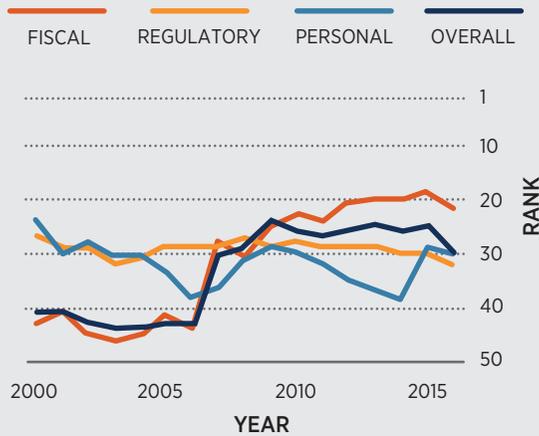


# LOUISIANA

2016 RANK  
**30th**



## POLICY RECOMMENDATIONS

- **Fiscal:** 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. Use the proceeds to cut the sales tax, one of the nation's highest.
- **Regulatory:** Abolish judicial elections and enact punitive damages reforms.
- **Personal:** Follow localities and decriminalize small-scale possession of marijuana at the state level.



Population, 2017  
**4,684,333**

Net Migration Rate  
**-8.0%**



State Taxes, Percent of Personal Income, FY 2017  
**4.80%**

Local Taxes, Percent of Personal Income, FY 2015  
**4.64%**

Partisan Lean, 2016  
**R +9.9**



Real Per Capita Personal Income, 2016, in 2009 \$  
**\$42,337**

Real Personal Income Growth, CAGR, 2000-15  
**2.9%**

## ANALYSIS

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 state is now in the middle of the pack on both economic and personal freedom.

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. 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. Louisianans don't have much choice of local government, with only about one competing jurisdiction per 200 square miles of territory. Government debt is about average and has fallen slightly since recent peaks during the Great Recession. Government employment has fallen significantly, from 17 percent of private employment in 2000 to 12.7 percent today.

Louisiana is one of the better states for both land-use and labor-market freedom. 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. On the other hand, occupational freedom is notoriously bad in Louisiana (as of this writing, it is still the only state to license florists—out of a concern for public health and safety, no doubt). Nurses and dental hygienists have very little freedom of practice. The state has a hospital certificate-of-need law, but moving companies do not have to get a “certificate of public convenience and necessity” to open. There is an “unfair” pricing ban and a “price-gouging” ban. Needless to say, Louisiana is one of the most cronyist states. Louisiana's court system has long been terrible no matter how you measure it (enacted tort reforms, survey ratings, size of the legal sector).

On personal freedom, Louisiana hasn't seen the improvements in personal freedom enjoyed by other states, although it did receive a bump from the *Obergefell* decision. It was dragged down for this edition by being the worst state on criminal justice policy. However, it passed substantial reform in 2017 that should improve its ranking (some of which we called for in the fourth edition).<sup>120</sup> 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. Drug arrests are also quite high and increased in 2015-16. However, that rate should improve in given localities like New Orleans decriminalizing low-level possession.<sup>121</sup> Louisiana is one of the worst states for marijuana freedom (although this could change in the next edition given possible pending reforms). The state does have a limited medical marijuana law. The state's asset forfeiture law was strengthened slightly in 2007-8, but the state remains worse than average on its asset forfeiture regime. It remains a fairly good state for tobacco freedom, but smoking bans in bars were passed for the first time in 2013-14 and taxes went up in 2016. Louisiana is also a standout on educational freedom, with public school choice, a limited voucher law, and an expansive tax credit scholarship program. However, private school teachers have to be licensed. Gambling freedom is extensive, and the industry has grown over time. Alcohol freedom is high, with moderately taxed wine and spirits widely available, and the state has eliminated the restriction on direct wine shipping. Gun rights are about average, as the state makes it almost impossible to get a Class III weapon, concealed carry is weighed down with limitations, the permit cost for concealed carry is high, and there is a stricter-than-federal minimum age for possession.

120. “Here's How Louisiana Sentencing Laws Are Changing under Criminal Justice Reform,” *Times-Picayune*, October 13, 2017, [http://www.nola.com/politics/index.ssf/2017/06/louisiana\\_crime\\_sentences\\_chan.html](http://www.nola.com/politics/index.ssf/2017/06/louisiana_crime_sentences_chan.html).

121. “New Orleans: Marijuana Arrests Plummet Post-Decriminalization,” NORML website, April 12, 2018, <http://norml.org/news/2018/04/12/new-orleans-marijuana-arrests-plummet-post-decriminalization>.