

# LA WATCHDOG

## Analysis: Though above historic lows, Louisiana still lags in report on freedom of states

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September 5, 2018

Comparing the relative freedom between two nations at opposite extremes, such as the United States and North Korea, is fairly easy.

While such polar opposites may not exist within the U.S., given the variances in state laws it's not a surprise that some states are more free than others. The question is, what's the best way to tell the difference?

The Cato Institute, a nonprofit think tank devoted to limited government and free markets, periodically takes a stab at answering that question with its "Freedom in the 50 States" report. The study took a look at dozens of different benchmarks split mainly into three categories – fiscal policy, regulatory policy and personal freedom.

Once all the numbers were crunched, the result for Louisiana was not great. Though much improved from where it was a decade ago, the state still finished just 30th overall among the 50 states based on Cato's most recent data set from 2016. That was a slide from 25th place when the study was done based on 2015 data.

Still, the report's authors gave the state credit for maintaining scores well above what the state saw before 2008. At its lowest points, in 2003 and 2004, Cato had Louisiana ranked as the 44th freest state.

"Louisiana used to be one of the least economically free states in the South, but it has improved significantly on fiscal policy since 2008," the report's authors, William Ruger and Jason Sorens, stated. "The state is now in the middle of the pack on both economic freedom and personal freedom."

Cato gave Louisiana a 22nd place ranking in fiscal policy, which makes up 30.4 percent of the overall score, 32nd in regulatory freedom, which is 34 percent, and 30th in personal freedom, which covers another 34.1 percent.

"State-level taxes are now just a projected 4.8 percent of personal income, a significant decline from a peak of 6.5 percent in FY 2007," the authors wrote. "But this was a bump up from recent lows and is a troubling sign. Meanwhile, local taxes have remained around the 21st century historic average for the state, at 4.6 percent of income."

Some of the subcategories where Louisiana performed the worst included:

- 44th in “Occupational freedom,” which looks at occupational licensing, education and experience requirements.
- 45th in “Travel freedom,” which covers seat belt laws, helmet laws, mandatory insurance coverage and cell phone usage laws.
- 47th in “Cannabis & Salvia freedom,” relating to medical marijuana and related policies.
- 48th in “Lawsuit freedom,” which measures how plaintiff-friendly the civil liability system is.
- 50th in “Incarceration and arrests,” which includes incarceration rates, non-drug crime arrests and drug enforcement.

“Crime-adjusted incarceration rates are extremely high despite getting slightly better over the last five years; the state is 2.1 standard deviations above the national mean for our entire data set,” the study says of Louisiana. “Drug arrests are also quite high and increased in 2015-16. However, it should improve in this area given localities like New Orleans decriminalizing low-level possession.”

On the other side of the coin, there were also a number of metrics where Louisiana posted above-average or better rankings:

- 9th in “Land-use freedom,” which includes eminent domain reform and land-use regulations.
- 6th in “Alcohol freedom,” meaning restrictions on distribution, taxes and other policies.
- 5th in “Educational freedom,” covering requirements and restrictions for private schools and home-schooling.
- 2nd in “Gaming freedom,” relating to gambling restrictions and regulations relating to social and online gaming.
- Tied for 1st for “Cable and telecom freedom” in terms of telecommunications deregulation and cable franchising

“Louisiana is one of the better states for both land-use and labor-market freedom,” Ruger and Sorens wrote. “Zoning is light. The state has a right-to-work law and no minimum wage. A telecommunications deregulation bill was enacted in 2013-14, and the state has long had statewide video franchising.”

As far as how other states fared, Florida landed at No. 1 in the report as the most free state in the country, while New York landed at 50th and was considered to be the least free. Regionally, Louisiana’s neighbors were varied – Texas did somewhat better, finishing 21st, while Arkansas was in 31st and Mississippi landed in 40th place.

The authors provided several suggestions for how Louisiana could improve its freedom score. They propose that the state abolish judicial elections, reform the punitive damages code and decriminalize possession of small amounts of marijuana, among other ideas.

“[Louisiana should] cut spending in areas well above the national average: employee retirement, water transportation (the state spends five times as much as a share of personal income as Texas and more than twice as much as Mississippi), parks and recreation, housing and community development, health and hospitals, corrections, and general administration,” the authors state. “Use the proceeds to cut the sales tax, one of the nation’s highest.”