

Bridging the gap between academic ideas and real-world problems

# A SNAPSHOT OF OREGON REGULATION IN 2017

BY JAMES BROUGHEL, OLIVER SHEROUSE, AND DANIEL FRANCIS

May 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.<sup>1</sup> 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. A prime example is the 2017 version of the *Oregon Administrative Rules*.<sup>2</sup>

POLICY

BRIEF

A tool known as State RegData<sup>3</sup>—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.<sup>4</sup> As shown in figure 1, the top three industries with the highest estimates of industry-relevant restrictions in the 2017 *Oregon Administrative Rules* are ambulatory healthcare services, chemical manufacturing, and nursing and residential care facilities.

State RegData also reveals that the *Oregon Administrative Rules* contains 167,401 restrictions and roughly 14.8 million words. It would take an individual about 821 hours—or almost 21

- 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.

For more information, contact

Sam Pfister, Associate Director of State Outreach, 217-836-6802, spfister@mercatus.gmu.edu Mercatus Center at George Mason University, 3434 Washington Blvd., 4th Floor, Arlington, VA 22201

The ideas presented in this document do not represent official positions of the Mercatus Center or George Mason University.

<sup>1.</sup> Patrick A. McLaughlin, "The Code of Federal Regulations: The Ultimate Longread," Mercatus Center at George Mason University, April 1, 2015.

<sup>2.</sup> Oregon Secretary of State, Oregon Administrative Rules, accessed April 18, 2017.

weeks—to read the entire Oregon 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 Oregon must navigate all of these restrictions to remain in compliance.



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

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

The chapters of the *Oregon Administrative Rules* are assigned based on the agency whose rules are contained within those chapters. There are 168 agencies with chapters in the Oregon code. Figure 2 shows that in 2017, rules from the Oregon Health Authority, Public Health Division, which are found in chapter 333, contained over 15,000 restrictions. This makes it the biggest regulator in Oregon. Coming in second is the Department of Environmental Quality, whose chapter of the code includes over 11,000 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 Oregon 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.<sup>5</sup> Meanwhile, the effects of state regulation remain largely unknown. If this snapshot of Oregon 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 Regulators in Oregon in 2017

Source: State RegData, "Oregon," 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