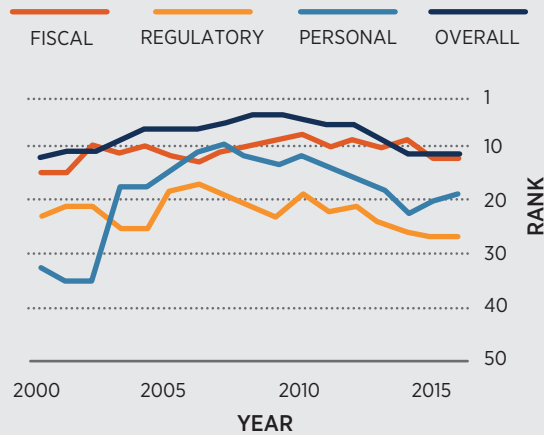
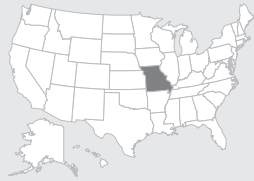


MISSOURI

2016 RANK
11th



POLICY RECOMMENDATIONS

- **Fiscal:** Health and hospitals spending is fairly high, but otherwise Missouri's spending is about average across the board. Localities need to exercise more fiscal restraint, consistent with state government's approach.
- **Regulatory:** Improve labor and occupational freedom by securing the right to work while promoting independent practice freedom for nurses, physician's assistants, and dental hygienists.
- **Personal:** Pass strict anti-circumvention reform to eliminate the equitable sharing loophole in the state's civil asset forfeiture laws that costs Missourians millions.¹²²



Population, 2017
6,113,532

Net Migration Rate
-0.3%



State Taxes, Percent of Personal Income, FY 2017
4.57%

Local Taxes, Percent of Personal Income, FY 2015
4.20%

Partisan Lean, 2016
R +10.3



Real Per Capita Personal Income, 2016, in 2009 \$
\$43,445

Real Personal Income Growth, CAGR, 2000-15
2.1%

ANALYSIS

Missouri is one of the country's freer states, but in recent years it has run the risk of falling back into the middle of the pack. Its slide in regulatory policy is most worrisome, especially because it is not merely relative but is absolute as well, including and excluding federalized policies.

Missouri's local taxes are a bit above average (4.2 percent of adjusted personal income), but state taxes are well below average (4.6 percent of income), making for reasonably high fiscal decentralization. In addition, Missourians have some choice in local government, with more than one effective competing jurisdiction per 100 square miles. We show that state taxes have fallen since FY 2007 and overall taxes are less than average. Government consumption and employment are also below average, while debt and cash and security assets are about average.

We see a little evidence of continued backsliding on regulatory policy. The state has adopted renewable portfolio standards, which have a bigger footprint since they began and add to the cost of electric bills. But overall land-use policy is above average. Local zoning is quite loose, and eminent domain requirements were tightened slightly in 2013-14, although they remain substandard. The state adopted a right-to-work law in 2017 (as we suggested in the fourth edition), but implementation has been delayed pending a statewide referendum on it. Missouri's minimum wage was increased above the federal minimum in 2012, and it is \$7.85 per hour as of 2018. The state does above average on occupational licensing,

although our two main measures of licensure extent point in slightly different directions. Freedom is limited for nurses, physician's assistants, and dental hygienists. The civil liability system remains below average. Insurance rate-setting freedom is fairly high. Cable and telecommunications are somewhat liberalized.

Missouri has a fairly strict approach to criminal justice, involving long sentences that lead to an incarceration rate that is well above average and a high level of arrests for drugs. It does better when it comes to other victimless crimes. It also has a low prison phone rate and wisely avoids suspending driver's licenses for nondriving drug offenders. The state's asset forfeiture law is one of the best in the country, but it is frequently circumvented through equitable sharing. The marijuana regime is almost wholly unreformed, although 2018-19 could bring substantial changes. Same-sex marriage was banned in 2014, but the Obergefell decision trumped that restriction. Missouri is a good state for gambling, alcohol, and tobacco freedoms. Cigarette and alcohol taxes are notably low, and smoking bans are more moderate than in other states, although several localities (including St. Louis city and county) did pass a minimum legal sale age increase to 21 for tobacco products in 2016. Gun rights were slightly better than average in 2015 and got better in 2016 after substantial reform (something we called for in the fourth edition of this study). The state secured the right not to retreat from attackers in public during 2016 and allowed for permitless concealed carry. Raw milk sales are legal, while seat belts and motorcycle helmets are required by law.

122. Nick Sibilla, "Loophole Lets Missouri Cops Keep Millions in Forfeiture Funds (and Away from Schools)," Institute for Justice website, March 2017, <http://ij.org/loophole-lets-missouri-cops-keep-millions-forfeiture-funds/>.