

Bridging the gap between academic ideas and real-world problems



A SNAPSHOT OF PENNSYLVANIA REGULATION IN 2017

BY JAMES BROUGHEL, OLIVER SHEROUSE, AND DANIEL FRANCIS

April 2017

It would take an ordinary person almost three years to read the entire US *Code of Federal Regulations* (CFR), which contained over 103 million words in 2012.¹ The sheer size of the CFR poses a problem not just for the individuals and businesses that want to stay in compliance with the law, but also for anyone interested in understanding the consequences of this massive system of rules. States also have sizable regulatory codes, which add an additional layer to the enormous body of federal regulation. For example, the online version of the 2017 *Pennsylvania Code* contains 40 titles of regulatory text, each revelant to a unique area of regulation.²

A tool known as State RegData³—a platform for analyzing and quantifying state regulatory text—was developed by researchers at the Mercatus Center at George Mason University. State RegData captures information in minutes that would take an ordinary person hours, weeks, or even years. For example, the tool allows researchers to identify the industries most targeted by regulation by connecting keywords relevant to those industries with restrictive word counts (known as regulatory restrictions). These are words and phrases like "shall," "must," "may not," "prohibited," and "required" that can signify legal constraints and obligations.⁴ As shown in figure 1, the top three industries with the highest estimates of industry-relevant restrictions in the 2017 *Pennsylvania Code* are utilities, chemical manufacturing, and food manufacturing.

State RegData also reveals that the *Pennsylvania Code* contains 153,661 restrictions and roughly 12.8 million words. It would take an individual about 713 hours—or just under 18 weeks—to

^{1.} Patrick A. McLaughlin, "The Code of Federal Regulations: The Ultimate Longread," Mercatus Center at George Mason University, April 1, 2015.

^{2.} Commonwealth of Pennsylvania, Pennsylvania Code, accessed April 10, 2017.

^{3.} State RegData forms a part of a broader project called QuantGov, which seeks to quantify legal text. See Patrick A. McLaughlin and Oliver Sherouse, "QuantGov—A Policy Analytics Platform," QuantGov, October 31, 2016.

^{4.} Restrictions can also occur in legal text for other purposes, such as for definitional purposes. At times, restrictions may relate to government employees, rather than the public.

read the entire *Pennsylvania Code*. That's assuming the reader spends 40 hours per week reading and reads at a rate of 300 words per minute. For comparison, in 2016 there were over 1.08 million additional restrictions in the federal code. Individuals and businesses in Pennsylvania must navigate all of these restrictions to remain in compliance.

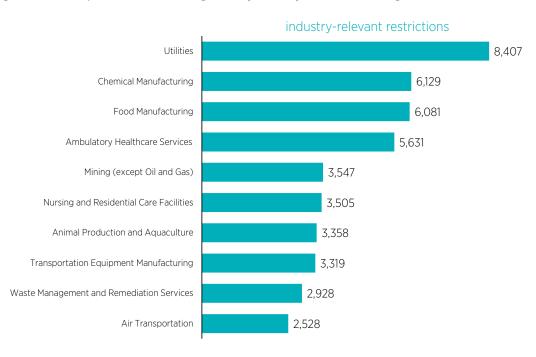


Figure 1. The Top 10 Industries Targeted by Pennsylvania State Regulation in 2017

Source: State RegData, "Pennsylvania," http://www.quantgov.org/data/.

The titles of the *Pennsylvania Code* are organized based on the type of regulation housed within those titles. Figure 2 shows that in 2017, rules related to environmental protection, which are found in title 25, contained over 25,000 restrictions. This makes it the biggest title in the *Pennsylvania Code*. Coming in second is title 58, which is related to recreation. This title includes over 15,000 restrictions.

Federal regulation tends to attract the most headlines, but it is important to remember that the 100 million words and over 1 million restrictions in the federal code are just the tip of the iceberg when it comes to the true scope of regulation in the United States. States like Pennsylvania write millions of additional words of regulation and hundreds of thousands of additional restrictions. State-level requirements carry the force of law to restrict individuals and businesses just as federal ones do.

Researchers are only beginning to understand the consequences of the massive and growing federal regulatory system on economic growth and other measures of well-being in

the United States.⁵ Meanwhile, the effects of state regulation remain largely unknown. If this snapshot of Pennsylvania regulation in 2017 is a good indicator, then the states are also active regulators, suggesting the true impact of regulation on society is far greater than that of federal regulation alone.

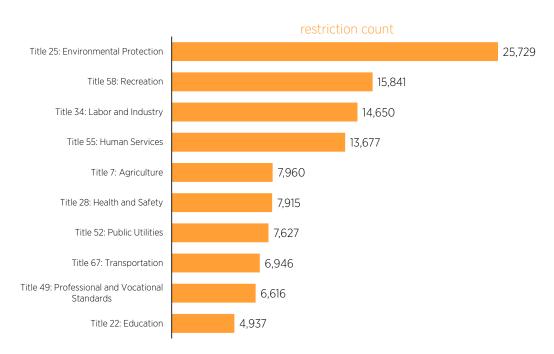


Figure 2. The Top 10 Titles in the 2017 Pennsylvania Code

 $Source: State\ RegData,\ ``Pennsylvania,''\ http://www.quantgov.org/data/.$

5. Bentley Coffey, Patrick A. McLaughlin, and Pietro Peretto, "The Cumulative Cost of Regulations" (Mercatus Working Paper, Mercatus Center at George Mason University, Arlington, VA, 2016).

ABOUT THE AUTHORS

James Broughel is a research fellow for the State and Local Policy Project at the Mercatus Center at George Mason University. Broughel has a PhD in economics from George Mason University. He is also an adjunct professor of law at the Antonin Scalia Law School.

Oliver Sherouse is a research analyst for the Program for Economic Research on Regulation at the Mercatus Center. He studied history and computer science at Duke University and received his MPP from Georgetown University.

Daniel Francis is a research programmer at the Mercatus Center. He received his BS in economics and mathematics from Florida State University.

ABOUT THE MERCATUS CENTER

The Mercatus Center at George Mason University is the world's premier university source for market-oriented ideas—bridging the gap between academic ideas and real-world problems.

A university-based research center, Mercatus advances knowledge about how markets work to improve people's lives by training graduate students, conducting research, and applying economics to offer solutions to society's most pressing problems.

Our mission is to generate knowledge and understanding of the institutions that affect the freedom to prosper and to find sustainable solutions that overcome the barriers preventing individuals from living free, prosperous, and peaceful lives.

Founded in 1980, the Mercatus Center is located on George Mason University's Arlington and Fairfax campuses. www.mercatus.org