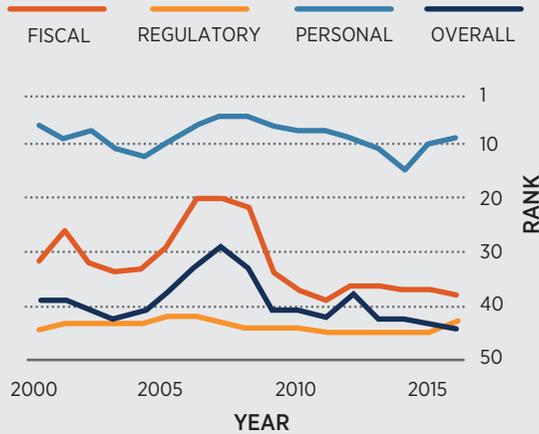


OREGON

2016 RANK
44th



POLICY RECOMMENDATIONS

- **Fiscal:** Cut police and fire, financial control and general administration, employee retirement, health and hospitals, and public welfare to levels consistent with national norms. Cut individual income and property taxes.

- **Regulatory:** Eliminate occupational licensing for farm labor contractors, environmental science technicians, dietitians, pharmacy technicians, massage therapists, private detectives, landscaping contractors, well-drilling contractors, low-power installers, locksmiths, crane operators, and other occupations.

- **Personal:** Follow Washington's lead and privatize the distilled spirits industry.



Population, 2017
4,142,776

Net Migration Rate
10.5%



State Taxes, Percent of Personal Income, FY 2017
6.07%

Local Taxes, Percent of Personal Income, FY 2015
4.14%

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Real Per Capita Personal Income, 2016, in 2009 \$
\$41,266

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

ANALYSIS

Oregon has generally had higher freedom than its neighbors to the north and south, and has reaped the benefits. Like all the Pacific states except Hawaii, it has enjoyed robust economic growth since 2011, but it has not quite matched Washington's performance.

Oregon's state taxes collapsed during the Great Recession but bounced back quickly. Taxes were raised in FY 2014 and FY 2017 and are now a projected 6.1 percent of adjusted income, above the national average. Local taxes have been more or less steady over that time and are now about 4.1 percent of income. Oregonians have little choice of local government, with just 0.27 effective competing jurisdictions per 100 square miles. Government debt has come down but is still higher than average. State and local employment is lower than average, while government GDP share is higher. From a better-than-average fiscal policy in FY 2000, Oregon now looks subpar in this dimension.

Land use has been a controversial issue in Oregon, and the Beaver State is indeed more regulated in this department than most other states, with a further round of development tightening apparently occurring since 2009. The state ratcheted up its renewable portfolio standard in 2014. Oregon's labor policy is generally anti-employment, with one of the highest minimum wages in the country relative to the median wage, no right-to-work law, and comprehensive workers' compensation mandates. The managed care model of health insurance has been virtually banned since 2003, but mandated benefits are modest. Several independent measures show

that Oregon licenses far more occupations than most other states. However, health professions' practice freedom is moderate. Insurance freedom has grown over the last four years with an end to rating classification prohibitions and the joining of the Interstate Insurance Product Regulation Compact. The civil liability system looks a bit better than the national average.

Oregon's criminal justice policy does not quite match the state's live-and-let-live reputation. Incarceration rates are a bit higher than average, but victimless crime arrests have come down substantially over the past several years to a roughly average level. Marijuana liberty is expansive, but this is not the case for freedom to buy distilled spirits, which are available only in extremely expensive government stores. Civil asset forfeiture has been fairly restricted since 2005, and law enforcement does not often circumvent state law through equitable sharing. Gun rights are better than one might expect from a left-of-center state, but in 2007 open carry was regulated. Illegal immigrants can now get driver's licenses, but travel freedom remains low because of bans on handheld cell phones and open containers; seat belt and helmet laws; and mandatory underinsured driver coverage. Physician-assisted suicide is legal. Fireworks are highly regulated. Educational freedom is low because of a total lack of school choice policies (even public school open enrollment), but private schools and homeschools are regulated with a light touch. Smoking bans are comprehensive and airtight. Oregonians are free to lose vast amounts of money on video slot machines, and they do.