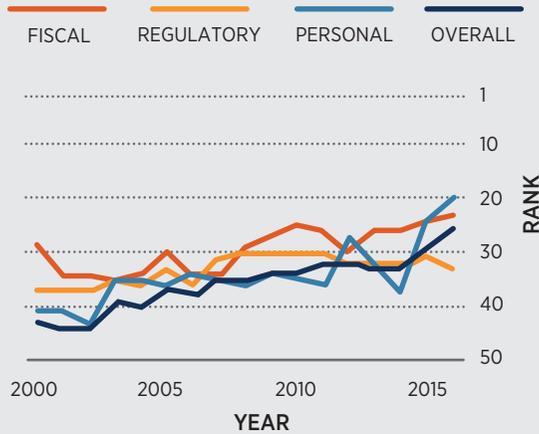


OHIO

2016 RANK
25th



POLICY RECOMMENDATIONS

- **Fiscal:** Trim spending on housing and community development, sanitation, police, education, and employee retirement, areas where Ohio spends more than the average state. Cut property taxes.
- **Regulatory:** Look at Indiana as a model “Rust Belt” state with regard to regulatory policy, and reform Ohio’s regulatory system according to that model. For instance, consider liberalizing the workers’ compensation system and rolling back occupational licensing. Adopt a right-to-work law in line with Indiana and Michigan.
- **Personal:** Abolish mandatory minimum sentences for nonviolent offenses, with an eye to reducing the incarceration rate to a level more consistent with its crime rate.



Population, 2017
11,658,609

Net Migration Rate
-4.9%



State Taxes, Percent of Personal Income, FY 2017
5.19%

Local Taxes, Percent of Personal Income, FY 2015
4.82%

Partisan Lean, 2016
R +5.0



Real Per Capita Personal Income, 2016, in 2009 \$
\$45,176

Real Personal Income Growth, CAGR, 2000-15
1.9%

ANALYSIS

Relative to other states, Ohio has improved just slightly on economic freedom since 2008, but its policy regime is worse than that of other Great Lakes states that have been reforming, such as Indiana, Michigan, and Wisconsin.

Ohio is a little more fiscally decentralized than the average state. Local taxes add up to about 4.8 percent of adjusted personal income, while state taxes sit at a projected 5.2 percent of income in FY 2017. The discovery of shale gas has allowed Ohio to raise severance taxes and essentially shift some of its tax burden to consumers of natural gas throughout North America. State and local debt, government consumption, and public employment are all lower than average and in long-term decline.

On the most important regulatory policy category, land-use and environmental freedom, Ohio does well. Zoning has a light touch, and renewable portfolio standards exist but are very low. Labor-market freedom is a problem area for Ohio. The state has a minimum wage, no right-to-work law, and strict workers’ compensation coverage and funding rules.

Health insurance mandates are costly. Cable and telecommunications have been liberalized. The average of different measures suggests that in Ohio, the extent of occupational licensing is greater than average and grew in 2016. Nursing scope of practice is the most restricted in the country. The state has a hospital certificate-of-need law, but price regulation in most markets is limited. Insurance rating was liberalized somewhat in 2015. The civil liability system has improved over time and is now about average.

Ohio has a higher-than-average crime-adjusted incarceration rate, and it has risen over time. Meanwhile, victimless crime arrest rates are lower than average and have fallen over time. A significant asset forfeiture reform was enacted in 2016; it could be improved even further, but right now Ohio is above average in this category. A limited medical marijuana law was recently enacted, and the state already enjoys limited decriminalization. Gun rights are better than average. Casinos were legalized in 2012. Educational freedom is above average mostly because of a statewide voucher program, but private schools and homeschools are sharply regulated. Draconian smoking bans have been in place for a decade.