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Commentary: Florida's freedom advantage benefits its economy

Will Ruger and Jason Sorens

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Earlier this summer, Florida achieved the economic milestone of having a \$1 trillion state gross domestic product. This is a huge achievement, and although some of it can be attributed to Florida's natural advantages, the state's success is supported by smart policy.

Sure, a favorable year-round climate and abundant coastline go a long way, but it takes economic and personal freedom for individuals to make the most of those advantages. Although there's still work to be done, the Sunshine State is leading the pack thanks to its freedom advantage.

What makes Florida freer than just about everywhere else? Let's start with the state's tax burden, which is one of the lowest in the country. How did the state's leaders accomplish this? They have resisted harmful policies that have stifled growth in other states. They've also paired big changes in lowering corporate income taxes with local taxes that have fallen as a percentage of the state economy.

As a state adding an estimated 900 residents every day, Florida has largely avoided the problem of housing cost increases by keeping its zoning regulation straightforward. It enacted the 1995 Bert Harris Private Property Rights Protection Act, limiting local governments by forcing them to compensate landowners when new regulations severely damage the value of their property. Florida also has the nation's toughest restrictions on eminent domain abuse, which is when governments take away private property to give it to developers.

Telecommunications and cable services have been liberalized, allowing choice and competition for consumers and creating roughly \$400 million of value each year for the economy. The Sunshine State has also improved on personal freedom since 2010, following a period of decline. In 2014, Florida broadened its school choice tax credit and scholarship programs, making the state second best in the nation for educational freedom after Arizona. Citizens legalized medical marijuana by ballot initiative in 2016, and lawmakers raised the burden of proof for civil forfeiture of private property that same year.

Why do all these policies matter? They certainly matter a great deal for the people directly affected by them, but there also is considerable evidence of their importance for a growing economy. We find that states freer in all three dimensions — fiscal, regulatory and personal —

attract new residents from other states. States with less business regulation also see faster growth in incomes.

Yet despite Florida's stellar record in many areas, it has been mediocre or even awful in others. Florida locks up 0.51 percent of its entire population, compared with 0.39 percent nationally. In Florida, you can still lose your driver's license for months for a non-driving-related drug offense, which can make it impossible for small-time offenders to get their lives back on track. When it comes to business regulation, Florida makes some important unforced errors. Florida licenses more occupations than all but a handful of other states. Needing a government permission slip before practicing an honest trade raises prices without raising quality, economists have found. The Legislature should consider removing licensing or replacing the process with a less onerous regulation like certification, also known as title protection.

There also are ways to control health care costs statewide. Legislators should also consider giving nurse practitioners independent practice and prescription authority and removing regulatory obstacles to managed care, such as mandates that prevent managed care networks from requiring referrals for certain services.

Every state has a lot of homework to do to realize the ideals of a free society. Florida is no exception, but as a free state, it still provides an example of the advantage of how freedom works.

Ruger is a research fellow at the Cato Institute and vice president for research and policy at the Charles Koch Institute. Sorens is a lecturer in the Department of Government and program director of the Political Economy Project at Dartmouth College. They are the authors of "Freedom in the 50 States," now in its fifth edition.