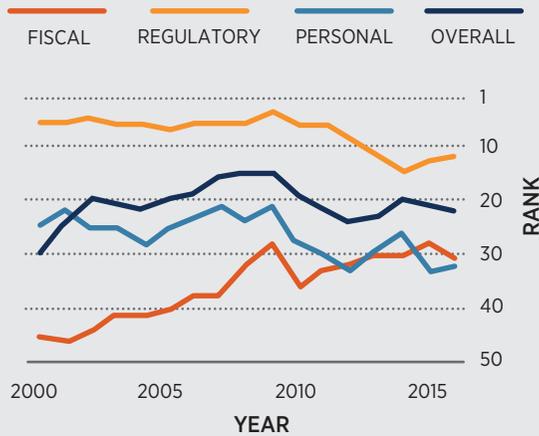


# UTAH

2016 RANK  
**22nd**



## POLICY RECOMMENDATIONS

- **Fiscal:** Build up cash reserves and retire state debt.
- **Regulatory:** Eliminate occupational licensing for taxi drivers and chauffeurs, funeral attendants, occupational therapist assistants, recreational therapists, interpreters and translators, and other occupations. Enact mandatory sunrise review for new licensing proposals, ideally with consumer and professional economist representation.
- **Personal:** Restore the civil asset forfeiture law that Utahns originally enacted in 2000.



Population, 2017  
**3,101,833**

Net Migration Rate  
**4.6%**



State Taxes, Percent of Personal Income, FY 2017  
**5.68%**

Local Taxes, Percent of Personal Income, FY 2015  
**3.81%**

Partisan Lean, 2016  
**R +21.1**



Real Per Capita Personal Income, 2016, in 2009 \$  
**\$38,142**

Real Personal Income Growth, CAGR, 2000-15  
**3.2%**

## ANALYSIS

Utah's fiscal policies are good and have generally improved over time, despite some volatility in the 2008-12 years. Regulatory freedom took a big hit with the ACA in 2012, as with most states, but in fact other regulatory policies also worsened between 2009 and 2014 (recovering slightly since then). Personal freedoms are a mixed bag, consistent with the state's religious and ideological background. Since 2008, the state has been the fourth fastest-growing in the United States, after North Dakota, Texas, and Colorado.

Utah's tax burden is a bit below average. We show a dramatic drop in state revenues with the onset of the Great Recession, which was never replaced. In fact, there were further tax cuts in FY 2014. Local taxes, meanwhile, have remained generally steady right around the national average rate of 3.8 percent of adjusted personal income. Utahns don't have much choice among local governments, just 0.38 per 100 square miles. Government GDP share, debt, assets, and employment are all about average, but generally improving in 2015 and 2016.

Utah does well on regulatory policy overall despite some decline over time. On land-use freedom, the Beehive State is much better than average, but it appears to be tightening zoning rules over time. Eminent domain reform was watered down in 2007. Labor law is solid but not at the very top. The state has a right-to-work law but no minimum wage. However, a new anti-discrimination law was passed in 2016, and the state has mandated E-Verify for private hires since 2010. Managed care is legally feasible, but the legislature enacted a costly mandated benefit for in vitro

fertilization in 2014. As everywhere, occupational licensing has increased over time, but sources differ on whether it is more or less extensive than elsewhere. Nursing freedom is better than average, and dental hygienists obtained a limited right to initiate treatment without dentist authorization in 2015. Insurance freedom is among the best in the country, with "use and file" for most property and casualty lines, long-standing membership in the Interstate Insurance Product Regulation Compact, and no rating classification prohibitions. The state has a price-gouging law and a sales-below-cost law for gasoline, but its general sales-below-cost law was repealed in 2007-8. There is no hospital certificate-of-need law or moving company licensing. Utah's civil liability system is better than average.

On personal freedom, Utah unsurprisingly does well on gun rights, travel freedom, educational liberty (except for the school choice component of that category), and campaign finance freedom, but quite poorly on alcohol, cannabis, gambling, and tobacco. The state was also very bad on marriage, but it was forced to legalize same-sex marriage in 2014, a move that also overturned its super-DOMA prohibiting gay partnership contracts. Utah actually does generally well on criminal justice policy. Its crime-adjusted incarceration rate is below the national average, although it has crept up since 2011. Nondrug victimless crime arrests used to be way above average but have come down to national norms, even as drug arrests have risen, especially in the last four years. The state used to have an excellent asset forfeiture law, but it has been successively weakened, most recently in 2013-14. Utah has recently moved to require fingerprints from drivers when they get their licenses.