JOURNAL

Colorado is rated one of 'freest' states

Libertarian think tank releases rankings

Peter Marcus

August 16, 2016

DENVER – Colorado remains one of the nation's "freest states," according to the libertarian Cato Institute.

The Washington, D.C.-based think tank released its "Freedom in the 50 States" rankings on Monday, placing Colorado 11th in the nation.

The state moved up two spots from its 2012 ranking of 13th. In 2010, the state ranked 18th; in 2008 it ranked 12th; and in 2006 it ranked ninth.

The study examined state and local government intervention, including taxation, debt, eminent domain laws, occupational licensing and drug policy, to name a few of the more than 230 variables that were studied.

"While the federal government has become more intrusive and inefficient over the last two decades, individual states are providing Americans with a little-recognized renaissance of policy innovation that is making their citizens freer," the report's authors said in a statement. "If we want to save our freedom and restore good government, it is to the states that we must look and not to the federal government."

The study was authored by William Ruger and Jason Sorens, researchers with Cato.

Colorado's overall tax burden is a little lower than the national average, but state-level taxes have crept upward since fiscal year 2009. Local tax revenues peaked in fiscal year 2009 and fell back slightly to fiscal year 2012.

Thanks to a 1992 law, the Taxpayer's Bill of Rights, or TABOR, taxes cannot be raised in Colorado without a vote of the people. The law also curbs government spending and requires taxpayer refunds when there is a revenue surplus.

By individual category, Colorado scores 22nd in fiscal policy, 25th in regulatory policy and second in personal freedom, with much attention placed on the legalization of marijuana and gun rights.

Despite the positive ranking, researchers said Colorado should consider trimming spending on local parks. The state spends almost twice the national average on local parks, according to researchers.

Public parks, however, are considered by many Coloradans to be critical to a quality of life in Colorado, and public polling shows that many taxpayers would like investments in those areas, according to local environmental groups.

The Cato Institute also recommended cutting spending on unemployment and business subsidies, while also reducing taxes.

The study comes as Colorado voters will be asked to consider a \$25 billion ballot initiative to create a single-payer health care system.

Voters will also be asked to raise the state minimum wage. Another proposed ballot initiative for the fall would ask voters to raise taxes on cigarettes.