

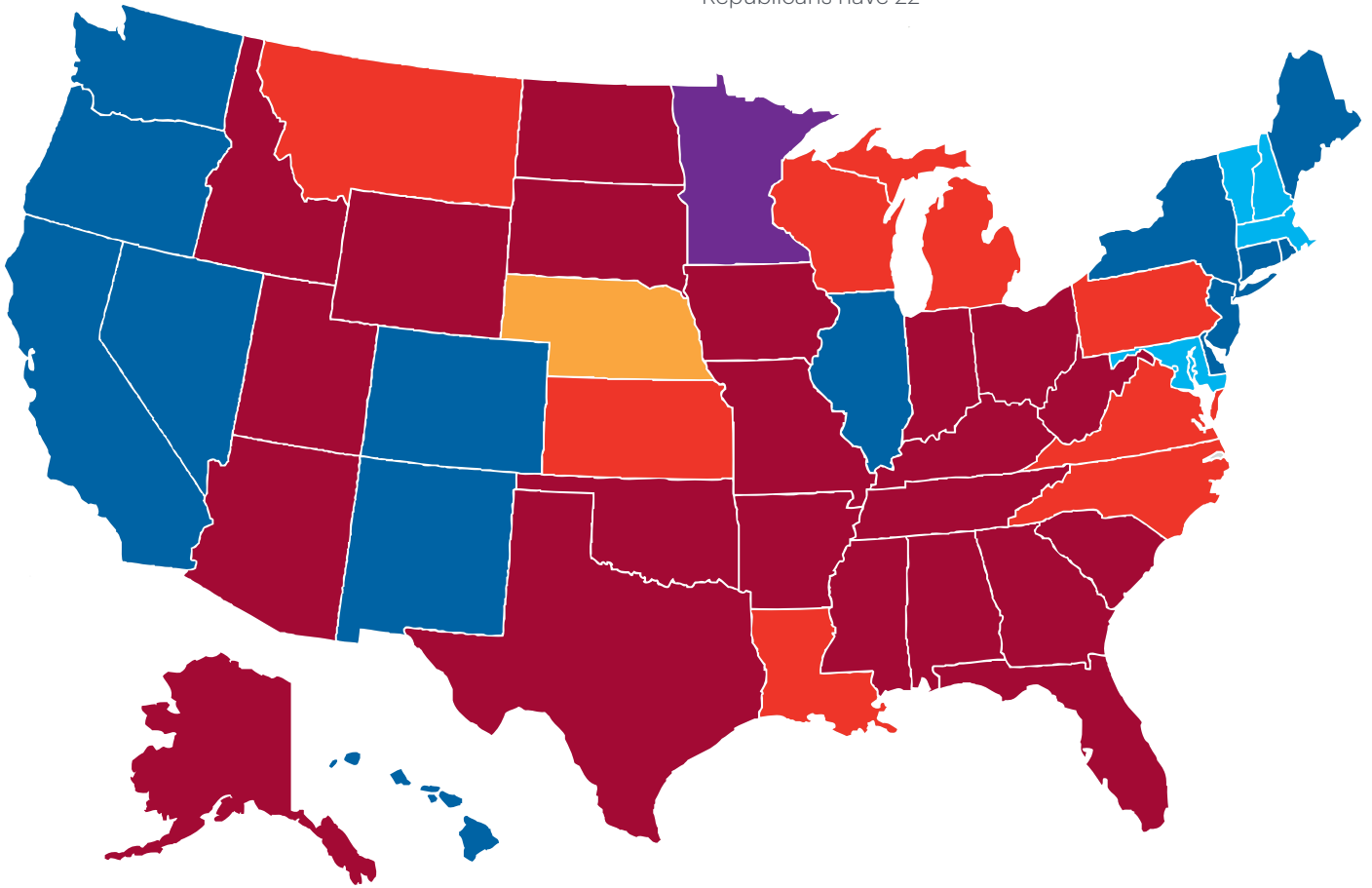
# Dentons 50 2019 Outlook

An excerpt from  
Dentons' US Policy Scan

# DENTONS 50 2019 OUTLOOK

## Control of state government after the 2018 elections

Democrats now have 13 “trifectas” (control of all three branches of state government), Republicans have 22



**Sources:** National Conference of State Legislatures; Ballotpedia; Democratic Legislative Campaign Committee.

*Last updated on December 21, 2018*

- Dem legislature, Dem governor
- Dem legislature, GOP governor
- Split legislature, Dem governor
- GOP legislature, GOP governor
- GOP legislature, Dem governor
- Non-partisan legislature, GOP governor

**Democrats gained 345 seats and flipped an estimated 380 legislative seats**

#### Partisan control of all 7,383 state legislative seats

State	Chamber	Pre-election	Post election
Alaska	House	Democrats	Republicans
Colorado	Senate	Republicans	Democrats
Maine	Senate	Republicans	Democrats
Minnesota	House	Republicans	Democrats
New Hampshire	House	Republicans	Democrats

#### Partisan control of all 7,383 state legislative seats

	Pre-election (as of Oct. 9, 2018)			Post-election (as of Dec. 10, 2018)		
Legislative chamber	Dem	GOP	Other (Ind., other, undecided)	Dem	GOP	Other (Ind., other, undecided)
Senate   House	3,117	4,101	165	3,462	3,848	73

**Sources:** National Conference of State Legislatures;  
Ballotpedia; Democratic Legislative Campaign Committee.

*Last updated on December 21, 2018*

## ALABAMA

After the 2018 elections, Republicans are again enjoying comfortable majorities in both chambers, which should again help the leadership move issues through the legislative process. Approaching their ninth year of control, Republicans have for the most part demonstrated effectiveness in running committees, controlling the flow of legislation through the rules committee and special order calendars setting debate, passing budget isolation resolutions (BIRs) to allow bills to be considered before the budgets, and invoking cloture/stop filibusters at will.

Looking ahead to 2019, we expect the GOP leadership in both chambers to focus on infrastructure investment and education reform.

- **Infrastructure investment:** This has been a particular focus of Republican Senate President Pro Tem Del Marsh, who created a study committee in 2017 that has taken a broad approach to developing a plan for the improvement and replacement of the state's aging infrastructure. Senator Marsh also has gained the support of Governor Kay Ivey (R) and House Speaker Mac McCutcheon (R) in this infrastructure effort. It is anticipated that the infrastructure plan for the 2019 session will be based upon a revenue mechanism whereby an increase in the state's gasoline tax of 6 cents per gallon would be levied, with an index up to 12 cents within a specified number of years. Thereafter, adjustments would be based upon the Consumer Price Index. The measure will also likely include provisions for raising revenue from electric vehicles and other upcoming technologies through allowances for registrations and fees.
- **Education reform:** GOP leadership is expected to prioritize tenure reform along with some level of pay increases for teachers. Several years ago Alabama eliminated tenure for principals but it has yet to undertake substantial tenure reform for classroom teachers. The issue of tenure reform, like infrastructure finance, is expected to be contentious, raising the issue of how much capacity the legislature will have left for other challenging issues.

At a minimum, the legislature will be balancing and passing the state's two separate budgets, the Education Trust Fund (ETF), which could top \$7 billion this year, and the \$2 billion+ General Fund (GF), which supports all non-education functions of government. Although the education budget is projected to be in good shape, the long-struggling GF will likely be the focus of some debate. There is a growing divide within the majority party over how to address the GF's budget challenges. Medicaid and prisons continue to dominate the conversation,

particularly as those two agencies account for roughly 60 percent of the GF budget, and the debate between increased funding vs. budget cuts will likely continue for the foreseeable future.

## ALASKA

Alaska's new governor, Mike Dunleavy, a former Republican state senator, was sworn into office in early December. After four years of center-left governance under Governor Bill Walker, an independent, the Dunleavy administration is plotting a far-right turn when the legislative session begins this month.

- **Paying for PFD distributions:** Governor Walker had become one of the most unpopular governors in the country, largely due to his decision to close the state's budget deficit by cutting the amount of money Alaskans receive every year in Permanent Fund Dividend distributions. Governor Dunleavy has promised to restore the PFD to its full level and issue back payments to Alaskans for the cuts made over the past three years, which equate to roughly \$7,000 per person.

The battle over how to pay for the PFD increase will become one of the defining issues of the 2019 legislative session. Governor Dunleavy intends to propose massive budget cuts, which could set off massive fights around issues such as healthcare and education funding. Other priority issues for the incoming administration are public safety, resource development and regulatory reform.

Dunleavy is closely aligned with President Trump and will be looking for opportunities to support his agenda from Alaska.

- **A House divided:** Republicans will maintain strong control of the Alaska Senate while the House remains divided in a 20/20 split with unresolved organization/leadership. Whether the House organizes under a predominantly Republican or Democratic group, the body will struggle to manage a razor-thin majority in either direction. While the Senate majority will largely align itself with the priorities of the Dunleavy administration, it is a more moderate group and may end up pushing back against the more extreme parts of his agenda. Under any likely organizing scenario, the House is likely to serve as somewhat of a roadblock that could lead to gridlock, complicating Dunleavy's legislative strategy.
- **Key issues:** While it remains to be seen what the new administration plans to spend its political capital on during this first legislative session, it is likely that the following issues will dominate the debate in Juneau this year. In order of priority, they are:

- Budget/taxes/PFD
- Resource development
- Regulatory reform
- Healthcare
- Education
- Public safety
- Social issues
- Fish and game policy

## ARIZONA

The 2018 election brought significant changes to Arizona's political landscape. At the federal level, Arizonans elected a woman to the US Senate for the first time, not to mention the first Democrat in about 30 years, in Kyrsten Sinema. Additionally, five of the state's nine congressional seats went to Democrats, giving them a majority of the delegation.

At the state level, Democrats elected three people to statewide offices, breaking what had been a decade-long Republican stranglehold on statewide offices. Most notably, Katie Hobbs won the race for secretary of state, putting her next in line in the order of succession for the governor's office. In the governor's race, Republican Doug Ducey won re-election in a landslide. In the legislature, the Republicans maintained their 17-13 majority in the Senate, but in the House, Democrats picked up four seats to narrow the Republican majority to a 31-29 split—the smallest it's been since 1967.

So the big question everyone is now asking is: Can there be a new effort to find bipartisan "middle of the road" solutions to some of the big issues, or will the political extremes continue to fight one another? This is a significant question because the state has several huge issues that need to be addressed in the next two years.

- **Water resources:** The state has to continue working with the other Colorado River Lower Basin states to come up with a drought contingency plan. There is no wiggle room here. More important, the state has to come up with a long-term plan for handling its water supply. Population growth, residential vs. agricultural use, and climate change all will continue to put severe pressure on water resources, and everyone is finally recognizing the threat can no longer be ignored. The business, agricultural, environmental and political sectors all think something needs to be done. What remains to be seen is if the political will can be found to do it.

- **Education funding:** Though teacher pay raises and increased funding were passed last year, almost everyone agrees that more funding needs to be allocated for public education. It will probably result from a combination of legislative proposals and a 2020 ballot measure, but who will lead these discussions and, more important, whether a bipartisan coalition can be created to support the solutions remains to be seen.
- **Other key issues:** infrastructure investment, tax reform and election reform. Also expected is a push within the legislature to legalize recreational marijuana, but most agree that it will not be successful and that the issue ultimately will be decided by a citizen-led ballot initiative in 2020.

## ARKANSAS

Heading into the 2019 legislative session, the Arkansas political landscape looks very similar to its previous iteration: Governor Asa Hutchinson (R) was just elected to a second four-year term by an overwhelming margin, and the legislature remains wholly controlled by the Republican Party. The Governor hopes to pass an income tax reduction in 2019 and is also expected to push for a reorganization of agencies and commissions.

- **Income tax relief:** Hutchinson previously lessened Arkansans' heavy income tax burden by reducing the middle and lower brackets. Now, he intends to simplify the overall structure and reduce the top tax rate. Last session a law was enacted creating a tax reform task force. This task force spent the better part of the past two years putting together a package that would accomplish the governor's goals and simplify other portions of the tax code, and in early December it submitted its final report and proposed legislative package. To pay for the governor's proposed income tax cut, the task force has recommended that the state impose an Internet sales tax and eliminate or reduce various tax credits and loopholes.
- **Government overhaul:** Hutchinson has unveiled a plan to consolidate various state agencies, boards and commissions in the name of more efficient government, adding that he hopes to pass legislation in 2019 to accomplish this reorganization. The plan would cut the number of cabinet-level agencies from 42 to 15, and would assign the more than 200 boards and commissions to one of the newly reorganized agencies. The governor envisions a more traditional cabinet led by 15 secretaries who are able to manage state government more effectively.

- **Highway funding:** Arkansas must address a growing concern over funding for state highways. In the past, to pull down all available highway funding, the governor used one-time special funding to ensure that the state could meet its federal match. Meanwhile, the governor and other leaders have been brainstorming sustainable solutions to the funding problem, but have come up dry. To avoid a highway-funding shortfall in the coming fiscal year, the legislature must address the problem during the 2019 session.

## CALIFORNIA

A demographic realignment is in full bloom in California—and the resulting political dynamics could not be more dramatic. Democrats are achieving heretofore unimagined success at the state government level, while Republicans have all but vanished from the political scene.

The supporting evidence is compelling. The state's 2019 congressional delegation will consist of 46 Democrats and just 7 Republicans. The state Senate's 40 seats will be dominated by 29 Democrats, and the makeup of the state Assembly is even more extreme, with Democrats controlling 60 out of 80 seats.

Topping off this blue tsunami was the election of Democrats to all statewide offices.

- **Healthcare:** Governor-elect Gavin Newsom, who campaigned as the "healthcare governor," said his initial focus would be on a single-payer system. More recently, however, his focus seems to have shifted to universal coverage, and he has stated that any changes will be gradual, noting, "I've got a budget to balance."

However the governor-elect will, unlike several of his predecessors, take office with a \$15 billion budget surplus, prompting some legislators and campaign supporters to encourage him to move more quickly than his comments suggest he is predisposed to do. Newsom's response has been to reassure them that "we will have universal healthcare in the state of California" but to also note that the state must first identify a financing source, gain approval from California voters and clear a number of federal hurdles.

Three members of the Assembly, one a chair of the budget committee and the others chairs of health-related committees, are pursuing a \$1 billion investment through the state budget to fund significant improvements in state's healthcare system. In part, this funding will establish a refundable tax credit to make premiums more affordable for the middle class; expand coverage for undocumented youth ages 19-25; expand Medi-Cal

enrollment for low-income seniors and people with disabilities; increase the number of physicians and medical students; and create an all-payer payments database to create transparency in pricing and as a means of containing costs.

- **Affordable housing:** Stating that housing is a fundamental human need that must be addressed, Newsom is calling for 3.5 million homes to be built by 2025. He supports his position by stating that California is producing far more jobs than homes, citing data showing that since 2005, California has only produced 308 housing units for every 1,000 new residents. In addition to allocating more funding, he intends to implement regulatory reform and to create financial incentives for communities that produce affordable housing and to penalize those that fall short. He is asking the legislature to streamline and accelerate land-use approvals and enact stronger tenant protections to prevent low-income residents from displacement.

Immediately upon reconvening in early December, state senators reintroduced proposals that had failed to pass in recent years to fund low-income housing through the revival of an urban redevelopment program and increased tax credits.

- **Climate change:** California is likely to continue its clash with the federal government over climate change, quite possibly at an accelerated rate. Newsom has announced plans to put the state on a path to 100 percent renewable energy, establishing a goal of zero diesel pollution by 2030. Further, the Governor-elect supports a ban on future oil and natural gas extraction projects that involve fracking (i.e., injecting high pressure liquid into rock formations to free up fossil fuel). However, he has said he will not halt current fracking operations.

Newsome has also stated in recent months that he prefers a different approach to reducing greenhouse gases. Instead of cap-and-trade, which sets an overall cap on emissions, gradually lowering the level of pollution (and generating \$3 billion a year in revenue to the state), Newsom said he prefers a carbon tax (i.e., a straight charge for emitting greenhouse gases).

The Senate's president pro tem has been joined by two senators in proposing legislation that would counter federal action relating to California's environment. Specifically, the legislation makes several standards enforceable under state law even if the federal government rolls back or reduces these standards. The legislation also would direct state environmental, public health and worker safety agencies to take all actions within their authority to ensure that state standards in effect since January 2017 remain so.

## COLORADO

This past November, Colorado experienced what many have described as a “blue tsunami.” All branches of state government will now be led by Democrats. And with Democrats winning three highly competitive seats in the Senate, the party will have a supermajority under the dome of the State Capitol.

- **Transportation:** In the midterm elections, voters were presented with multiple options to fund transportation projects, which are desperately needed to keep up with the state’s growing population and the wear and tear on its roads. While voters rejected all the ballot propositions, expect to see both chambers of the General Assembly as well as the Governor’s Office place this issue on the top of their 2019 to-do lists, as it is a bipartisan priority.
- **Paid family leave:** In the first few weeks, expect to see legislation resurface that wasn’t successful in recent years due to the split chambers. Paid family leave has been mentioned as a priority. Democrats have discussed having Coloradans pay a “fee” to the state to create a family leave insurance program. When a family member becomes sick or a baby is born, employees can then request benefits from the state.
- **Progressive agenda:** Between the General Assembly’s solid Democratic majorities in both chambers and larger-than-average number of freshmen House members, expect to see legislation addressing a host of pent-up or ideologically important issues, including greater regulation of the oil and gas industry, combating the opioid epidemic and, possibly, advancing criminal justice reform. Also likely to be hot topics are the need for more affordable housing, an increase in the state’s minimum wage and solutions to homelessness. And with the state’s marijuana industry booming, discussions have turned to licensing and regulation of marijuana delivery services and legalizing the public consumption of cannabis, for example initially allowing consumption in bars and clubs.

The above issues are just some of the topics we expect to come up for discussion in 2019. If Democrats are to deliver tangible results before the next election cycle, they will have to prioritize their list!

## CONNECTICUT

In the 2018 election, Connecticut Democrats increased their majority in the House of Representatives (they now have a 92-59 seat advantage) and recaptured control of the Senate, where they enjoy a 23-13 majority. Add to that the party’s continued control of the governor’s mansion and Democrats

are feeling emboldened. Expect them to move on a number of policy proposals that have proved difficult to pass in recent sessions.

Democrats will focus on what they call their “Big Five” policy proposals:

- **Legalized marijuana:** Framework legislation for the legalization of recreational marijuana has been proposed in recent years, but has faced resistance from a majority of Republicans, as well as moderate Democratic legislators and Democratic Governor Dannel P. Malloy. However, with a new governor, Democrat Ned Lamont, and large Democratic margins in the legislature the prospects for passing legislation legalizing marijuana have greatly increased.
- **Legalized sports betting:** This legislation is viewed as a revenue driver, and a potential boon for the state’s struggling casinos.
- **Paid family and medical leave:** This has been a top priority for Senate Democrats in particular over the past few years, but has been met with significant opposition from many in the business community.
- **Tolls:** Connecticut is the only state in New England without tolls, and given the Nutmeg State’s aging infrastructure, it is likely that some form of legislation enabling tolls will be sent to the governor for his signature this session. Whether the tolling will be limited to trucks, which is Governor-elect Lamont’s preference, or will be levied on all vehicles remains to be determined.
- **Increased minimum wage:** A longtime rallying cry for progressive Democrats, a minimum wage increase to \$15 per hour (or higher) is very likely to receive serious consideration this session.

Legislators will view each of the above through the prism of how it will impact on the state budget. Connecticut has been long-burdened by significant unfunded pension liabilities, which have been ballooning in recent years. The legislature will be tasked with closing a \$2 billion estimated budget deficit in the 2019–2020 biennium, and may have to rely on union concessions and tax increases to balance the budget.

In addition to the “Big Five” policy proposals, Internet privacy-related legislation similar to California’s Consumer Privacy Act of 2018 is likely to be introduced, as is a net neutrality bill. Governor Lamont also plans to propose a Green New Deal which will focus on green job creation and maybe also an increase in the state’s renewable portfolio standard (RPS) and an expansion of the state’s existing extended producer responsibility programs.

## DELAWARE

- **New tax brackets:** An interesting year awaits the Delaware General Assembly which, after becoming the first state to legalize sports betting turns its attention to more typically liberal causes. Specifically, an effort has emerged in the House of Representatives to add two new brackets to the top end of the state's income tax code, for residents making more than \$125,000 and \$250,000, respectively. While Democrats claim to be just one vote shy of the two-thirds supermajority needed to pass the legislation in each chamber, observers believe a substantial compromise will be needed to win passage.
- **State ERA law:** An equally newsworthy but more-likely-to-pass piece of legislation is an amendment to the state constitution prohibiting unequal treatment under the law on the basis of sex. While the General Assembly already approved the ERA legislation in 2018, under Delaware law the proposed amendment must now go on a statewide ballot to be ratified or rejected by the state's voters. This largely bipartisan agreement was brokered out of a compromise with Republican legislators to ensure that the constitutional change only applies to the Delaware state and local governments and not to private enterprise, beyond existing non-discrimination laws. Supporters of the amendment hope its passage will improve upon the progress made in recent years combating workplace discrimination and related gender-based inequality.

## FLORIDA

- **Reshaping the state Supreme Court:** The impact of the Ron DeSantis' election as governor will be felt early on, when he appoints three justices to the Florida Supreme Court to replace three retiring justices, instantly creating a "conservative" high court—a distinct change from recent decades when, despite a succession of GOP governors, the court has tilted slightly to the left, due in large part to the appointment of liberal justices by former Republican Governor now Democratic Congressman Charlie Crist. The business community, as well as school choice advocates, are optimistic that their priorities will fare much better with the high court over the next decade.
- **School choice:** DeSantis, with the help of GOP majorities in both the Senate and House, is expected to push for the expansion of the state's school choice programs, and to continue growing career and technical education options at both the K-12 and postsecondary levels. His recommendation for Commissioner of Education, former House Speaker Richard Corcoran, has already been unanimously approved by the State Board of Education, and is expected to lead with the same aggressive style that

characterized his two successful, albeit controversial, years as speaker. School choice advocates are thrilled by his selection. Unions and school districts are appalled.

- **Battling algae bloom:** DeSantis is expected to tackle the state's massive algae bloom and red tide problems, aided by Lt. Governor Jeanette Nunez, who just finished two years as House speaker pro tempore. Great emphasis will be on Lake Okeechobee reservoir solutions and maximizing federal funding. During his campaign, DeSantis said he would work to ban fracking but the House is unlikely to pass a bill banning the practice. DeSantis has also spoken about the importance of protecting and restoring the state's freshwater springs, but it remains to be seen where this will fall among his priorities.
- **Strike up the bond?** In late December state economists projected a budget surplus in 2019 of approximately \$800 million—and some key senators are openly discussing utilizing some bonding for fiscal 2019—a break from the Gov. Rick Scott years, when billions in debt was paid down and new bond issuances played a tiny role in state budgeting. Florida has up to \$2.6 billion in bonding capacity under Public Education Capital Outlay which can support K-12, state colleges and universities. The state also benefits from AAA bond ratings from both S & P and Fitch.
- **Hurricane Michael budget impact:** Depending on how much lawmakers decide to spend on helping the panhandle recover from Hurricane Michael, the recovery effort could have a significant impact on the budget. For context, the Bay County (Panama City) School District alone reports being on the hook for \$200 million in uncovered damages after maxing out its \$100 million insurance policy.

## GEORGIA

The 2019 legislative session will be a busy one, largely driven by incoming Governor Brian Kemp (R) as he peruses priorities—healthcare, rural economic development initiatives, public safety, school safety, and education.

- **Healthcare:** To address rural public health concerns, Governor-elect Kemp has consistently touted an expansion of the rural hospital tax credit from \$60 million to \$100 million annually.
- **Rural development initiatives:** The House Rural Development Council conducted 15 meetings in 5 communities throughout the 2018 interim focusing on unique issues impairing the stabilization and potential growth of Georgia's rural communities. The Council released a report that contains recommendations to improve economic development through new tax credits,

refining the taxation and delivery of broadband service, as well as altering accreditation, licensing, and reporting requirements for new healthcare providers.

- **Public Safety:** Governor-elect Kemp plans to expand the use of state resources to “crush” violent gangs in coordination with Attorney General Chris Carr, who made gang violence a central part of his campaign. Kemp has also cited the creation of a database to track illegal immigrants that commit crime.
- **School Safety:** In Governor-elect Kemp’s first policy speech after the November elections he described classrooms as places “for raising the next generation of Georgia leaders—not a hunting ground for school shooters.” His solution is an extra \$90 million to improve school safety and a program that requires high schools to employ a full-time mental health counselor. Notably absent from his school safety initiative are any restrictions on gun ownership. In fact, Kemp is a staunch supporter of expanding gun rights.
- **Education:** Speaker David Ralston stated that Kemp’s \$5,000 annual pay raise for teachers “carries a big price tag,” but promised to look into the proposal. The larger consideration is ensuring the education system remains fully funded and reforming the Quality Basic Education Act formula.

## HAWAII

In 2019, Governor David Ige (D) will start his second term as the state’s chief executive officer. After a tough re-election bid where House and Senate leaders openly supported his primary opponent, a fundamental question when the legislature convenes this month is whether or how governor and state lawmakers will work together. Already, some legislators are considering introducing reforms on how the state spends money, calling for performance measures to justify funds requested from the legislature.

Ige’s priorities: Meanwhile, the Governor is retooling his cabinet and getting ready to unveil his policy priorities in his State of the State address. During his first term, he focused on sustainability and environmental issues, including adopting a 100 percent renewable energy mandate for electricity generation by 2045. It is anticipated that he will continue to focus on advancing sustainability goals, especially as they relate to climate change and sea-level rise.

- **Legislature’s priorities:** In the 2019 session, funding for public education, affordable housing, the homeless crisis and sustainability issues will drive much of the discussions in the State Capitol. Funding for public school infrastructure and classroom renovations; increasing

revolving funds for rental housing and dwelling units; providing mental health services and housing subsidies to the homeless; and advancing sustainability by funding watershed protection, irrigation and invasive species prevention will all be areas of debate. Also likely to be addressed: increasing the minimum wage, advancing renewable energy goals, regulating short-term vacation rentals, and funding post-employment retirement and health benefits (OPEB).

## IDAHO

The Gem State begins its legislative session on January 7 with a State of the State address by newly elected Governor Brad Little (R). Formerly the lieutenant governor since 2009 and long considered the heir apparent to three-term Republican Governor Butch Otter, Little’s election was no coronation. After surviving a fiercely contested three-way primary, he faced a formidable general election rival—a young, Native American female lawmaker who had just vanquished a well-funded moderate Democrat in the primary. While many see Little’s election as continuation of the status quo, we think he will remake state government in his own image and in other ways seek to distinguish himself from his popular predecessor. Already, as he goes about filling his cabinet, Little is bringing in many new faces to lead agencies and departments.

- **Budget outlook:** Idaho tax revenue is currently \$63 million short of what budget forecasters predicted a year ago. In November alone, tax revenue fell \$16 million below the target. Some believe things will even out when Tax Day approaches and income tax revenue is fully deposited and counted. That said, lawmakers will have to pass a budget for the next fiscal year before that happens. Traditionally, such revenue shortfalls have prompted the GOP supermajority to cut government spending rather than raise revenue. At a recent public meeting, the Senate president said: “What you’re probably going to see is a legislature being real frugal in setting the budget.”
- **Medicaid expansion:** In a closely watched ballot initiative in the 2018 midterm election, Idaho voters ratified Medicaid expansion, with over 60 percent support. The measure was driven by a highly organized grassroots effort after several years of legislative solutions failed to advance. The conservative Idaho Freedom Foundation has already filed a lawsuit challenging the referendum. There is also some talk of the legislature overturning certain parts of the voter-approved measure, or at least tampering with it, such as adding a work requirement. Lawmakers will also address how to pay for the expansion. The state’s annual share of the cost, after factoring in the savings of expanded healthcare access, is projected to be \$20 million.

- **Education:** This year, the legislature may take up reform of the state's education funding formula, which distributes \$1.8 billion in General Fund dollars to public schools. A few weeks ago, an interim legislative committee which has been studying the issue for three years issued a report recommending a complete rewrite of the current formula, which sends money to schools based on a complicated attendance-based formula built around support units, a measurement similar to a classroom. The new proposal would send money to districts based on student enrollment, with additional funding "weights" applied based on the type of students served and the size of the school. House Speaker Scott Bedke is a major proponent of formula reform.
- **Corrections:** State prisons are full, and reports have surfaced about deplorable conditions for inmates housed in private, out-of-state lockups. All of this suggests that the legislature will, at some point, consider building a new prison. The Department of Correction has proposed a 1,500-bed facility, to the tune of \$500 million.
- **Recreational marijuana legalization:** Last session it seemed like there was momentum toward legalizing recreational marijuana. But the proponents didn't push too hard, preferring to wait for a new governor. Pritzker campaigned on a legalization promise and, given the budget difficulties, the potential revenue may be enough to get it through.
- **Increased gambling:** Pritzker has been open to increased gaming, specifically more casinos, but possibly also sports gambling. Chicago has long asked for a casino, within city limits and which it would own, and over the years there have been several such proposals that have also included casinos in other parts of the state. Some such bill may be revived this session. Also, efforts to legalize and regulate daily fantasy games, which had been a hot potato in past sessions, may be revived and include sports betting.
- **Pension reform:** Outgoing Chicago Mayor Rahm Emanuel has endorsed a plan favored by conservatives to amend the state constitution to allow the government to water down language protecting pension benefits. Similar efforts in the past have been struck down by the state Supreme Court as unconstitutional. Emanuel believes there are enough votes for passage but Pritzker doesn't agree. Others have suggested the new plan has not cured the constitutional defects. With both the governor-elect and organized labor opposed, passage seem unlikely.

## ILLINOIS

Democrats hold veto-proof supermajorities in the Senate and House, and all statewide offices.

- **Graduated income tax:** Governor-elect JB Pritzker (D) campaigned on a platform to move the state from a flat income tax to a graduated income tax. This would require the General Assembly to approve an amendment to the state constitution, which would then have to go before the voters for final approval—no easy feat.
- **Capital bill:** Both Democrats and Republicans generally support a long-overdue capital bill in concept. But such a bill was unlikely while Governor Bruce Rauner (R) was strongly opposed by the Democrat-dominated General Assembly or running for re-election. Now that the Democrats, with significant help from organized labor, have reunified the government, it is widely expected that there will be a capital bill this session. No funding source has been agreed upon and the Republicans may vote against the funding source while voting for the actual capital bill. Also, it's still an open debate whether or not they will try to pass the capital bill early in the session to build up trust, or hold it until the end of session to use the promise of it to whip votes on other tough bills.
- **Minimum-wage increase:** Pritzker campaigned on increasing the minimum wage. While there has been some speculation that he may back off that promise or water it down, he keeps reaffirming his pledge.

## INDIANA

The 2019 "long" budget-making session of the 2019 Indiana General Assembly will commence on Thursday January 3 (and must conclude by April 30). While the state budget is the only constitutionally required bill, legislators will consider between 800 and 1,100 other pieces of legislation on a variety of topics.

- **New leadership:** Republicans still maintain their supermajorities in both chambers, with a 67-33 advantage in the House and a 40-10 lead in the Senate. As the 150 members prepare to convene, there will not only be a variety of newly elected members but a rash of new leaders. The Senate will welcome 5 new members and the House 16. The Senate will have a new president pro tempore and a new majority whip. The House Democratic caucus shook up its leadership team and will have new faces in the budget-making committees, which should make for an unpredictable session.
- **Legislative agenda:** In addition to the two-year state budget, legislators will consider bills dealing with the opioid crisis, hate crimes, medical marijuana, the growing and cultivating of hemp, allowance of sports betting, increasing the smoking age to 21 (from 18) and upping the

state's cigarette tax by \$2 per pack, and various health-related bills, including pharmacy benefit management (PBM) legislation. And while the state is in very good financial condition, increased budget requests from the Department of Child Services and continuously rising Medicaid costs will offset potential gains, leaving little for additional projects or programs.

- **Governor's priorities:** Republican Governor Eric Holcomb has released his agenda, which focuses on the opioid crisis and improving healthcare generally, but also includes proposals aimed at cultivating a strong and diverse economy, building and maintaining infrastructure, and developing a 21st Century skilled and ready workforce.

## IOWA

In the midterm election, Iowa solidified its reputation as a true swing state. Republicans notched victories at the statehouse, while Democrats made gains in Congress.

The GOP returns to the Iowa State Capitol this month in control of both legislative chambers and the Governor's Mansion for at least the next two years. At the top of the ticket, Governor Kim Reynolds (R) was reelected in a close race with Democratic businessman Fred Hubbell—the first election in which Reynolds was elected outright; she had been appointed to fill the remainder of former Governor Terry Branstad's term after his appointment as US ambassador to China.

In the legislature, Republicans retained its strong hold in the Senate, gaining two additional seats for a 32-18 majority. Republicans return to the House still in charge but with a narrower majority, Democrats having shaved five seats off their showing, all in suburban districts, resulting in a 54-46 Republican majority. Not only did Republicans see a slate of their suburban House members knocked off by Democratic challengers, but a number of suburban Republicans who were returned to office barely survived tough races. This was in line with a national trend, spurred by women's anger with President Donald Trump, of Democratic women candidates winning seats in swing suburban districts.

- **Tax reform, workforce training:** In the legislative session that begins January 14, Governor Reynolds is expected to build on income tax reforms passed in 2018. She will also push for expansion of her signature workforce training initiative, Future Ready Iowa.
- **Bluing of IA's congressional delegation:** While Republicans hold the state legislature and governor's mansion, Democrats had more success in races for the US House of Representatives, including defeating two Republican incumbents. The new members of Iowa's congressional delegation—Cindy Axne and Abby Finkenauer—are both Democrats and represent two of

the largest population centers in Iowa, the metro areas around Des Moines and Cedar Rapids, respectively. They will become just the second and third women to represent Iowa in Congress when they join the state's first woman to make it to the Hill, Republican junior senator Joni Ernst.

- **The Iowa Caucus:** With the 2018 midterm election in the rearview mirror, the nation's lead-off presidential caucus campaign is already ramping up. Many Democrats considering a bid to challenge Donald Trump in 2020 are already making appearances in the state and meeting with activists, some multiple times. Declared candidate John Delaney, a former Maryland congressman, has made 20 trips to the state since August 2017; former Missouri Secretary of State Jason Kander has been there 16 times since December 2016; and Congressman Eric Swalwell (CA-15) has been there 14 times since February 2017.

## KANSAS

With a Democratic governor in office for the first time in eight years, and healthy annual state revenues, the talk in Topeka is on social services and education. Governor-elect Laura Kelly has said that fixing the state's flawed child welfare and foster care system will be among her top priorities. Additionally, we think that, based on her many years in the state Senate, where she sat on the Appropriations Committee, Kelly will look to make major changes in the state's managed care system. Finally, Kelly must take the necessary steps to comply with a recent state Supreme Court ruling that an additional \$300 million be injected into K-12 education to account for inflationary costs.

- **A check on the executive branch:** The governor-elect's legislative agenda will likely face challenges when the Kansas legislative session begins on January 14. After the 2018 elections, in which all 125 House members were up for re-election, the balance of parties remains virtually unchanged, with Republicans holding 84 seats and the Democrats, 41. Further, the makeup of those Republicans tick slightly to the right in 2019, with an additional eight or so ultra-conservatives/libertarians ascending to office. The Senate is no more favorable for Kelly. Republicans dominate the chamber 29 to 10 (the 40th seat is held by an independent) and the party's conservative leadership has indicated it intends to derail any attempt at additional spending the Governor tries to pursue.
- **Broadband Internet service:** Broadband expansion is another focus for 2019. Last year the legislature created a Broadband Expansion Task Force to come up with solutions to help providers deliver high-speed Internet access in places where it is not currently available, which include both inner city and rural areas.

- **Transportation:** The state will also focus on creating a comprehensive transportation plan. In the summer of 2018, numerous public hearings were held at which lawmakers heard from local governments across the state regarding projects that were important to them. The legislature is now charged with prioritizing those projects and, more important, finding ways to fund them.
- **Tax cuts:** Finally, there may be a focus on some tax changes. With state revenues well above projected levels, some legislators are likely to demand reductions in the state's high property tax, general sales tax and grocery tax rates. There may also be reform efforts brewing to eliminate some of the numerous tax exemptions currently on the books.
- **Tax reform:** There will be "tweaks" made to the tax reform bill, such as adding clarifying language to protect non-profits from an unintended consequence of the 2018 sales tax reforms. While this may present an opening for favorable tax reform, any significant changes would likely impact projected revenues, possibly resulting in a fiscal imbalance, which would require reopening the budget.
- **Tort reform:** This will be the Legislature's third full session under GOP supermajority control. In the other two sessions, Republicans powered through most of their pent-up policy wish list, passing right-to-work and prevailing-wage laws, paycheck protections and pro-life reforms. The courts have generally upheld their efforts, but pushed back on medical liability reforms. We expect there to be a push to revisit tort reform in 2019. Among some of the big items that will be at least debated in the short session are an increase to the motor fuels tax, an effort to fund more school choice, and revenue options for local governments struggling to meet their newly increased pension-funding obligations.

## KENTUCKY

On December 17, 2018, days after seeing last year's pension reform bill struck down by the Kentucky Supreme Court on procedural grounds, Governor Matt Bevin (R) called the Kentucky Legislature into special session to repass the controversial reforms to the commonwealth's ailing pension system just three weeks before the upcoming 2019 "short" 30-day regular session. Odd-year regular sessions generally limit legislative activity to non-budgetary quick fixes and consensus bills by requiring supermajorities for revenue-raising legislation, another reason why the Governor sought the special.

- **Pension reform:** After just two days of deliberation, the Republican-controlled legislative body, despite warnings from the Governor of imminent credit-rating downgrades, decided to adjourn without passing a replacement pension bill. Many rank-and-file members, from both parties, expressed consternation at being called in prior to January and confusion about what version of the bill was to be considered. Upon the replacement bill's demise, House leadership again took up the challenge of offering a replacement pension bill, making it the primary topic of the January regular session, which was supposed to be dominated by tax reform "tweaks."

The Legislature convenes on January 8 for four days of organizational meetings, then adjourns until February 5. It must adjourn sine die by March 30. Given the short calendar and now clear mandate to deal with a pension replacement bill, it is unlikely that many—if any—other bills will make it through the process that haven't been fully vetted and embraced by the Republican supermajorities in both chambers. Legislative leaders will address pension reform in the early days of the session, having indicated in early 2018 that they will resist any efforts to open up the 2018-2020 biennial budget.

- **Governor's race:** In August 2018, Governor Bevin announced his candidacy for re-election to a second term in 2019, although he has not yet formally filed—the filing deadline for statewide election is January 21—or announced his running mate. It is unclear whether he will face a primary challenge. On the Democratic side, state Attorney General Andy Beshear and House Minority Leader Rocky Adkins have both announced their candidacies.

## LOUISIANA

The Louisiana State Legislature's regular session begins on April 8 and must adjourn by June 6. It is a "fiscal session," which means most legislation will be confined to tax or revenue matters. However, each member may pre-file up to five non-fiscal bills.

- **Strained relationship:** Over the course of the past three years a considerable strain developed between the majority GOP House of Representatives and Democratic Governor John Bel Edwards. The tension worsened due to political differences being aired through a record nine special sessions called to address budget shortfalls. A thin majority of the GOP-led Senate and Governor Edwards tend to see more eye to eye on fiscal policies.
- **Teacher pay:** At the top of the Governor's list of legislative priorities is a pay raise for teachers.
- **Infrastructure finance:** There may also be another attempt at increasing the state's gas tax to address infrastructure needs. This issue could struggle heavily, though, as

corporate and individual taxes have increased in the past year and an unexpected surplus developed in the fourth quarter of 2018. The latter development added to the tension between the Governor and House leadership, which is not eager to spend surplus dollars on recurring expenses without first ensuring that “temporary” sales tax increases aren’t made permanent.

- **Fiscal fitness:** Budget reforms, with particular focus on the state’s Department of Health (LDH) and Medicaid-related services (including Affordable Care Act issues), will also be in the 2019 mix. Edwards expanded Medicaid during his first year in office and some of the costs associated therewith have grown the state’s budget, which hasn’t sat well with many Republican legislators.
- **Political grandstanding:** It’s important to note that the 2019 legislative session could be heavily shaped with an eye toward fall elections. Edwards, who is up for re-election, has already drawn two serious GOP challengers: US Rep. Ralph Abraham (LA-5) and Baton Rouge businessman Eddie Rispone. It’s also worth mentioning that fall elections will usher in another round of term limits, which will heavily alter the Legislature’s membership. Members serving in their final session (2019) could throw a few wildcard issues at the wall before leaving.
- **Member turnover:** In the House, 32 of 105 members cannot seek reelection in 2019; in the Senate, 16 of 39 members cannot run again. However, those numbers don’t tell the whole turnover story. Most observers expect up to 48 new House members to be elected this fall. A few non-term-limited House members are opting to forgo re-election in that chamber and instead run for open Senate seats; at least 13 other House members have vacated their seats over the past year to run for another office or accept a position elsewhere; and a few term-limited Senate members intend to run for House seats. Also, noticeable leadership changes are coming to the Senate, although the amount of totally new faces will be less than in the House.

## MAINE

With the Maine Senate’s recent flip to Democratic control and outgoing firebrand Governor Paul LePage leaving Augusta, the 2019 legislative session could provide some interesting fireworks, though to date a bipartisan sense of optimism has colored most commentary from lawmakers.

**Nothing lasts forever:** While Democratic House Speaker Sara Gideon and incoming Senate Majority Leader Troy Jackson have preached a mantra of cross-aisle collaboration and pragmatism, all bets will be off once the new legislature

convenes in 2019. A debate over increasing the amount municipalities receive for general assistance vouchers looms, as does a related measure addressing assistance eligibility for asylum seekers.

A movement to provide a legal framework for “death with dignity” or physician-assisted suicide seems to be gaining ground, as legislation has been introduced alongside a petition initiative to place the matter directly before Mainers on the November 2020 ballot. The most recent iteration of this legislative effort is modeled on Oregon law, which includes multiple waiting periods, requests for life-ending medication, and a requirement to obtain a second opinion from a doctor. Any medicine that would be obtained for the purpose of ending a patient’s life would be prescribed by a doctor but would be administered directly by the patient without any mandated involvement or participation by a physician or pharmacist.

## MARYLAND

The November election weighs heavily on the 2019 General Assembly session. Governor Larry Hogan won a second term (only the second Republican governor in the state’s history to do so). Democrats gained 7 seats in the House of Delegates, winning 99 seats to Republicans’ 42. Republicans gained 1 seat in the Senate, resulting in a Democratic majority of 32-15. And the General Assembly experienced significant turnover—almost a third of the 188-seat House of Delegates, or 60 members, will be new—as a result of retirements, election losses and members seeking different offices (11 departing House members are joining the Senate).

- **A learning year:** The turnover has resulted in a number of leadership changes in both chambers. In the Senate, all but one of the eight standing committee chairmen and vice chairmen will be new. In the House, five of the twelve standing committee chairmen and vice chairmen will be new. So this will be a learning year for many as they tackle the budget and take on a number of education, health and environmental issues.
- **Managing a windfall:** Due to greater-than-expected revenues when closing the books for FY 2018 and increased revenues resulting from the Supreme Court’s Wayfair decision and federal tax changes, Maryland will have more than \$1 billion in unspent revenue. But with a structural deficit still looming, managing this windfall will present challenges as officials seek to balance funding initiatives and saving for future downturns.
- **Education spending:** The state’s Commission on Innovation and Excellence in Education, which has been meeting for more than two years, will be issuing its final report this month—and its recommendations are

reported to carry a \$4.4 billion price tag to be phased-in over 10 years. A ballot referendum to ensure that casino revenues are used to provide additional school funding was approved by Maryland voters and members of the General Assembly are viewing the casino revenues as a source of funding for the commission's recommendations, but the Governor wants to use the money to fund school construction and other capital needs rather than classroom programs.

- **Individual mandate, reining in drug costs:** Legislators will again discuss a state-level individual mandate for people not currently covered. The legislation would allow the penalty to be used as a down payment on premiums. Supporters believe this would allow people to purchase insurance on the individual market with the penalty or with a minimum amount added to it. Opponents believe the mandate would penalize people who cannot afford health insurance and do not qualify for subsidies. Another returning issue involves the creation of a board to review drug prices in an effort to bring down costs. Under proposed legislation, the board would review drugs priced at \$30,000 a year or higher, set its own rates and review the supply chain.
- **Renewable energy goal:** Lastly, members will take up legislation to incrementally increase the state's renewable energy goal. Under the legislation, the current goal of 25 percent (which has not yet been met) would be increased to 50 percent by 2030 and set at 100 percent by 2040.

## MASSACHUSETTS

The past November, Republican Governor Charlie Baker won re-election convincingly. His swearing-in is on January 3. On January 2, the Massachusetts General Court (the piquant name for the commonwealth's legislature) convenes for a new two-year session, which will run until July 31, 2020. Democrats have strong, veto-proof majorities in both the House of Representatives and the Senate. There will be some leadership changes in both chambers. Current Chairman of the House Committee on Ways and Means Jeff Sanchez was defeated in a Democratic primary in September, so there will be a new chairman named early this year. And Senate President Karen Spilka is expected to name a new chair of that body's Ways and Means Committee.

- **Health care:** We're expecting to again see a major health care reform bill this session. A major bill on the subject died at the end of the last session.
- **Education:** Education funding is expected to be a contentious issue this year.

- **Gambling:** There has been much conversation about how to proceed on sports betting, so we expect to see some action on that issue as well.
- **Transportation:** The challenge of getting from here to there will continue to be a focus. An 18-member panel appointed by the Governor to study the state's future transportation needs rolled out a major study in December. It addressed such issues as what the state can do to decrease greenhouse gas emissions from transportation, protect the transportation system from climate change effects and increase the number of electric-powered vehicles; and assessed the future impact on public transportation systems of self-driving cars and on-demand transportation services.
- **Opioid epidemic:** The devastation related to the opioid crisis continues to dominate conversations in the policy arena. One state lawmaker has proposed a tax on the legal purchase of opioids from manufacturers, with the goal of dedicating the revenues generated to address substance abuse prevention and treatment.

## MICHIGAN

**Sports betting:** The nationwide trend among states to legalize sports betting looks to move forward in Michigan. The General Assembly passed online gambling legislation in 2018 and the incoming class is expected to continue efforts in this area. Recent reports have indicated that existing gaming interests such as Native American tribes and commercial casinos support a comprehensive sports betting bill, and incoming Governor Gretchen Whitmer (D) could look to the already-established 8 percent tax rate on adjusted gross receipts as a potential windfall to address other budgetary priorities.

- **Historic preservation:** Public support for reintroducing a historic preservation tax credit bill that fell victim to the state's 2011 budget crisis continues to mount, with proponents arguing that such a credit would enable small business owners and homeowners to rehabilitate local buildings more affordably. The Senate passed a bill last year to allow individuals rehabilitating historic buildings to claim a credit of up to 25 percent of expenses on their state income taxes, but it failed to receive a House vote in time to pass. With broad bipartisan support and an incoming gubernatorial administration keen on keeping promises to the state's post-industrial towns and cities alike, a renewed effort to pass the credit in 2019 is to be expected and is likely to succeed.
- **Undoing lame duck legislation:** Debates over paid sick leave and raising the state's minimum wage are

also expected to rage anew in 2019 (and beyond) after outgoing Governor Rick Snyder (R), during December's lame duck session, signed two bills to largely eliminate what had been an effort by way of citizen ballot initiatives to advance the two causes. With a seemingly substantial amount of public opinion opposing Gov. Snyder and the GOP legislature's actions, Whitmer and her Democratic colleagues will surely take up those mantles once again.

## MINNESOTA

The only split-party legislature in the nation, Minnesota's 91st legislature will begin its session on January 8, and must complete its work by midnight on May 21. The odd-year session will focus on adopting a 2020-2021 biennial budget. Meanwhile, Governor-elect Tim Walz (D) will be sworn into office on January 7 and will give his State of the State address in late January. He must present his budget to the legislature by mid-February. Outgoing Governor Mark Dayton will leave his successor with a budget surplus of more than \$1.54 billion for the 2020-2021 biennium. In addition, the state's budget reserves are now at a record-setting \$2.075 billion, following a statutory transfer from the budget surplus of \$491 million. The state's economic advisors suggest Minnesota's long-term economic outlook remains sound, but add that the state will face slower long-term growth than had previously been projected. Current economic indicators project the state will have a \$456 million surplus in the 2022-2023 biennium.

Beyond setting the biennial budget, the Walz administration and the legislature will attempt to address a handful of other, more complex policy and financial issues, including:

**Federal tax conformity:** The legislature sent Governor Dayton a version of federal conformity in the waning days of the 2018 session. He vetoed the bill, believing the legislation favored corporations and did little to support individual taxpayers. But with the Democratic-Farm-Labor Party (DFL) flipping the House and a new DFL governor in town, the federal conformity issue will be revisited, albeit not early in the session, as the DFL House and GOP Senate are certain to take very different approaches to federal conformity, and resolving those differences will be difficult.

**Transportation funding:** Walz campaigned on a message of raising the gas tax. While he has yet to identify the level of the increase, his administration is committed to finding more revenue for roads, bridges and transit. The gas tax was last raised in 2008. Last year, the GOP-controlled legislature sent Governor Dayton a transportation proposal that used revenues generated from existing taxes on vehicle repairs and

maintenance to fund transportation needs. Governor Dayton opposed using general fund revenues for transportation and vetoed the legislation. The GOP Senate has indicated it will oppose any attempt to raise taxes at a time when the state has a budget surplus of more than \$1.5 billion. Fuel retailers also oppose a gas tax increase. However they say they would support the proposal if it also prohibited the application of credit card transaction fees to any portion of a transaction related to sales or gas taxes. Fuel retailers have suggested they are already spending millions of dollars annually to cover tax-related transaction fees.

**Opioids:** In 2018, the GOP-controlled legislature came close to passing legislation that would have levied a tax of one cent per morphine milligram equivalent (the "penny-a-pill" tax), with the money raised to go to prevention, emergency response, law enforcement, treatment and recovery. Opposition from big pharma and the GOP House Speaker, who said the bill looked to be less about solving a crisis and more about penalizing manufacturers and wholesalers, resulted in its demise. With the House now under DFL control, and with support from Walz and within the GOP-controlled Senate, we see this bill being reintroduced and faring better on its second go-round.

## MISSISSIPPI

The Mississippi Legislature convenes at noon on January 8—the state constitution requires lawmakers to convene annually "on the first Tuesday after the first Monday of January"—and will run for 90 days. It is the fourth and final year of the legislature's four-year term. Statewide elections are in 2019. Expect lawmakers to proceed cautiously, with an eye toward their reelection campaigns, as the 122 House and 52 Senate members will all be up for re-election, and will know by the qualifying deadline of March 1—about a month before they adjourn and cast final votes for the year—whether and what opposition they face. In keeping with long-time tradition, leaders in both chambers are already telegraphing that controversial measures are not likely to get much traction. That said, election years have also been known to inspire aggressive, divisive measures, such as amendments to legislation.

Key issues will include:

- **Budget:** After two years of sluggish tax collections, the state's budget in 2018 appeared to stabilize and grow. As a result, lawmakers writing the budget for the fiscal year beginning June 1, 2019 are likely to have a little more breathing room to make election-year decisions that can boost their popularity back home.
- **Shipyard of the Future:** \$45 million bond issuance. The legislature will be asked to fulfill its commitment to the

Shipyard of the Future with the fifth and final installment of the state's investment in the shipyard upgrade.

- **Teacher pay raises:** Governor Bryant and Lt. Gov. Tate Reeves have suggested this will be a top priority for Reeves and the state Senate.
- **Lawsuit abuse:** There is a growing consensus on the need to strengthen the state's premises liability statute to protect premises owners from lawsuit abuse.
- **Defense:** The Governor's Mississippi Defense Diversity Initiative taskforce, which aims to reduce the state's dependence on federal defense spending, is likely to seek a financial package to support economic diversification through identification of new revenue streams for Mississippi companies and opportunities for entrepreneurs and researchers/scientists to leverage and expand the state's public and private defense assets.
- **E-cigarettes:** Health/disease-prevention advocates are expected to push legislation to define and tax e-cigarettes.
- **Taxes:** Leadership in both chambers may use this election year to promote tax code changes along the lines of the previous "flatter and fairer" premise, though there are few specifics floating around as of yet. Lawmakers must balance this against a desire not to cut too deeply into spending on key areas, such as education, infrastructure and healthcare.
- **Trauma funding:** The Mississippi Hospital Association and trauma responders are likely to push for tweaks and changes to boost revenue for the state's trauma system.
- **Prison reform:** Lawmakers may revisit and refine criminal sentencing statutes to more efficiently use limited and costly prison beds for the most serious and repetitive offenders.
- **Infrastructure:** House leaders are likely to push for tweaks to the 2018 special-session infrastructure package, particularly as it relates to the components that require matching by cities and counties for infrastructure projects.
- **Schools/Guns:** Governor Bryant's School Safety Task Force is expected to recommend increased attention to mental health issues and an increased law enforcement presence in schools. Lawmakers are likely to offer proposed amendments to expand or restrict the use of guns by teachers and school employees.
- **Human trafficking:** House Speaker Philip Gunn (R) is increasingly turning his attention to human trafficking issues and could introduce legislation to tighten state laws dealing with the issue.

This is Mississippi's big election year, electing the entire legislature, all eight statewide officers, three transportation commissioners and three public safety commissioners, as well as numerous local sheriffs and county boards of supervisors. Issues, candidates and personalities up and down the ballot will drive turnout and outcomes. While the Republican Party's hold on both the House and Senate seems secure at this early stage, for the first time in recent memory, seven of Mississippi's eight statewide office races will not have an elected incumbent seeking reelection. Mississippians will experience the first competitive general election race for governor in nearly 16 years, with Lt. Gov. Tate Reeves (R) expected to square off against Democratic Attorney General Jim Hood, and a level of uncertainty also will pervade almost every other statewide race (though the results of the 2018 midterms bode well for Republicans).

## MISSOURI

January will commence the first legislative session for Governor Mike Parson (R), who was unexpectedly elevated from his lieutenant governor position in June. The session will be relatively calm as compared to the chaos last year brought about by the various investigations of then-Governor Eric Greitens. Governor Parson's State of the State address will be built around the two major themes of his administration: workforce development and infrastructure.

- **Job training:** The Governor will call for the creation of Missouri OneStart, which will make the state's workforce training incentives more flexible and effective.
- **Rural broadband:** The Governor will ask the General Assembly to fund a Broadband Grant Program to accelerate the deployment of broadband in rural Missouri.
- **Tort reform:** A priority of the Republican-led legislature will be a suite of tort reform measures aimed at making the state more business-friendly.

## MONTANA

Montana begins its biennial session on January 8. While its budget outlook is better than it was two years ago, there is currently a \$100 million shortfall between revenues and what Democratic Governor Steve Bullock is proposing to spend without any additional revenue raisers or tax increases. During the 2017 regular session special session, the GOP majority rejected all proposals to raise taxes and fees. So expect budget issues—specifically Democratic attempts to raise taxes and fees and GOP opposition to same—to dominate this session.

- **Medicaid expansion:** The biggest policy issue on the state's docket is the reauthorization of Medicaid expansion. When first passed in 2015, legislators placed a sunset on

the bill. Due to concerns that the legislature might not be able to pass reauthorization, interest groups filed a ballot initiative calling for an increase the tobacco tax to fund Medicaid expansion and other popular healthcare programs. When that initiative failed, garnering only 43 percent of the vote, it put the future of Medicaid expansion in Montana in jeopardy. In response, several moderate Republicans are leading efforts to line up enough GOP votes to join with the Democrats to pass reauthorization, but this time it might come with a work requirement.

- **Early childhood education:** Governor Bullock will again push for a statewide early childhood education bill after passing a pilot program in the 2017 session. While he has failed to garner much GOP support for his efforts in the past, the pilot program was a big success and may lead to more Republican support.
- **Infrastructure:** Historically, Montana has easily passed bonding bills to pay for major infrastructure investments. But the past four sessions, conservatives have stopped such bills, which need a two-thirds vote to pass. To make it more palatable, Governor Bullock is proposing a mix of bonding and federal TCEP (Trade Corridor Enhancement Program) funds for infrastructure. While the GOP knows Montana has significant infrastructure needs, it's unclear if they will be supportive of using bonding to pay for it.

## NEBRASKA

As Nebraska enters the biennial budget process, the cash reserve is projected to fall to \$379 million by June 2021. This is down sharply from \$729 million in 2016 and represents about 8.7 percent of state revenues. Some analysts recommend a reserve of 16 percent.

Nebraska voters approved a ballot initiative to expand Medicaid to those who annually earn less than 138% of the federal poverty level (\$16,753 - single / \$34,638 - family of four). State Medicaid officials estimate the net cost to taxpayers will be \$57 million annually.

WalletHub ranks Nebraska the 7th highest property tax state in the country. Agricultural land owners are hardest hit. For years, legislation that would shift a portion of the tax obligation to sales and/or income taxes has fallen short. Expect perhaps a dozen property tax relief bills this session.

By statute, the Nebraska Advantage Act provides statewide business incentives for job creation. The Act expires in 2020 and Blueprint Nebraska, a State Chamber led plan is under development for "sustained economic prosperity for all." The plan will be complete by the Spring of 2019.

## NEVADA

- **Nevada turns blue:** After the 2018 election, Nevada appears to be solidly blue across the board. The state now has two Democratic US senators, freshman Jacky Rosen and Catherine Cortez-Masto, elected in 2016 and recently appointed to lead the Democratic Senatorial Campaign Committee (DSCC). Democrats also fared well in races for the US House of Representatives, with Susie Lee becoming the new representative from the 3rd congressional district. She joins returning Democratic House members Steven Horsford (CD-4), Dina Titus (CD-1) and Republican Mark Amodei (CD-2). Within the state of Nevada, Democrats swept almost every constitutional officer seat, the lone exception being Republican incumbent Barbara Cegavske remaining Nevada's Secretary of State. Governor-elect Steve Sisolak is the first Democrat to hold the office in nearly two decades.
- **Female-majority legislature:** The most interesting election night story was Democrats obtaining a supermajority in the state Assembly and a majority in the state Senate. With Rochelle Nguyen and Beatrice Dulan appointed to fill vacancies in Assembly Districts 10 and 11, Nevada became the first state in US history to have a legislative body in which the majority are women.
- **Education funding:** Heading into the 2019 legislative session, we see education as being the major issue, particularly the need to update the funding formula. Nevada's budget is in good shape; the forecast set by the Economic Forum is on par with the budget set by outgoing Governor Brian Sandoval.

## NEW HAMPSHIRE

- **Marijuana legalization:** The legal marijuana business may soon be booming in the Granite State, as House Democratic Speaker Steve Shurtleff recently announced that both chambers of the New Hampshire General Assembly have the votes to overturn any veto of marijuana legalization legislation by Republican Governor Chris Sununu. While Gov. Sununu has previously threatened to veto any and all legislation that would legalize the substance in New Hampshire, any move by the state legislature to override such a veto would be big news indeed and could have substantial political ramifications for both sides down the road. The state's ongoing opioid crisis and the government's efforts to address it will likely factor substantially into the debate.
- **Be wise—compromise:** Although Republican Governor Chris Sununu cruised to re-election, with Democrats

flipping the state House of Representatives in November, a new power dynamic will be at work this session. Legislators and the administration alike have been mouthing the typical bromides to the virtues of bipartisanship but lawmakers on both sides of the aisle can see the writing on the wall and know their high-priority items are likely dead. Just as Sununu is unlikely to support an increase in the state's minimum wage (favored by House Democrats), Democratic opposition to the Governor's proposed right-to-work legislation is unlikely to change. That said, the two sides worked together last session to pass some meaningful legislation (e.g., full-day public kindergarten) and Sununu could again find himself tacking further to left than he'd like in order to gain the support needed to deliver on some of his election-year promises.

## NEW JERSEY

- **Marijuana chronicles:** One-party rule is no guarantee of legislative success. In the 2018 session, several policy priorities shared by both the legislature and the governor (e.g., increasing the minimum wage, legalizing adult use of recreational marijuana) were expected to be voted on by both chambers, but lack of agreement on how to meet these policy goals combined with a breakdown in communication among Governor Phil Murphy, Senate President Stephen Sweeney and General Assembly Speaker Craig Coughlin resulted in a significant stalemate on these issues. It wasn't until late December that the three leaders finally met, and we expect them to reach a compromise decision on these issues in the first and second quarters of 2019. And not a moment too soon, as the Department of Health's recent expansion of the medical marijuana program (in December it approved the opening of six more "alternative treatment centers," doubling the current number) has increased the need for additional legislation and regulations on how these dispensaries should operate and contribute to the state's economy, while the state prepares for adult recreational use.
- **Out-of-network law:** On June 1, 2018, Governor Murphy signed an out-of-network law that established new rules regarding disclosure requirements to patients, placed limitations on balance billing, and created an arbitration system to resolve billing disputes. One area of focus in early 2019 will involve ironing out some kinks in the arbitration process and addressing some other details.
- **Aid-in-dying law:** Polls have shown increasing public support for aid-in-dying provisions among New Jerseyans, with about two-thirds in favor of a controversial bill, the Aid in Dying for the Terminally Ill Act (A-1504 and S-1072) that would allow terminal patients to self-administer life-

ending medication. Although the bills passed relevant committees in each house, they never mustered enough votes to become law. Then-Governor Chris Christie's vow in 2014 to veto any such didn't help. However, with a new governor in place, proponents of the bill presently before the legislature are optimistic that it will be enacted.

- **Political turmoil:** During the next few months, the ongoing political turmoil between the legislature and administration will continue to grow, partly due to an ongoing investigation being conducted by the legislature into how the administration responded to allegations that a top staffer sexually assaulted another high-ranking aide while both worked on Murphy's campaign last year. A special Legislative Select Oversight Committee tasked with looking into the reporting and handling of this allegation has been hearing testimony from the alleged victim and several high-level Murphy staff members who first to learn of the allegations. And in October, Republican woman serving in the legislature sent a joint letter to legislative leadership asking for an investigation into Murphy's "hiring practices" and that the administration disclose "any and all incidents of sexual harassment, sexual assault, sexual intimidation, or hostile work environment raised during the campaign, the transition, or presently within the administration."

The investigation has exacerbated an already tumultuous relationship between the Democratic-majority legislature and the Governor, evidence of which we first saw during last year's budget negotiations in June and which almost led to a government shutdown. Though the parties are again talking, we expect to see continued acrimony between the legislative and executive branches, particularly over how to fund the public employee pension system without significantly increasing the state's growing fiscal deficit.

## NEW MEXICO

- **Budget surplus:** After several cash-lean budget years that prompted spending cuts and other austerity measures, New Mexico's fortunes turned around in 2018 when a surge in oil production turned a budget deficit into a \$1.1 billion surplus. Analysts now report that the state is looking at an additional \$1.2 billion in "new" money in 2019, also due in large part to rents and royalties, severance taxes and gross receipts taxes from the oil and gas industry. Many expect the surplus to be used for equipment updates, revenue fund replacements from the downturn and construction projects, as opposed to long-term recurring programs, which is probably wise as industry analysts caution that the price of oil and reliance on it remains volatile.

- **Education:** With a Democratic majority in both legislative chambers and a Democratic governor (Michelle Lynn Lujan Grisham, replacing term-limited Republican Susana Martinez), a major focus of lawmakers this session will be the public education system. Between \$800 million and \$1 billion could be invested per year, with salary raises for teachers and early childhood education and the most likely candidates for increased funding (although opposition to tapping the Land Grant Permanent Fund (LGPF) to pay for early childhood education remains strong).
- **Crime:** After flipping the governor's office, lawmakers are expected to push a number of criminal justice reform bills that were blocked by the former governor, including a "ban the box" bill that would prohibit private employers from asking about criminal convictions on job applications; and bills addressing probation and parole standards and excessive punishment for nonviolent crimes.
- **Energy:** Lawmakers will likely push a slew of energy-focused legislation, ranging from bills to roll back oil, gas and methane regulations to legislative proposals to promote renewable energy, including a statewide methane rule (NM ranked last for methane emission prevention in a recent study comparing eight oil-producing states' regulations); adjustments to the Renewable Standard Portfolio (RPS); a bill to allow state's biggest electric utility to sell bonds to recoup some of the costs of closing a coal power plant, a process known as securitization; competitive procurement; and community solar.

## NEW YORK

The political climate in New York changed in November when Democrats won enough state Senate races to secure a majority for the first time since 2010, in the process gaining control of the legislature, Democrats dominating the lower chamber with a 66-seat supermajority. For the first time in many years, the Offices of the Governor, Comptroller and Attorney General, and the Senate and Assembly are all controlled by the Democratic party. This one-party rule could result in a much more progressive agenda in state which could have a negative impact the business community. Recently, Governor Andrew Cuomo, who delivered his third inaugural address on New Year's Day, released his First 100 Days Agenda of items he would like the legislature to act upon. In past years, the Assembly passed several of the Governor's legislative priorities only to be blocked in the Republican-led Senate.

The Governor's 20-point agenda includes:

- **Ensure a progressive tax system:** While the federal government prioritizes tax cuts for corporations and the wealthy, Governor Cuomo believes in a just, progressive

tax system that taxes its citizens based on their ability to pay. The Governor will maintain the state's progressive income tax with a millionaire's tax, while permanently capping regressive local property taxes at 2%.

- **Cut middle class taxes while fighting to repeal SALT:** The federal government's cap on state and local tax (SALT) deductions was a devastating and targeted assault on New York that has increased taxes on New Yorkers and reduced home values. The Governor has vowed to continue to lead the fight to repeal the cap on SALT and has promised more middle class tax cuts.
- **Protect quality, affordable health care:** While the federal government and conservative judges attempt to eviscerate the Affordable Care Act, the Governor is urging action to make sure New Yorkers are protected including codifying the health exchange into law and passing a law guaranteeing coverage for pre-existing conditions.
- **Codify reproductive rights:** In the face of a threatened rollback of Roe v. Wade, the Governor is urging passage of a Reproductive Health Act and Comprehensive Contraceptive Coverage Act within the first 30 days of the new session.
- **Enshrine gender equality into law:** The Governor supports passage of an Equal Rights Amendment to the state constitution, to protect against discrimination on the basis of sex.
- **Combat gun violence:** In the wake of a banner year for school shootings, the Governor will push to pass a red flag law (would permit police or family members to petition a state court to order the temporary removal of firearms from a person who may present a danger to others or themselves), ban bump stock devices, and extend the waiting period for purchasing a gun to 10 days from 3.
- **Launch a \$150 billion infrastructure plan:** With the federal government failing to deliver on infrastructure, the Governor wants to expand on the state's current \$100 billion infrastructure plan, which includes building new airports, bridges and train stations across the state, by investing an additional \$150 billion, which in turn will create hundreds of thousands of jobs.
- **Fix the subway:** After decades of neglect and lack of accountability, the Metropolitan Transit Authority is in dire need of both funding and reorganization. The Governor sees congestion pricing—requiring motorists to pay fees for driving into Manhattan's business district during busy periods—as the "only realistic option" to secure the tens of billions needed to pay for subway

upgrades while alleviating Manhattan's traffic problems. Expect continued opposition from the outer boroughs. The governor is also looking to overhaul the outdated structure of the MTA, which critics say is riddled with incompetence and corruption.

- **Ensure education equity:** A recent study on how local school districts distributed their funds indicated that poorer schools too often did not receive an equitable share of funding. The Governor is urging system reforms where districts distribute funding based on need and fairness to ensure every child receives a quality education.
- **NY DREAM Act:** The Governor promises that this year New York will "pass the DREAM Act once and for all..." Under the bill, which the Assembly passed last year, undocumented immigrants would be eligible for the state Tuition Assistance Program and other financial aid awards that could help them pay for college."
- **Green New Deal:** The Governor wants New York to be the "most progressive state in the nation" in moving to renewables and growing the new sustainable green economy. His goal is for New York's electricity be 100 percent carbon neutral by 2040 and ultimately elimination of the state's carbon footprint.
- **Ensure clean, safe drinking water for all:** With the EPA slacking, the Governor has promised to invest in the state's water infrastructure "for our children and our children's children."
- **Promoting voting:** The Governor is seeking to promote engagement in the democratic process by allowing voting by mail, enacting early voting, instituting same day and automatic voter registration, synchronizing federal and state elections and making Election Day a state holiday.
- **Campaign finance reform:** The Governor will push to close the LLC loophole, ban corporate campaign contributions, overhaul the campaign finance system and end outside income for lawmakers.
- **Public sector unions:** In anticipation of the Supreme Court's Janus decision, the Governor last June signed the nation's first legislation to protect union membership in public-sector workplaces. He is now urging legislation to ensure workers have labor rights in the gig economy.
- **Affordable housing:** In addition to vowing to invest more in affordable housing, the Governor will push for reform of rent regulations to protect affordable housing and respect tenants' rights, including ending vacancy decontrol, repealing preferential rent and limiting capital improvement charges.

- **Child Victims Act:** The Governor supports passage of the Child Victims Act to ensure child abusers are held accountable criminally and civilly.
- **LGBTQ rights:** Two promises are to codify the Gender Expression Non-Discrimination Act into New York State law and end conversion therapy.
- **Recreational marijuana:** The governor supports legalizing, regulating and taxing recreational marijuana use.
- **Criminal justice reform:** Ending cash bail and enacting speedy trial and discovery reforms are areas the Governor will focus on.

## NORTH CAROLINA

The General Assembly officially convenes in Raleigh for its long session on January 9, for an organizational day to elect leaders, and then returns on January 23 to begin its legislative work.

The most noteworthy change in the 2019-20 biennial session will be the balance-of-power shift from Republicans to Democrats, who made significant gains across the state in November, breaking the Republicans' veto-proof supermajority in both chambers. In 2019, House Republicans will have 65 seats and Democrats will have 55. In the Senate, Republicans will hold a 29-21 edge over the Democrats. Without a veto-proof supermajority, Republicans will have to work closely with Democrats to avoid or sustain gubernatorial vetoes.

The most pressing issue the legislature will face is the budget, with Democratic Governor Roy Cooper's priorities taking on a more important role due the Republicans' loss of its veto-proof majority. Other issues, within or separate from the budget, include: adjustments to the education system, healthcare, redistricting, hurricane relief, NCDOT/ infrastructure, rural economic development and Alcoholic Beverage Control (ABC) reform.

- **Education:** Adjustments to the state's school performance grade model, teacher pay raises, universal access to pre-K education and school safety are all on legislators' radar.
- **Healthcare:** There will be continued focus on Medicaid transformation to a mostly managed care model, Medicaid expansion, and trade association-sponsored group health plans.
- **Redistricting:** Lawmakers will look to resolve lawsuits challenging district maps.
- **Hurricane relief:** Expect continued updates, studies and recommendations on areas impacted by Hurricane Florence and how government can help.

- **NCDOT/Infrastructure:** Legislators will continue examining ways to fund transportation projects to stay ahead of population growth, including tolls, public-private partnerships and e-scooters/bike-sharing.
- **Rural economic development:** Balancing rural and urban economic development priorities will continue to challenge legislators, as it has policy makers on the national stage.
- **ABC reform:** A recent audit of the Alcohol Beverage Control Commission showing that poor contract administration and unused warehouse space cost taxpayers at least \$11.3 million has spurred talk of privatizing the system.

## NORTH DAKOTA

- **Election recap:** The North Dakota Legislative Assembly will see little change, with Democrats picking up one seat in the Senate and two in the House of Representatives. Republicans now control 37 of the 47 Senate seats, and 79 of the 94 House seats. Longtime House Majority Leader Al Carlson was defeated and Republicans selected Chet Pollert to lead the Republican supermajority in that chamber.

Of four statewide measures on the ballot, three were approved by the electorate. The one that was defeated, by almost 20 percentage points, would have allowed recreational use of marijuana. One measure that was approved created a North Dakota Ethics Commission. Passage of the anti-corruption measure was helped by nearly \$1 million of out-of-state money (mainly from California). Enabling legislation is already circulating and will be a major focus of legislators, lobbyists and organizations over the next 18 months.

- **Legacy Fund earnings:** Governor Doug Burgum's biennial budget proposal contains a modest spending increase, state employee wage increases and several "legacy projects" funded from the earnings of the state's Legacy Fund. The oil and gas industry contributes production and extraction taxes to that fund, as well as other "buckets" at the state level, in lieu of local property taxes. Currently valued at nearly \$6 billion, the fund's earnings are now available for general fund use. How and where to use the earnings, which total about \$300 million, will be a major issue in this legislative session.
- **Infrastructure finance:** Legislators will tackle major funding issues involving both state and local infrastructure. One legislative study committee on transportation reported that current gas tax revenues

will not cover future infrastructure investments from the state level, setting up a significant gas tax/infrastructure funding battle during the session.

- **Education funding:** Funding for K-12 education, and especially how much the state contributes to each district, will be a session-long discussion. Increasing per-pupil funding and educational-facility financing from the state should help those districts most in need avoid massive property tax increases at the local levels.
- **Economic outlook—Growing energy sector:** The state continues to benefit from a growing energy sector. Pipeline infrastructure has made transporting product to market less expensive and more competitive, along with significant technological advancements in the industry over the past several years.
- **Economic outlook—Skills gap:** The Greater North Dakota Chamber in conjunction with the State Workforce Development Council undertook a statewide survey of employers in the third quarter of 2018. The number one factor limiting further growth is lack of workforce. There are an estimated 30,000 open jobs across multiple sectors in North Dakota. Creative workforce development solutions will be needed as the state continues to compete with other regions of the country for quality workforce.

## OHIO

Despite predictions of a blue wave and preliminary polling indicating big Democratic wins at the statewide executive level, Ohio remains a Republican stronghold heading into 2019. While the incumbent party generally has a difficult time getting re-elected in midterm elections, the Buckeye State bucked this trend by electing Republicans to all five statewide offices, and by significant margins. In addition neither the state Senate nor state House of Representatives saw major fluctuations in composition, with each maintaining their Republican majorities. With these majorities still intact, we can expect a very similar political environment to the last General Assembly. The new year will begin with the election of a new House Speaker and preparations in advance of the biennial budget.

Governor-elect Mike DeWine has outlined three main priorities for his administration: childhood education, workforce opportunities and solving the opioid crisis.

- **Childhood education:** DeWine campaigned on his record of fighting for Ohio's families, and has created positions in his administration that are solely focused on children's initiatives. His education plan includes less standardized testing in grades K-12 and more support and resources for

students, including bringing mental health professionals to schools, creating funding pathways for lower-income students, investing in educational professionals and ensuring students have access to 21st century technology and programs. The administration also hopes to bridge the gap between getting a diploma and obtaining a job by offering skills development and vocational training.

- **Workforce opportunities:** DeWine will be implementing his “Prosperity Plan,” aimed at helping Ohioans find high-wage jobs and developing a more competitive state economy. The administration plans to introduce local job-training programs, reform state occupational licensure, facilitate obtaining in-demand industry certifications, and bolster innovation. He has also outlined plans to partner with the federal government in reducing regulations that negatively impact job creation and removing roadblocks to federal job-training grants.
- **Opioid response:** Overcoming the state opioid epidemic, and substance abuse generally, was a major priority last year and will continue to be of top importance in 2019. The administration has launched a comprehensive 12-point action plan to address the state’s substance abuse problem. The plan will involve expanding drug task force models, law enforcement data infrastructure, and treatment capacity in areas that have been greatly impacted. Tying into his plans for education and workforce development, DeWine also plans to implement intervention programs for families and to involve employers in the treatment process.

## OKLAHOMA

An expected \$600 million increase in state money to spend in 2019 has Oklahoma lawmakers from both sides of the aisle focused on what House Speaker Charles McCall, after an increase in competitive legislative races across the state, has termed “solutions-oriented” legislation. Following a volatile last two years that saw a teacher walkout, budget shortfall and a battle over a unpopular tax increase, the pressure is on for lawmakers to deliver real results for Oklahomans.

**Education funding:** A focus is expected to remain on the fight for additional funding for Oklahoma’s public education system, with the Oklahoma Education Association (OEA) requesting salary increases for teachers and support staff statewide, along with an additional \$150 million for school operations and a substantial cost-of-living adjustment for retirees. Echoing themes from last year’s teachers’ walkout, proponents of additional funding will point to the state’s lagging rankings in teacher pay (37th nationally) and per pupil spending (44th).

**Medicaid expansion:** Democrats are expected to make Medicaid expansion under the Affordable Care Act a major priority in 2019, pointing to the fact that the state has the second-highest statewide uninsured rate, behind only Texas. Led in part by Representative Ben Loring (D), legislators will argue that Oklahoma’s rural hospital closure crisis can be alleviated by accepting the roughly \$900 million in federal funding the state would receive as a result of an approximately \$100 million investment. While Oklahoma Republicans continue to control the vast majority of the levers of power in state government, Democrats do not intend to let their long odds of success dissuade them, and have even raised the possibility of a ballot initiative, an approach that has succeeded in other predominately red states.

## OREGON

Oregon’s 2018 election results demonstrated the tailwinds of a national blue wave, with strong voter support for progressive candidates and ballot measures. Governor Kate Brown (D) was re-elected by a six percent margin, her campaign ads relentlessly hammering her Republican opponent, state Rep. Knute Buehler, for voting against prescription drug price reforms, health care coverage and reproductive choice.

- **New taxes:** To adequately fund health care services, Governor Brown is proposing an extension and expansion of health care provider taxes as well as a \$2 per pack increase on cigarettes. To more adequately fund education from pre-school through higher education, she is proposing a \$2 billion increase in corporate tax revenues (likely through a value-added tax, business activity tax and/or increase in corporate alternative minimum tax (AMT) based on gross Oregon sales). If passed, it would be the largest tax increase in Oregon history, largely to make up for the residual impact of property tax reduction ballot measures passed in the 1990’s. Democratic legislators are highly likely to support all these revenue proposals.
- **Clean energy jobs:** After several unsuccessful attempts at passing cap-and-trade legislation, 2019 is highly likely to be proponents’ year. A bicameral, bipartisan task force co-chaired by the legislatures’ presiding officers has been leading hearings on this subject throughout the interim.
- **Affordable housing:** After narrowly failing to pass legislation in 2017 protecting tenants from eviction and rapidly rising rents, this year’s legislature is highly likely to enact state protections as well as free up cities to impose local protections.
- **Paid family and medical leave:** After 12 years of attempts, 2019 may be the year for the legislature to finally pass paid family and medical leave (a required employer/employee

cost share to fund paid leave for birthing or adopting a child, caring for a family member, or dealing with personal health issues).

- **Prescription drug prices:** In 2018, Governor Brown signed into law the Prescription Drug Price Transparency Act. The legislature will likely follow up with additional drug price control legislation, such as allowing prescription drug importation from Canada, a 60-day notice requirement before pharmaceutical manufacturers may raise prices, and additional price transparency initiatives.

## PENNSYLVANIA

When Pennsylvania's 2019-2020 legislative session commences on January 1, the political dynamics in the General Assembly will be largely unchanged from the previous session. Republicans will maintain solid control of both the PA House and Senate, although their margin has been narrowed slightly after the 2018 general election, where Democrats picked up a handful of seats in each chamber. Meanwhile, Governor Tom Wolf (D) is set to begin his second term after a convincing re-election.

- **The budget process:** The state budget and efforts to pass a balanced budget by the June 30 constitutional deadline, will be the featured issue in the Capitol, and one that will likely drive most of the policy discussion. The Governor will present his proposed budget to the General Assembly in early February. From there, the legislature will hold budget hearings with the various state agencies. Once budget hearings have wrapped up, budget negotiations will begin and are likely to continue for several months.

It is possible that various large-scale policy efforts will gain momentum following Wolf's budget proposal. It is unclear at this time what approach he will take in his budget. In the first year of Wolf's first term, his proposal was considered very aggressive and included several new revenue generators. Republicans in the legislature generally pushed back on these efforts and the ensuing stalemate caused a lengthy budget impasse. In subsequent years the Governor has taken a more measured approach and this helped the budget process move forward. We will have a better outlook on what the budget process may look like following his presentation next month.

- **Energy policy:** Energy policy could be a major topic of discussion in 2019. The natural gas industry has a large presence in the commonwealth and the Governor and Democrats in the legislature have been trying for many years to impose a natural gas extraction tax. We expect this to be a feature issue this year as well. There will also be a big push in the legislature to help Pennsylvania's nuclear

industry, which is struggling economically and, similar to efforts in Illinois, New York and New Jersey, is seeking a ratepayer bailout to remain competitive in the state's deregulated energy market.

- **Climate change:** The Governor may also look to impose various climate change controls in the new session. In December, the Wolf administration announced it was joining a coalition of eight Northeast states, and Washington D.C., to create a program to reduce carbon emissions from vehicles. And a draft update of a Climate Action Plan was issued by the state Department of Environmental Protection in November calling for an 80 percent reduction of greenhouse gas emissions by 2050, from 2005 levels, and outlining 19 strategies for achieving this.
- **Workforce development:** New House Majority Leader Bryan Cutler, a major proponent of workforce development and job training, has already discussed his desire to advance initiatives relating to these topics. The issue will likely be an important one in the Republican caucus this year.

With a governor that easily won re-election and a General Assembly with many new members, we expect the new legislative session to be very active, with a number of major policy issues likely to be focused on. We will have clearer picture of those issues after the Governor delivers his budget proposal in February.

## RHODE ISLAND

- **Midterm recap:** Democrats won all statewide offices. In the governor's race, Gina Raimondo, the incumbent Democrat and the state's first female governor, survived a strong primary challenge from the left, then went on to win a six-way race for a second and final term with 52.6 percent of the vote. Last month, she was elevated to chair of the Democratic Governors Association. In other statewide races, incumbent Daniel McKee was re-elected for lieutenant governor with 61.8 percent of the vote, and Peter Neronha won the race for attorney general, beating Compassion Party candidate Alan Gordon by a 50 point margin. All general officers, including the secretary of state and treasurer, are term-limited and all, apart that the new AG, will be open seats in four years.
- Both chambers of the General Assembly are blue by large majorities. The 38-member state Senate has 33 Democrats and 5 Republicans, and the 75-member house has 66 Democrats and 9 Republicans.
- **Financial outlook:** The state has a new, \$9.6 billion state budget queued up for the start of the new fiscal year on July 1. The federal government covers \$3.2 billion of that. A

House fiscal adviser reported in November that the state is on pace for a \$48 million deficit in fiscal year 2019 followed by another \$112 million in FY 2020. While state revenue is expected to expand, state agency costs will also continue to rise. The adviser cautioned against mismanaging funds in some agencies.

- **Hasbro relo?:** Hasbro, the world's second-largest toy company, expects to announce a decision in the first six months of 2019 on where it will build its future headquarters—and moving out of Rhode Island, where it has been headquartered for almost a century, remains an option. Its departure would cost the city of Pawtucket roughly 1,200 local jobs. Mayor Grebian, after trying in vain to get a read on the company's intentions ("They're a private company and [play it] very close to the vest," he said), called upon state officials to offer financial incentives to prevent Hasbro from leaving. A spokesman for the Governor said she is "committed to working with Hasbro to ensure the company continues to grow and thrive in our state."
- **Marijuana legalization:** A joint legislative commission tasked with studying the issue was supposed to report its findings during last year's legislative session. But a spokesperson said the commission "could not reach a consensus and decided to not issue a report...due to the differing opinions on the commission." Legislation to extend the commission was passed, and it is now required to issue a report by Feb. 1. The state has had medical marijuana for over 10 years and House Minority Leader Blake Filippi supports legalizing adult use (recreational) marijuana. The Governor and other legislators have grown increasingly receptive as neighborhood turns green: Pot stores are opening in Massachusetts, you can now grow your own in Maine and Vermont, and Connecticut's new governor says legalizing marijuana will be a priority of his.

## SOUTH DAKOTA

South Dakota state legislators got a head start on the 2019 legislative session with a number of pre-filed bills that provide insight into potential hot button issues on the floor in the coming year.

- **Abortion restrictions:** South Dakota is not an abortion-friendly state. At present, a single facility offers elective abortions statewide. One bill sure to capture headlines around the county is a proposal to mandate that a woman seeking an abortion first be shown a sonogram of the child in her womb and listen to the fetal heartbeat. Incoming Republican Governor Kristi Noem is staunchly anti-choice, and with Republicans outnumbering Democrats in both

the state Senate and House by large margins, it is unclear if pro-choice legislators will have much of a chance to stop the bill from becoming law.

- **Special education:** Educating children with disabilities will also be on lawmakers' minds in 2019, as a number of legislators have pre-filed bills on the subject. One Senate bill would create a "Special Education Task Force" with a mandate to study both the increased need for, and cost of, special education services and programming in the state. Another bill looks to add an additional \$1 million of state funding for special education student costs next year. We expect the majority of these efforts—in sharp contrast to the abortion bill discussed above—to be met with broad bipartisan support.

## TENNESSEE

When Tennessee's 111th General Assembly convenes on January 8, it will have a large number of new members along with a new speaker of the House (Glen Casada), Senate majority leader (Jack Johnson) and House majority leader (William Lamberth). The state also has a new governor, businessman Bill Lee (R). He will be inaugurated on January 19.

- **Offender reentry:** Criminal justice reform and addressing re-entry hurdles was a primary focus of Governor-elect Lee's campaign, specifically how the current system impacts workforce development and employability. Initiatives that address those issues, centering around public-private partnerships and partnerships with community, nonprofit and faith-based organizations, are likely to come to fruition this year.
- **Vocational training:** Lee has placed an emphasis on the need for expanding vocational training opportunities in public schools. This priority stems from his own struggles finding qualified workers for his HVAC, electrical and plumbing company.
- **School choice:** Education vouchers will likely re-emerge in the upcoming session as Lee has indicated a broader support for school choice. The scope of such a voucher program is still unknown, but faces its best chances of passage to date.
- **Sports betting:** A recent opinion by the state attorney general could open the door to legalized sports betting. While Lee has expressed opposition to such a proposal, the legislature is likely to introduce legislation with bipartisan support. Whether or not that support will be enough for passage is yet to be seen.
- **Medical marijuana:** Returning once again will be a bill that would allow for the prescribing and dispensing of

cannabis for certain medical conditions. A bill stalled in a House committee in 2018 despite seemingly increased momentum from years past.

- **Opioids:** The legislature is likely to consider additional legislation to curb the opioid epidemic, including increasing the number of available mental health beds and services.
- **School safety:** School violence prevention will likely be at the forefront. One proposal seeks funding to place a school resource officer (SRO) in every public school.

## TEXAS

The biennial Texas legislative session begins on January 8 and runs for 140 days, through May 27. Texas Republicans continue to control all statewide offices and to have wide majorities in the House and Senate, even after losing 14 seats in November. The Texas House will elect a new speaker for the first time since 2009. Republican Dennis Bonnen—a mainstream conservative banker from Angleton, south of Houston—has a lock on the speakership and has already begun assembling his staff.

Outspoken combative, Bonnen was first elected to the Texas House in 1996 and, most recently, was chairman of the Ways & Means Committee. The interactions between Bonnen and the powerful Senate President/Lt. Governor Dan Patrick will help define the priorities and success of the session. Governor Greg Abbott is in a strong position after a successful November election in a tough year for the GOP. Abbott was the leading vote-getter, pulling in 56 percent of the statewide vote, and he helped down-ballot candidates with GOTV efforts, endorsements and, in some cases, direct funding.

**School finance:** The linked issues of property tax relief and school finance reform are top priority issues for the Governor, Lt. Governor and new House Speaker. “I can guarantee you that priority is school finance,” Bonnen said. “It is time Texas took on the challenge of fixing our broken school finance system.”

**Disaster relief:** Hurricane Harvey also continues to loom large and the session will include major decisions about the Texas Windstorm Insurance Association (TWIA) and improvements to disaster preparedness and recovery.

**Sunset review process:** Dozens of state agencies, including Texas Alcoholic Beverage Commission (TABC), Department of Motor Vehicles (DMV), Department of Public Safety (DPS) and Texas Windstorm Insurance Association (TWIA), will go through the Texas Sunset Advisory Commission’s top-to-bottom review in 2019. The 12-member legislative commission is tasked with identifying and eliminating waste, duplication, and inefficiency.

**Other issues:** Also looming large in the Texas Capitol for 2019 are issues involving workforce training and economic development, including the value of economic development incentives; cybersecurity and IT modernization; and infrastructure development.

## UTAH

The 2019 Utah State Legislature will convene for its annual 45-day session on January 28 of this month and wrap at midnight on March 14.

- **New leadership:** The legislature will have new majority leadership in both houses. The 75-member House of Representatives (57 Republicans and 18 Democrats, the latter up 5 post-election) will be led by new House Speaker Brad Wilson, who is also the CEO and president of Destination Homes. He represents a district in Davis County just north of Salt Lake City. The 29 member Senate (23 Republicans and 6 Democrats, the latter up 1 post-election) will be led by longtime legislative leader in both chambers President Stuart Adams, a businessman who also represents a district in Davis County. Also, Salt Lake County, Utah’s largest, will have a new Democratic mayor as a result of incumbent Mayor Ben McAdams’ election to Congress representing the 4th congressional district. Whoever fills the vacancy could impact legislative priorities for the county.
- **Down the hatch:** With the retirement of Orrin Hatch, Utah will raise its glass to a new US senator for the first time more than 40 years—newly elected Mitt Romney (R).
- **Taking initiative:** Although Utah has not traditionally been a strong initiative state, three statewide ballot measures passed in the 2018 midterms: medical marijuana, Medicaid expansion and gerrymander reform. All measures can be amended by the legislature, and one, the medical marijuana initiative, already has. Lawmakers passed an overhaul of the measure in a special session at the state capitol two days after it went into effect. Republican Governor Gary Herbert signed the bill, calling it the “best designed medical cannabis program in the country.”
- **Olympics bid:** On December 14, 2018, the US Olympic Committee chose Salt Lake to be the US bid for the 2030 Winter Olympics (potentially 2028 as well). Preparation for the games will involve all levels of government.
- **Sustaining growth:** Utah has a strong economy and it wants to build on this strength while also preparing for population growth (from within and people moving in). Cultivating and sustaining growth will be a top legislative priority for many years to come as the state’s favorable

business climate, five national parks, world-class skiing and other features have led to a high-tech boom, known as Silicon Slopes, and continue to attract companies across a range of sectors.

- **Other top legislative/policy areas:** Smart growth, tax reform, education funding, inland port creation (just as the new airport comes online in 2020), land use, alcohol regulation changes and air quality.

## VERMONT

**Midterm recap:** Governor Phil Scott (R) won re-election as a fiscal conservative and social moderate in the mold of a typical New England Republican, similar to MA Republican Governor Charlie Baker. Democrats picked up 10 seats in the House, giving them a 95-43 advantage over Republicans. If you add in the 7 seats held by Progressives and the 5 held by Independents, Democrats actually control 107 seats, which means they moved from a supermajority to a supermajority that can override a gubernatorial veto. Governor Scott issued 10 vetoes during the General Assembly's 2018 session and the 53 Republicans in the House maintained the necessary discipline to sustain the vetoes. That will change in 2019. In the Senate, Democrats added 1 seat to the party's lead, which now stands at 22-6. Add in the chamber's 2 Progressives, and the margin of control increases to 24-6, a supermajority. All other statewide office holders, including the treasurer, auditor, attorney general and secretary of state are Democrats.

Key issues in 2019 will include:

- **Regulation of chemicals:** Establishing more stringent laws and greater liability for chemical use are expected to be a major focus of the session.
- **Hot-button issues:** Property taxes and education financing (the two are intertwined) and forced school district mergers under Act 46 continue to be controversial.

Land use. A legislative committee spent the summer looking at Act 250, and changes to 40-year-old environmental land use law are expected to be explored this year.

- **Carbon pricing, electric vehicles and renewable energy markets:** All are expected to see action this year.
- **Economic development:** The state's bond rating, while still the best in New England, was downgraded one level late last summer due to a lack of diversity in the economy, growing pension fund obligations and a stagnant workforce population. The Governor made growing the economy by growing the workforce and lowering the cost of living a centerpiece of his first term and that is expected to be a major focus in his second term as well.

- **Addressing the opioid epidemic:** It's gripping the country and has not spared Vermont. While the state has had one of the biggest declines in overdose deaths due to its use of evidence-based, comprehensive approaches to tackling addiction, combating the crisis remains a priority. We expect the legislature to take further action on this.
- **Increasing the minimum wage.** A total of six bills in the General Assembly would set a \$15 minimum wage, with the most popular proposals envisioning a step-wise increase by 2022.

## VIRGINIA

When the General Assembly convenes in Richmond on Jan. 9 for a 45-day session, delegates and senators will find much of their time dedicated to three key issues:

- **Gambling:** The Pamunkey Indian Tribe, which became the first Virginia tribe to earn federal recognition through the U.S. Bureau of Indian Affairs in 2015, announced in 2018 that it was pursuing a casino resort on tribal lands. While the tribe does not need state approval for certain games, such as poker, it needs to negotiate an agreement with the state in order to offer slot machines, blackjack and roulette, among other games. The announcement brings new urgency to an issue that has been repeatedly rejected, despite efforts by a few legislators to bring riverboat casino gambling to the Norfolk area. A negotiated agreement between the state and tribe has been pitched as carrying the potential benefit of bringing in additional state revenue while allowing the tribe to pursue self-sufficiency through construction and operation of a major destination resort.

In Southwest Virginia, lawmakers are discussing legislation related to another proposed casino, in Bristol, and advocating for a referendum on the issue. Meanwhile, in spring of 2018, the U.S. Supreme Court ruled that states could legalize and regulate sports betting, creating an opening for legislators to craft bills that leverage another issue carrying social and fiscal implications for potential tax revenue. Numerous legislators spent the weeks leading into the start of the 2019 legislative session floating potential frameworks. Virginia already is seen as a leader in this arena; in 2016, Virginia became the first in the nation to enact a law regulating the operation of fantasy sports sites. The model legislation acknowledged fantasy sports betting as a game of skill while requiring independent audits and various consumer protection measures. In 2018, state lawmakers and Gov. Ralph Northam approved a bill legalizing and regulating betting on historical horse races, a move designed to breathe new life into Colonial Downs, a shuttered horse track east of Richmond.

- **Redistricting:** Virginia's General Assembly will face the task of redrawing 11 House of Delegates districts that were declared illegal by a federal court. The court ruled that race was improperly used to pack African-American voters into the 11 districts, diluting their voting influence in surrounding districts. The court set a deadline for new district boundaries by Oct. 30, but a special legislative failed to yield an agreement. A new deadline of March 28 was subsequently set. Meanwhile, the U.S. Supreme Court is poised to take up the case. In 2017, Republicans lost 15 seats in the House of Delegates but retained a 51-49 majority after a tied race in one district was determined by way of drawing lots.
- **Medicaid:** In 2018, Virginia legislators and Gov. Ralph Northam expanded Medicaid eligibility under provisions of the federal Affordable Care Act. This year, they are expected to grapple with issues related to implementation of the expansion, as well as efforts to rein in escalating costs of existing Medicaid recipients.

## WASHINGTON

Washington's 2019 legislative session begins January 14 and will run for 105 consecutive days. The legislature will write three two-year budgets, covering state operations, transportation and capital expenditures. The next biennium begins on July 1, 2019.

When the midterm results were in, Democratic legislators had increased their majority in both chambers. The state Senate now has 28 Democrats and 21 Republicans. The state House has 57 Democrats and 41 Republicans.

Top issues in 2019 include:

- **Clean energy.** Governor Jay Inslee (D) has proposed the state require utilities to have 100 percent carbon-free energy by 2045. Utilities can go along with 100 percent net carbon free, i.e., use some natural gas but do offsetting activities for the carbon from the natural gas.
- **Mental/behavioral health.** Continue increasing funding for mental health and addiction treatment.
- **Saving the whales:** The Governor has proposed spending \$1.1 billion on several activities to address the dwindling population of Orca whales.
- **Education:** More funding for K-12 education, with an emphasis on special education. More funding for early learning through the Department of Children, Youth & Families, with a specific focus on pre-K and home visitation services.

- **Rural broadband:** The Governor has proposed \$25 million to bring broadband to remote parts of the state. This is seen as an effort over the next four biennia, at least.
- **Transportation:** The chair of the Senate Transportation Committee has proposed a transportation package of at least \$10 billion over 10 years for a variety of road projects, new ferries, replacement of fish-blocking culverts, etc.

## WEST VIRGINIA

Following the 2018 election, both chambers of the West Virginia legislature remained in Republican control. However there have been leadership changes resulting from various political shakeups associated with the election and ongoing issues with the state Supreme Court. Fortunately for legislators, the 2019 session begins with the state in much better financial shape than in recent years. The financial problems that hung like a pall over the past several sessions will not be at the forefront this year.

- **Education:** In the wake of last year's statewide teachers' strike, which ended with a 5 percent pay raise for teachers and other state employees, expect education to be a major topic this session. One topic sure to dominate the discussion will be how the state's Public Employees Insurance Agency is managed. For the past few years, PEIA has been increasing premiums as health care costs have gone up and state funding has remained stagnant. As a concession to the striking teachers, it agreed to freeze rates in 2019, adding a hefty strain to a budget already stretched to fund pay raises. Governor Jim Justice (R) announced a task force to research possible means of fixing structural issues with insurance. Lawmakers have also been looking at host of other education-related issues, and the Governor's Higher Education Policy Commission is also looking at ways state postsecondary education is managed, and potential reforms will result from its work as well.
- **Tax reform:** With West Virginia's budget stabilized, many conservative legislators are looking at opportunities for tax cuts on all fronts. Various comprehensive tax reform packages are in the preliminary stages. Expect some to come into the light of day as the session moves forward.
- **Tort reform:** Continuing a theme since Republicans took control of the legislature in 2014, expect more tort reform initiatives to take shape.
- **Good governance:** Now that the dust has settled after the constitutional crisis created by the legislature's impeachment of its entire Supreme Court for alleged lavish use of state money to decorate their offices, and the ensuing trials and resignations that dominated state

headlines in 2018, expect various transparency and good-government bills intended to control agency spending to move forward.

- **Opioid response:** West Virginia is regarded by many as “ground zero” in the opioid epidemic, and lawmakers will continue to look at ways to combat this scourge. Governor Justice recently commissioned a substance abuse task force to develop alternative approaches to addressing the crisis.

Overall, with new leadership in the state House and musical chairs in the state Senate, there will be very different approaches to legislation than many have seen in the past.

## WISCONSIN

Wisconsin is entering unfamiliar territory in the 2019-2020 legislative session after Democratic Governor-elect Tony Evers edged out two-term Republican Governor Scott Walker by a one-point margin in the November midterms. Republicans maintained control of the Senate and Assembly but enter a session with divided control of government for the first time since 2010, when the GOP took both houses and the governor’s office. The two parties are off to a rough start after the legislature convened in an extraordinary session ahead of Evers’ inauguration to pass two bills that diminish the power of the state’s governor and executive branch.

- **Budget wrangling:** First up for Wisconsin’s new divided government will be Evers’ first state budget. The executive budget is expected to be met with sweeping changes by the legislature. A stalemate leading to a base budget scenario and prolonged process appears to be a strong possibility if negotiations between the governor and legislature break down this summer.
- **Health care reform:** In the December extraordinary session, the legislature failed to pass pre-existing conditions protections to safeguard against the successful outcome of the lawsuit challenging the Affordable Care Act in Texas federal court. However, the legislature may move early this session to secure this campaign season promise. Other patient-focused initiatives, such as step-therapy and pharmacy benefit manager reforms, appear to be picking up momentum as bipartisan healthcare solutions.
- **Medicaid expansion:** Evers has signaled his intent to pursue federal funding for the expansion of Medicaid, which Walker had refused to do. While Wisconsin was among 17 states to turn down the federal funding, several

of those other naysayers have since recently approved the expansion. Evers’ ability to navigate the Republican legislature in the upcoming budget will be key to whether he can push expansion through in Wisconsin.

- **Transportation funding:** A long-term transportation funding solution was a central issue in the Governor’s race, and Evers’ position that “everything is on the table” when it comes to new sources of revenue for roads, won him the support of the state’s road-building union and residents alike. Scott’s attitude toward potholes was decidedly more laissez-faire. GOP leaders have been split on the issue. The Assembly has been firmly in support of increased funding over the past two sessions, but the issue is not yet settled in the Senate, where several Republicans vehemently oppose a revenue increase. Evers’ support shifts the dynamic in favor of coming to a bipartisan agreement.
- **Economic development incentives:** The Wisconsin Economic Development Corporation tax incentive agreement with Taiwanese multinational electronics contract manufacturing company Foxconn will come under scrutiny as Evers’ and his fellow Democrats in the legislature are calling the \$4 billion incentive package a bad deal for Wisconsin taxpayers—despite the fact that the \$10 billion development which is projected to provide 13,000 high-tech jobs has already broken ground. As the incoming administration locks horns with the GOP over direction of WEDC, the success of Foxconn and future large-scale development deals remains uncertain.

## WYOMING

The 2019 legislative session could prove eventful, with legislators poised to consider a number of measures that could have a substantial impact on Wyoming’s business community and state finances.

- **Corporate income tax:** One of the hottest of political hot potatoes to come before the legislature may be levying a corporate income tax on business profits. The lack of such a tax sets Wyoming apart from every other state in the union but one (hint: its massive mountainside sculpture depicting four former American presidents draws more than 3 million people each year). Proposed by state Rep. Jerry Obermueller (R), the tax would apply to companies with more than 100 shareholders, and would buck a recent movement in some states to reduce or eliminate their own state corporate income taxes. While a specific rate has not yet been proposed, a joint revenue committee is excited at the prospect of another source of income for the public coffers. While the absence of such a tax has helped establish Wyoming’s status as a national leader in pro-

business tax policy, fiscal realities may force the Republican leadership to consider the measure—though if it does, expect the rate to be relatively modest.

- **Promoting tourism:** As Wyoming's tourism industry continues to grow, lawmakers are expected to continue to seek ways to fund the industry independent of the state's general fund, including possibly by imposing a statewide 5 percent lodging tax, with 3 percent of that earmarked for statewide tourism promotional efforts and the rest going to local governments. Wyoming's Office of Tourism hasn't had a budget increase in over eight years, and lawmakers could decide its time to put the state tourism efforts on a more level playing field budget-wise with neighboring states such as Utah, Colorado and Montana.

- **Daylight saving time:** An unique change may be on the horizon—literally—as legislation has been introduced that could eventually lead to Wyoming adopting daylight saving time year round. Filed by Rep. Dan Laursen, H.B.14 provides that if three surrounding Mountain Time states adopt year-round daylight saving time, Wyoming would be required to seek the US Department of Transportation's permission to join that elite club. Possible negative impacts on Wyoming's agricultural community are likely to provide ammunition for would-be opponents, while supporters will argue that the semi-annual time changes disrupt sleep patterns and lead to increased traffic accidents.

## DENTONS 50

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