

National Caucus of Environmental Legislators 2024 Post-Election Analysis

Overview

Following the 2024 election, the actions of states will be more important than ever. With promises of environmental rollbacks and roadblocks at the federal level, any progress over the next four years will come from the state level. However, this is not a new position for states. Environmental progress continued from 2016-2020 with many states passing groundbreaking energy, conservation, and environmental health bills. Over the past four years, states have continued innovating and making progress, empowered by historical federal funding through the Bipartisan Infrastructure Law and the Inflation Reduction Act. As all eyes turn to states once again, we expect more progress and organized efforts to push back against the expected federal rollbacks.

This memo outlines the new state legislative landscape and what the elections could mean for state environmental policy.

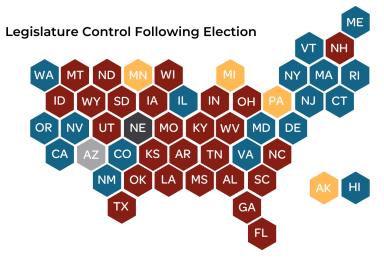
State Control and Legislative Makeup

This year, 85 of the 99 legislative chambers across 44 states were up for reelection. Six states did not hold state elections - Alabama, Louisiana, Maryland, Mississippi, New Jersey, and Virginia. In addition, the Michigan and Minnesota Senates were not up for reelection. Nebraska is a unicameral, nonpartisan legislature.

Before the election, Republicans controlled 57 legislative chambers and Democrats controlled 41 chambers. Pennsylvania was the only state with a divided legislature and Alaska was governed by a Republican coalition in both legislative chambers.

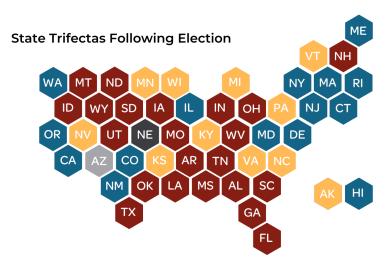
Trends Across the States

Following the 2024 election, Republicans hold 55 state legislative chambers and Democrats control 39 chambers across the nation's 98 partisan state legislative chambers. Control of the Arizona House and Senate is yet to be determined but is leaning Republican. The Minnesota House is currently tied and the Alaska House will be governed by a bipartisan coalition. Nebraska is a nonpartisan unicameral legislature.



Overall party control of the states -- holding the House, Senate, and Governorship -- is as follows:

- Republicans fully control 22 states.
- Democrats fully control 15 states.
- 11 states have divided governments with split control between legislatures and the governorship. Alaska House will be governed by a bipartisan coalition and the full impacts of this are yet to be determined.
- Nebraska is a nonpartisan unicameral legislature.



Other Important Trends

Compared to the 2022 elections, Republicans broke trifectas in Michigan and Minnesota. Republicans also gained a supermajority in the South Carolina Senate and broke a Democrat supermajority in the Vermont House. However, Democrats were able to break Republican supermajorities in the North Carolina House and the Wisconsin Senate. Democrats also won a supermajority in the Oregon Senate but fell two seats short of being able to meet quorum and prevent a walkout.

New Mexico will have its first-ever female majority legislature with women holding 60 of 112 seats. This is also the largest female legislative majority in U.S. history.

This year there were about 250 Indigenous candidates on the ballot across 25 states for public office - more than ever before. According to <u>Advance Native Political Leadership</u>, 347 Native elected officials currently hold office, accounting for only 0.1% of all elected offices across the country. For comparison, the total Native population in the U.S. is 3%. Over the past 20 years, state legislators have seen the largest increase, 300%, of people elected who identify as Indigenous.

Impacts on State Environmental Policy

Climate and Energy

IRA and Federal Funding: Going forward, the fate of the IRA going forward is unclear. However, it is clear there will be less federal funding and potentially even efforts to repeal or withhold remaining IRA funds. Going forward, states will be expected to do more for energy and the environment with less support from the federal government. Right now, states can take advantage of the remaining funds and programs available such as direct pay and the Home Energy Rebate program..

Energy Project Permitting: Legislation to simplify renewable energy project siting and permitting can greatly benefit the energy market by promoting project development. Following the election, the prospect of meaningful permitting reform on the federal level is very unlikely. States have started considering legislation on this topic. In the coming years, states will continue investigating and identifying ways to eradicate bureaucratic redundancies, involve communities sooner and more meaningfully, and strategically identify where clean energy should be sited.

Transmission and Grid Policy: Our transmission system is in desperate need of expansion for the reliability, affordability, and sustainability of the grid. With a leadership change at FERC, federal efforts on this front are uncertain. There is a lot in the transmission space within state jurisdiction including incentivizing grid-enhancing technologies, creating transmission authorities, and prioritizing transmission development in existing rights of way. There's been an increase in state and regional efforts around transmission and grid policy and we expect this to continue as an area with bipartisan movement going forward.

Ocean

Coastal Resiliency: As states continue to experience the impacts of more frequent and stronger storms, coastal communities and livelihoods are at risk. Identifying, protecting, and restoring areas that decrease flood risk and sea-rise impacts can reduce flooding impacts and combat economic losses for coastal states. States can take advantage of the current federal investments for coastal and climate resiliency projects through the Bipartisan Infrastructure Law and Inflation Reduction Act. Legislation that promotes resiliency planning and restoration, particularly projects that will restore coastlines, mitigate flooding, and center nature-based solutions can still qualify for this funding.

Offshore Energy: Over the past decade, states have led efforts to transition offshore energy from drilling to wind. In the face of the federal government re-opening offshore oil and gas leasing, combined with federal bans and halts on offshore wind, states will continue working across state lines on the offshore energy transition.

- Following the last offshore drilling push in 2018, over <u>225 state legislators</u> signed a letter opposing this threat to coastal states' environment and economies. By 2020, <u>10 states</u> had passed legislation (or a constitutional amendment) to restrict offshore drilling and its enabling infrastructure. We expect this type of cross-state collaboration to continue.
- Many states have started working to expand offshore wind leases and infrastructure, and set goals for offshore wind energy generation. In the face of a potential offshore wind ban, states can continue moving forward to be ready for when leases are re-opened. This includes redesigning port areas, focusing on transmission and grid improvements, and workforce development.

Blue Economy: The sustainable blue economy encompasses sectors and services that are dependent on the ocean and coastal waters like fishing, tourism and recreation, shipbuilding, and renewable energy generation. As ocean use increases, the growth of the sustainable blue economy must be thoughtful to ensure marine ecosystems and coastal communities are protected and benefits are equally accessible. State legislators can introduce bipartisan legislation that incentivizes further growth of a sustainable blue economy, promotes ocean and coastal conservation, encourages community engagement, and helps build the blue workforce of tomorrow.

Conservation - Land and Wildlife

Wetland Protections: The <u>2023 Sackett v EPA</u> Supreme Court case significantly weakened the Clean Water Act, and left it up to states to take action to protect wetlands. Wetlands provide critical resources like clean drinking water, flood mitigation, and wildlife habitat. States have already passed replicable models for ensuring durable wetlands protection, some with bipartisan support, and large amounts of federal funding, such as the STORM Act funds, remain to advance these protections.

Biodiversity: Biodiversity is the variety of life on earth, and the options for protecting biodiversity are just as varied. States have led on biodiversity protections as there has been limited action at the federal level. In 2022, more than 360 state lawmakers signed on to support a National Biodiversity Strategy. Now with expected rollbacks, state action will be crucial. Efforts that we've seen in states that will continue include: strengthening state Endangered Species Acts, returning land back to Tribal Nations, pursuing state biodiversity strategies, restricting harmful pesticides, and addressing species management at the state agency level.

Outdoor Engagement: Outdoor access and engagement allows for improved health, education, and economies by providing jobs and increased tourism. States are leading the way in piloting innovative and successful outdoor programs that strengthen communities, create jobs, and allow more people to access the multitude of benefits that come from spending time outdoors. Many of these policies receive broad bipartisan support.

Environmental Health

PFAS and Toxic Chemicals: States have led the way by enacting strong PFAS regulations in the face of minimal and delayed federal action. This is also an area with bipartisan support as they seek to protect firefighter and first responder health, water supplies, and constituent health. We expect to see continued bipartisan and state action around increased water testing, removing PFAS from firefighting foam, and protecting local water supplies. States will also play a crucial role in enshrining strong toxic regulations for other chemicals in the event of federal slowdowns of review and monitoring through TSCA.

Plastic Pollution: If oil and gas drilling expands, that provides an increased production line for creating new plastics. This will also make new methods of waste management crucial, which could lead to false solutions such as chemical recycling gaining more traction. As states continue to explore ways to deal with plastic waste, it's important to ensure community input and engagement throughout the process. We expect to see states continuing efforts around extended producer responsibility (EPR) along with monitoring and pushing back against efforts to increase production of plastic and continued plastic incineration.

Sustainable Agriculture and Farm Bill: The future of the Farm Bill is uncertain, as Congress will look to approve a new bill during the lame-duck session before the end of the calendar year. A lapse in the funding provided by the bill, which is set to expire in December 2024, would have devastating effects on farmers, crops, wildlife habitats, and food security. State legislators will have the opportunity to raise their voices in support of a new Farm Bill before the end of the year, encouraging Congress to take bipartisan action to meet the needs of farmers and other communities affected by the bill. However, states continue to prioritize these areas, with Illinois embedding healthy soils into their state sustainable ag funding and MN with a young and beginning farmer tax credit.

Ballot Measures

States voted on a handful of energy and environmental ballot measures. Below is a brief recap of some of the major measures:

• California Proposition 4: Pass

• Authorizes \$10 billion to fund various activities aimed at conserving natural resources, as well as responding to the causes and effects of climate change.

• Louisiana <u>Outer Continental Shelf Revenues for Coastal Protection and Restoration</u> Fund Amendment: Pass

 Requires federal revenues received by the state from energy production (including wind, solar, tidal, wave, and other alternative or renewable energy sources) to be deposited in the Coastal Protection and Restoration Fund. The fund pays for wetland presentation, coastal restoration, hurricane protection, and infrastructure impacted by coastal wetland loss.

• Maine Question 4: Pass

 Authorizes \$30 million in general obligation bonds for the development and maintenance of outdoor trails. Of the \$30 million, 25% must be used for nonmotorized trails, 25% for motorized, and 50% for multi-use trails.

• Minnesota Amendment 1: Pass

• Extends the dedication of lottery-derived revenue to the Environment and Natural Resources Fund for 25 years.

• Rhode Island Question 4: Pass

• Issues \$53 million in bonds for environmental-related infrastructure, local recreation projects, and for preservation of land.

• South Dakota Referred Law 21: Fail

 Decides whether Bill 201 will be upheld or repealed. Bill 201 provides statutory requirements for regulating carbon dioxide pipelines and other transmission facilities, and allows counties to impose a surcharge on certain pipeline companies. A failed referendum will repeal Bill 201.

• Washington Initiative 2066: Pass

• Prohibits state and local governments from restricting access to natural gas and from discouraging its use in any building.

• Washington <u>Initiative 2117</u>: Fail

 If the initiative passed, it would have prohibited carbon tax credit trading and repealed provisions of the 2021 Washington Climate Commitment Act (CCA), a state law that provided for a cap and invest program designed to reduce greenhouse gas (GHG) emissions by 95% by 2050.