



## **A Snapshot of New Mexico Regulation in 2018**

125,395 Restrictions, 9.2 Million Words, and 13 Weeks to Read

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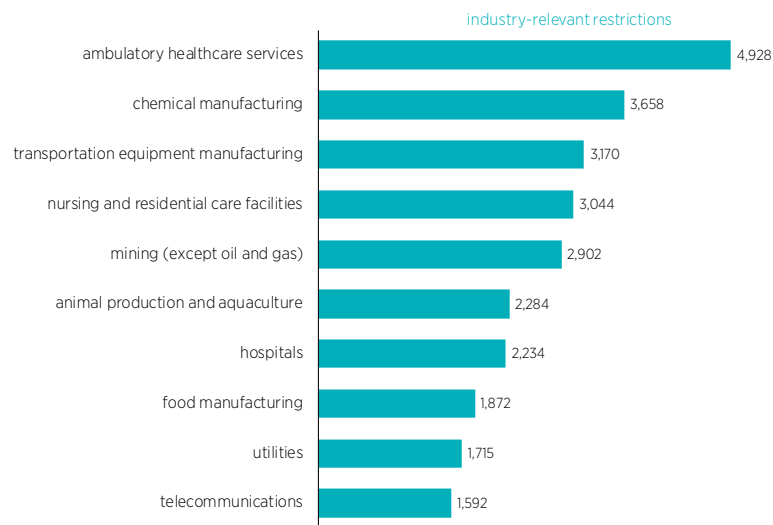
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It would take an ordinary person more than two and a half years to read the entire US *Code of Federal Regulations* (CFR), which contained nearly 104 million words in 2017.<sup>1</sup> The sheer size of the CFR poses a problem not just for the individuals 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 large body of federal regulation. A prime example is the online version of the 2018 *New Mexico Administrative Code* (NMAC).<sup>2</sup>

Researchers at the Mercatus Center at George Mason University developed State RegData, a platform for analyzing and quantifying state regulatory text.<sup>3</sup> State RegData captures information in minutes that would take hours, weeks, or even years to obtain by reading and counting. For example, the tool allows researchers to identify the industries that state regulation targets most by connecting text relevant to those industries with restrictive word counts. Referred to as regulatory restrictions, the words and phrases *shall*, *must*, *may not*, *prohibited*, and *required* can signify legal constraints and obligations.<sup>4</sup> As shown in figure 1, the three industries with the highest estimates of industry-relevant restrictions in the 2018 NMAC are ambulatory healthcare services, chemical manufacturing, and transportation equipment manufacturing.

State RegData also reveals that the 2018 NMAC contains 125,395 restrictions and 9.2 million words. It would take an individual about 514 hours—or almost 13 weeks—to read the entire NMAC. That’s assuming the reader spends 40 hours per week reading and reads at a rate of 300 words per minute. By comparison, there are 1.09 million additional restrictions in the federal code.<sup>5</sup> Individuals and businesses in New Mexico must navigate these different layers of restrictions to remain in compliance.

Figure 1. Top 10 Industries Targeted by New Mexico State Regulation in 2018



Source: State RegData (New Mexico data), <https://quantgov.org/state-regdata/>.

The titles of the NMAC are organized by the type of regulation they contain. Figure 2 shows that title 20 of the NMAC, related to environmental protection, contains 19,948 restrictions. By this measure, this is the biggest title in the NMAC. Coming in second is title 19, natural resources and wildlife, with 14,127 restrictions.

Figure 2. Top 10 Titles in the *New Mexico Administrative Code* in 2018



Source: State RegData (New Mexico data), <https://quantgov.org/state-regdata/>.

Federal regulation tends to attract the most headlines, but it is important to remember that the nearly 104 million words and 1.09 million restrictions in the federal code significantly understate the true scope of regulation in the United States. States like New Mexico 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 well-being in the United States.<sup>6</sup> Meanwhile, the effects of state regulation remain largely unknown. If this snapshot of New Mexico regulation in 2018 is a good indicator, then the states are also active regulators, suggesting that the full impact of regulation on society is far greater than that of federal regulation alone.

## ABOUT THE AUTHOR

James Broughel is a senior research fellow at the Mercatus Center at George Mason University. Broughel has a PhD in economics from George Mason University. He is also an adjunct professor in the economics department and the law school at George Mason.

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## NOTES

1. This assumes the person reads 300 words per minute for 40 hours per week with two weeks of vacation per year. “RegData 3.1,” QuantGov; Patrick A. McLaughlin, Oliver Sherouse, Daniel Francis, Michael Gasvoda, Jonathan Nelson, Stephen Strosko, and Tyler Richards, “RegData 3.0 User’s Guide,” accessed February 15, 2018, <https://quantgov.org/regdata/users-guide/>.
2. Commission of Public Records, New Mexico State Records Center and Archives, “NMAC Titles,” accessed October 20, 2018, <http://164.64.110.134/nmac/nmac-titles>.
3. State RegData is 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, December 20, 2017. Data for New Mexico are available at State RegData (New Mexico data), <https://quantgov.org/state-regdata/>.
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 private sector.
5. “RegData 3.1”; McLaughlin et al., “RegData 3.0 User’s Guide.”
6. See, for example, 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).