

THE ORANGE COUNTY REGISTER

California has work to do to boost freedom

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The Cato Institute has published its annual “Freedom in the 50 States” report, and once again California ranks near the bottom.

Ranking the states on measures of personal and economic freedom, the Golden State unfortunately came in at 48th due to the state’s high taxes, extensive regulations and mixed set of policies on personal liberties.

The report notes that while California’s local taxes are actually in line with the national average, its state taxes are well above the norm. “Despite Proposition 13, California is one of the highest-taxed states in the country. California’s combined state and local tax collections were 10.9 percent of adjusted personal income,” the report notes.

This burden would’ve only been made worse had Californians approved the union- and Gov. Gavin Newsom-backed split roll proposal last year. Fortunately, California voters narrowly rejected the measure, which sought to raise \$8 billion per year in taxes from certain commercial and industrial properties.

It’s on the regulatory front that California really stands out. California’s combination of land-use restrictions and rent control drive the state’s housing shortage, while extensive occupational licensing laws and onerous labor laws stifle employment.

“On the plus side, the state has no certificate-of-need law for new hospitals and has made some moves to deregulate cable and telecommunications, and the civil liability regime has improved gradually during the past 14 years,” the report notes.

On the personal freedom ledger, the report favorably cites California’s approach to marijuana, death with dignity law, decrease in incarceration rates since 2010 and its status as an early leader in same-sex marriage. On the other hand, California has cracked down on electronic cigarettes,

imposes some of the harshest polices on lawful gun owners and doesn't have private school choice programs.

The report argues for a number of policy changes that would improve freedom in California: expanding legal gambling, further liberalizing the housing market and cutting state spending to reduce state indebtedness.

These are all reasonable ideas, of varying degrees of political feasibility.

Liberalizing the housing market would be the most consequential among the recommendations.

High housing costs are a primary driver of California's status as the state with the highest poverty rate in the country when adjusting for costs of living. But the desire to control what types of housing are built where transcends the usual partisan divide, while Democratic cities like Los Angeles and San Francisco zealously hold onto their harmful rent control policies.

This editorial board has long supported cutting red tape that constrains where housing is built, reforming the California Environmental Quality Act to limit lawsuits aimed at stopping housing construction and resisting calls to expand rent control.

California may never get to the level of freedom boasted by No. 1-ranked New Hampshire — a state, notably, with a Republican-controlled state government but exclusively Democratic representation in Congress — but with prudent policy changes with tangible benefits, it can become a better place to live, work and invest.