or holding an interest in agricultural land by foreign governments. [1258.pdf \(ms.gov\)](#)
- **MO Governor Mike Parson** issued an Executive Order in January 2024 to ban individuals and businesses from nations designated as foreign adversaries from purchasing agricultural land within a 10-mile radius of critical military facilities. [Press Release](#)
- **OK Governor Kevin Stitt** signed legislation in 2023 prohibiting “straw man” ownership through a business trust. [OK Senate](#)
- **SD Governor Kristi Noem** signed a bill in 2024 preventing China, Cuba, Iran, North Korea, Russia, and Venezuela from purchasing farmland in the state. The legislation also strengthens enforcement by requiring increased reporting and closing loopholes in existing statutes, including limitations for domestic entities owned by foreign entities or persons. [Press Release](#)
- **TN Governor Bill Lee** signed a bill in 2023 prohibiting ownership by sanctioned nonresidential aliens, sanctioned foreign businesses and governments, or their agents from acquiring real property if their country is on the Office of Foreign Assets Control of the U.S. Department of Treasury. [Memphis Area Association of Realtors](#)
- **UT Governor Spencer Cox** signed a bill in 2023 updating the ban to those restricted foreign entities as defined by the U.S. Department of Defense and established a process for county recorders to report violations. [The National Agricultural Law Center](#)



### **Scope of Foreign Ownership**

As of December 2022, the U.S. Department of Agriculture (USDA) estimated that over 43.4 million acres were controlled by foreign investors, equating to 3.4% of all private agricultural land and nearly 2.0% of all U.S. land. [USDA](#), [FSA](#) Top foreign investors include Canada (32%), the Netherlands (12%), Italy (6%), the United Kingdom (6%), and Germany (5%), with China holding 349,442 acres, representing less than 1% of foreign-held acres in the U.S. [USDA](#), [FSA](#) Notably, just two Chinese-owned companies—Brazos Highland Properties, LP and Murphy Brown LLC (Smithfield Foods)—collectively own over 200,320 acres and are by far the largest Chinese land owners. [USDA](#), [FSA](#)

However, since 2007, Chinese companies shifted their investment strategy, as displayed by a series of Chinese Communist Party (CCP) No. 1 Documents. The companies moved from farming overseas for crops and raw materials to expanding their overseas agribusinesses acquisitions, resulting in a 2,400% increase in the United States from 2010-2020. [USDA 2020](#), [USDA 2018](#) The two most notorious examples tied to China include:

- The Chinese billionaire Sun Guangxin's purchase of 140,000 acres near Laughlin Air Force Base in **Texas**, beginning in 2016. [Forbes](#)
- The Chinese food manufacturer Fufeng Group's purchase of 300 acres near Grand Forks Air Force Base in **North Dakota** in 2022. [CNBC](#)

Overall, states with the highest acreage of foreign held agricultural land are—in order—**TX, ME, and CO** while states with the highest proportion are **ME, HI, WA, AL, and FL**. [FSA](#) The states with the largest Chinese holdings are **Texas** (162,167 acres), **North Carolina** (44,776 acres), **Missouri** (43,071 acres), **Utah** (32,447 acres), and **Virginia** (14,382 acres); together, these five states are home to 85% of Chinese filings associated with U.S. agricultural land. [USDA](#)

### **Types of Statutory Factors**

Prior to recent years, at least **46 states** had some form of law in place either limiting or permitting foreign ownership of land, with some laws dating back to the 1700s: 21 states-imposed restrictions while 28 states allowed ownership and 4 states authorized both under certain circumstances. [NALC](#) Although state laws vary widely in their restrictions, common statutory considerations include: [CRS Report](#), [NALC](#)

- Association, such as prohibiting types of businesses with ownership interests or associations with foreign adversaries, including listing named countries, or granting ownership rights to those domiciled in the state for a certain period of time.
- Location, such as barring ownership near military installations or critical infrastructure or exempting land bordering another state.
- Acreage or Usage, such as capping a specified acreage or exempting certain agricultural or livestock uses, research and experimental activities, etc.
- Reports and Disclosures, such as requiring annual or biennial filings with state agencies and imposing civil fines or criminal penalties for failing to report.
- Orders to Sell or Divest, such as mandating certain companies with unlawful associations or that violated the law to sell acreage, return land, or seek judicial foreclosure.

## **V. Protecting Cybersecurity & Critical Infrastructure**

Although cybersecurity has long been a priority area for many states, governors are stepping up with record investments to protect their states and invest in the future cybersecurity workforce.

### **Recent State Actions from 2022-2024:**

- **FL Governor Ron DeSantis** signed a series of bills in 2023 to protect digital data from Chinese spies by stopping sensitive data from being stored on servers that might be owned by entities affiliated with the CCP. [Press Release](#)
- **IN Governor Eric Holcomb** issued an Executive Order in 2022 to strengthen critical state infrastructure for possible Russian cyber-attacks. [Executive Order](#)
- **NY Governor Kathy Hochul** announced a \$600 million investment in 2023 to bolster cybersecurity and launched the state's first-ever statewide cybersecurity strategy to protect digital assets, critical infrastructure, and personal information from cyber threats: \$500 million for healthcare information technology, \$90 million for cybersecurity, \$30 million for local government cybersecurity, and \$7.4 million for cyber analysis and computer crimes. [Press Release](#)
  - **Note:** New York's whole-of-state approach to reduce cyber risk has emerged as a national model
- **RI Governor Dan McKee** launched the Institute for Cybersecurity and Emerging Technologies in 2023 to focus on cybersecurity education, workforce development and small business support. [What's Up Newp News](#)
- **WV Governor Jim Justice** allocated \$45 million in 2023 to build a new state-of-the-art cybersecurity center at Marshall University to be at the forefront of cyber defense and research. [Press Release](#)
- **WY Governor Mark Gordon** asked for \$6.8 million from the legislature in 2024 to hire 37 new cybersecurity positions across state government following an uptick in cyber threats in the state, including local governments too small to handle security. [State Scoop](#)

## **VI. Reevaluating Chinese Tech and Telecoms**

As federal officials issue warnings about the vulnerabilities of economic espionage and digital sabotage, state and local governments are grappling with the challenge of eliminating Chinese tech and telecom equipment from their procurement and supply chains. [Axios](#) State policymakers face two primary obstacles: First, state and local governments lack the resources and intelligence capabilities to independently identify and remove untrustworthy information technology (IT); and second, despite guidance provided by the federal government, many states are reluctant to revise procurement policies and close loopholes that allow suspect IT to enter their jurisdictions, which includes an expansive network of purchasing power dispersed among schools, prisons, hospitals, public transit, and other government offices. [Georgetown Center for Security and Emerging Technology](#) In fact, between 2015 and 2021, at least 1,681 state and local entities purchased IT that was prohibited at the federal level. [Georgetown Center for Security and Emerging Technology](#)

### **TikTok Surveillance**

Notably, in late 2022, governors began swiftly banning TikTok—owned by Chinese company ByteDance—from state devices, mostly via executive order, which some states later codified. As Congress recently passed a federal ban bill, currently **39 states ban TikTok from government devices: AL, AK, AZ, AR, DE, FL, GA, ID, IL, IN, IA, KS, KY, LA, ME, MD, MI, MS, MT, NE, NV, NH, NJ, NC, ND, OH, OK, OR, PA, SC, SD, TN, TX, UT, VT, VA, WV, WI, and WY.** [Forbes](#) *Note that a federal judge blocked the MT bill in November 2023, which would have enacted the first statutory ban in the country.* [CNBC](#)

### Risk of Chinese Tech

Procurement presents a complex landscape with significant challenges due to the largesse of Chinese-made goods. China controls 80% of the world's manufacturing output, including 95% of the world's silicon wafers; 80% of the world's solar panels; 66% of the world's lithium-ion batteries, electric vehicles, and turbines; and will control up to 25% of semiconductors by 2030. [The Washington Post](#), [World Population Review](#) From 2015-2021, only one state, **Vermont**, did not enter into a transaction involving Chinese tech. [Axios](#)

- **States with less than 25 transactions for Chinese Equipment:** AL, AK, AZ, DE, HI, KY, NE, NH, ND, RI, SC, SD, UT, WV, and WY.
- **States with more than 200 transactions for Chinese Equipment:** CA, FL, IL, MI, NJ, NY, NC, OH, PA, TX, and WA.

Conservative groups, like ALEC, advocate for [model legislation](#) to help states restrict the purchase of technology deemed risky. [China Tech Threat](#) As of 2023, only **7 states implemented measures to limit procurement of Chinese equipment based on national security grounds: FL, GA, LA, NE, SD, TX, and VT.** [Axios](#) *Note that the Federal Communications Commission's "Covered List," which prohibits federal agency purchasing, does not apply to state and local entities. The list names Chinese companies, Huawei, ZTE, Hikvision, Dahua, and Hytera and Russian company, Kaspersky, among others.* [State Scoop](#) State examples include:

- **GA Governor Brian Kemp** signed legislation in May 2022 to prohibit companies owned or operated by the Chinese government from providing tech products to state governments, universities, and local school districts. Governor Kemp also signed legislation to prohibit state contracts with companies owned by the governments of Russia, Belarus, and China. [Legislation](#)
- **NE Governor Jim Pillen** issued an Executive Order in February 2023 to prohibit the state from awarding any grant funding designated for broadband deployment to any provider using or deploying communications equipment and services on the FCC's Covered List. [Executive Order](#)
- **SD Governor Kristi Noem** issued an Executive Order in April 2024, expanding on her previous ban of TikTok. The order prohibits state agencies from conducting any business with technology and telecommunications companies linked to what she deemed "evil foreign governments," including China, Iran, North Korea, Russia, Cuba and Venezuela. It also mandates that all state contracts require vendors to certify in writing that they—along with suppliers and subcontractors—are not ultimately owned or controlled by a foreign national or government from one of the listed countries. Violations could lead to immediate contract termination. [Executive Order](#)

### Threat of China-Owned Telecoms

China also faces scrutiny for its ownership of telecommunications and cell tower equipment in the United States. In recent years, the Chinese company Huawei is reported to own telecom equipment installed on cell towers in **5 states: CO, MT, NE, ND, and WY.** Huawei's ownership raised concerns regarding communications and imagery intelligence, potential offensive signals jamming, and internet attacks. [Texas Policy](#)

In January 2024, the Federal Communications Commission (FCC) disclosed that the cost to "rip and replace" 24,000 pieces of Huawei and ZTE equipment across rural America will amount to an additional \$3.08 billion, significantly more than the original estimate of \$1.9 billion in 2020. [FCC Report](#) In addition, the FCC reported that only five companies of 126 grant applicants completed removal of Chinese equipment. [Data Center Dynamics](#)



## **VII. Navigating the New Politics of Diplomacy with China**

Economic development traditionally serves as the mainstay of governors' involvement in foreign affairs, from leading trade missions overseas to recruiting foreign direct investment at home. In recent years, state officials—as well as political parties—are adopting new strategies to navigate diplomatic relations with foreign adversaries, specifically China.

### **Pausing Trade Missions to China**

A noticeable trend is emerging as governors from both political parties are halting their trade visits to China. [Politico](#) Between 2005 and 2020, it was customary and routine for approximately “three dozen state executives” to travel to China in any given year, a longstanding standard practice for both Republican and Democratic governors. [Politico](#), [China Daily](#) However, since COVID, only one governor, **CA Governor Gavin Newsom**, made the trip to China's shores. [Press Release](#)

Further exasperating tensions with China, more governors chose to bypass China and visit Taiwan, falling in line with then-Speaker Nancy Pelosi's visit in 2022. In fact, since 2022, **7 governors visited Taiwan:**

- **AZ Governor Katie Hobbs**, September 2023. [Press Release](#)
- **IN Governor Eric Holcomb**, August 2022. [Associated Press](#)
- **MI Governor Gretchen Whitmer**, March 2024. [Focus Taiwan](#)
- **MT Governor Greg Gianforte**, October 2023. [Press Release](#)
- **NJ Governor Phil Murphy**, October 2023. [Press Release](#)
- **NM Governor Michelle Lujan Grisham**, September 2023. [Press Release](#)
- **VA Governor Glenn Youngkin**, April 2023. [Associated Press](#)

### **Campaigning against Commerce with China**

Recent years have seen a shift away from the era of cooperative diplomacy with China. Once celebrated sister-state relationships and efforts to onshore jobs and expand exports to China are now subject to sharpened political scrutiny. The records of governors and state economic development agencies have become politicized in state political campaigns, evoking threats of job losses and allegations of racism and xenophobia. [Indiana Capital Chronicle](#)

**State Highlight – Missouri GOP Politics:** In the 2024 gubernatorial race in Missouri, the American Dream PAC launched an ad featuring a Chinese-speaking cow alleging that one Republican candidate had supported a law allowing the CCP to purchase farmland. A similar ad was dropped against a Republican candidate in a Missouri congressional race. [Politico](#)

## **VIII. Opposing Russia in Support of Ukraine**

Although there is a clear trend of states disentangling funds from foreign adversaries, specific incidents prove to incite immediate responses from governors, which can produce a strong bipartisan show of force. As one of the most recent examples, following Russia's invasion of Ukraine on February 23, 2022, almost every governor issued a statement or showed some other public demonstration of support for Ukraine in opposition to Russian aggression. However, a bipartisan group of governors went further to take substantive action to target Russia economically, demonstrating solidarity with Ukraine and opposing Russian aggression. See executive actions from **10 governors targeting businesses associated with Russia:**

- **CA Governor Gavin Newsom** re: ban on state contracts and review of investments. [Press Release](#)
- **GA Governor Brian Kemp** re: divestment of funds and all associated investments. [AJC](#)

- **IN Governor Eric Holcomb** re: review of state contracts and university funding. [Executive Order](#)
- **MT Governor Greg Gianforte** re: review of state assets and operations. [Tweet](#)
- **NJ Governor Phil Murphy** re: prohibition of government dealings. [NJ Legislature](#)
- **NY Governor Kathy Hochul** re: ban on state agency contracts. [Press Release](#)
- **OH Governor Mike DeWine** re: review of pension and education divestment. [Executive Order](#)
- **VT Governor Phil Scott** re: review of all contracts and procurement. [Press Release](#)
- **VA Governor Glenn Youngkin** re: review of all contracts and procurement. [Press Release](#)
- **WA Governor Jay Inslee** re: ban on new contracts and investments. [Press Release](#)

[Note that all examples are otherwise contained herein and are only referenced here in summary.]

## **IX. Supporting Israel**

For decades, U.S. states have taken various actions to support America's greatest ally and the only democracy in the Middle East, Israel, as well as to support Jewish citizens and combat antisemitism in their states. However, the recent attack on October 7, 2023, caused a backlash of bipartisan action to support Israel and condemn Hamas and its proxy, Iran. Below are ways states have taken action to support Israel both recently and historically.

### **Sanctions on Iran and Hamas**

Following the attack on Israel on October 7<sup>th</sup>, a few states sanctioned Iran and Hamas from doing business with their states beyond the general enforcement of anti-BDS laws:

- **FL Governor Ron DeSantis** signed a bill in 2023 to impose sanctions on Iran, increase penalties for Florida businesses that work with partners in Iran, and expand the prohibition on state investment in Iranian businesses to include the financial, construction, manufacturing, textile, technology, mining, metals, shipping, shipbuilding, and port sectors. [The Hill](#)
- **NJ Governor Phil Murphy** sent a memo to his administration asking to ensure that the state adheres to federal sanctions against Hamas and any affiliates. [NJ.com](#)
- **TX Governor Greg Abbott** issued an Executive Order in 2023 directing every state agency to refrain from purchasing goods in or exported from the Gaza Strip or from any organization or state actor with ties to Hamas in support of Israel's right to defend itself against terrorists. [Executive Order](#)

### **Travel to Israel**

Since the October 7<sup>th</sup> attack by Hamas, four governors—two Republican and two Democratic—visited Israel to reaffirm their support:

- **CA Governor Gavin Newsom**, October 2023. [Press Release](#)
- **OK Governor Kevin Stitt**, November 2023. [Press Release](#)
- **NY Governor Kathy Hochul**, October 2023. [Spectrum News NY 1](#)
- **TX Governor Greg Abbott**, November 2023. [The Texas Tribune](#)

### **Anti-BDS Policies**

Since 2015, the majority of states have adopted measures to discourage boycotts, divestments, and sanctions (BDS) against Israel—BDS is a practice initiated by the League of Arab Nations in the 1940s which experienced a resurgence in the early 2000s. [Jewish Virtual Library](#) To date, **38 states adopted anti-boycotts, divestments, and sanctions (BDS) policies: AL, AZ, AR, CA, CO, FL, GA, ID, IL, IN, IA, KS, KY, LA, MD, MN, MI, MS, MO, NJ, NY, NV, NC, OH, OK, PA, RI, SC, SD, TN, TX, UT, VA,**

**WV, WI—and since 2023: ND, NH, and AK.** Due to the recent conflict in Israel, some states' anti-BDS laws are making headlines.

**News Clip – Arkansas:** *At University of Arkansas, a State Law Stifles Pro-Palestinian Speakers – To receive a modest speaker's fee, academics and writers must sign a pledge that they will not participate in anti-Israel boycotts. The author Nathan Thrall said no thank you.* (November 2023) [New York Times](#) [Litigation Note](#): Last spring, the U.S. Supreme Court declined to take up an AR state law that requires contractors to pledge not to boycott Israel, similar to many other state laws. [AP](#)

**News Clip – Colorado:** *Israel anti-boycott law stands as Colorado House committee defeats repeal – Measure sparked hours of testimony by supporters and critics of Israel amid war in Gaza* (February 2024): Colorado's public pension program must continue divesting from companies that economically boycott Israel after a state House committee rejected a bill that would have repealed the requirement. [The Denver Post](#)

**News Clip – Florida:** *Florida Leads Multistate Probe into MSCI Embracing Anti-Israel BDS Movement* (March 2024): Florida Attorney General Ashley Moody is leading a multistate coalition of state attorneys general in probing whether MSCI, Inc., a large investment company, is embracing the boycott, divestment and sanctions, or BDS, movement against Israel. [West Orlando News](#) [Ties to ESG]

**News Clip – Missouri:** *Missouri uses power of the pocketbook to prevent divestment in Israel* (November 2023): Inside every major contract Missouri signs with a business sits a clause about boycotting Israel. All but the smallest companies have to agree not to participate in any movement that aims to boycott, divest from or sanction companies in Israel. [Missouri Independent](#)

### **IHRA Definition of Antisemitism**

As instances of antisemitism are on the rise, governors on both sides of the aisle are taking action to enhance public safety efforts at synagogues, college campuses, and other community spaces. At a basic policy level, states must define antisemitism to combat antisemitic practices and prosecute crimes. In 2016, the International Holocaust Remembrance Alliance (IHRA) built consensus around a definition of antisemitism that includes working examples—the true gold standard adopted by the United States and 41 other countries. [AJC](#)

Since then, **36 states adopted the IHRA definition** in some form, either codification, executive order, or other proclamation, including 25 Republican and 10 Democratic states: **AL, AK, AZ, AR, CO, CT, FL, ID, IA, KS, KY, LA, ME, MA, MO, MT, NE, NV, NH, NM, NY, ND, OH, OK, RI, SC, TN, TX, UT, VT, VA, WV, and WY—and since 2023: GA, IN, and SD.**

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