



## A Snapshot of North Carolina Regulation in 2017

109,350 Restrictions, 8.7 Million Words, and 12 Weeks to Read

by *James Broughel and Daniel Francis*

October 2017

It would take an ordinary person more than three years to read the entire *US Code of Federal Regulations* (CFR), which currently contains more than 112 million words.<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 online version of the *2017 North Carolina Administrative Code* (NCAC).<sup>2</sup>

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 to obtain. 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. Known 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 top three industries with the highest estimates of industry-relevant restrictions in the 2017 NCAC are utilities, nursing and residential care facilities, and ambulatory healthcare services.

State RegData also reveals that the NCAC contains 109,350 restrictions and roughly 8.7 million words. It would take an individual about 483 hours—or more than 12 weeks—to read the entire NCAC. That’s assuming the reader spends 40 hours per week reading and reads at a rate of

1. “The QuantGov Regulatory Clock,” QuantGov, accessed June 23, 2017.

2. North Carolina Office of Administrative Hearings, *North Carolina Administrative Code*, accessed May 1, 2017.

3. State RegData is 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.

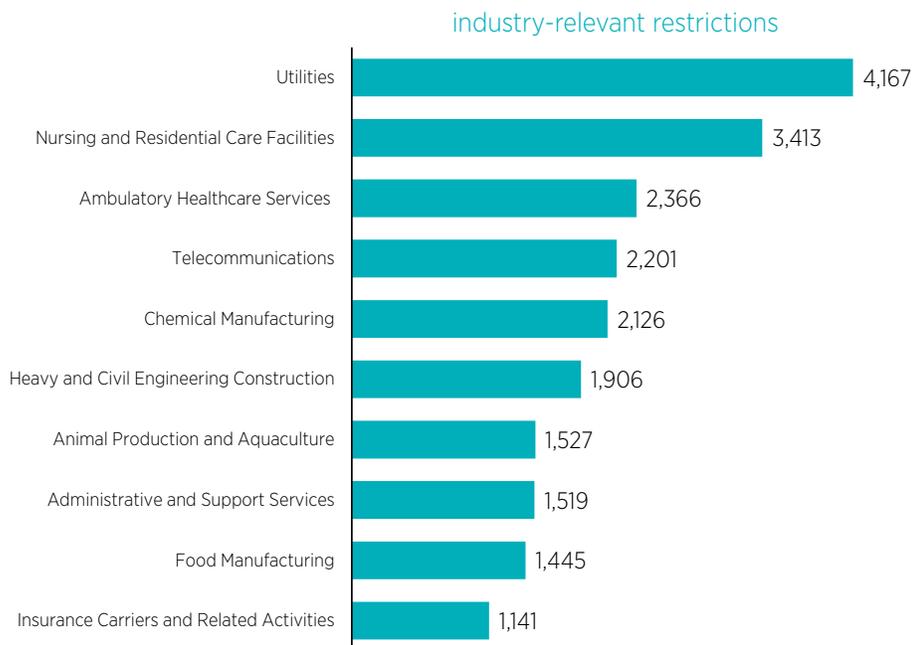
4. Restrictions can also occur in legal text for other purposes, such as for definitional purposes. At times, restrictions may relate to government employees rather than the private sector.

For more information, contact

Samantha Summers, State Outreach Associate, 703-993-8287, [ssummers@mercatus.gmu.edu](mailto:ssummers@mercatus.gmu.edu)  
Mercatus Center at George Mason University, 3434 Washington Blvd., 4th Floor, Arlington, VA 22201

300 words per minute. For comparison, in 2017 there were more than 1.15 million additional restrictions in the federal code.<sup>5</sup> Individuals and businesses in North Carolina must navigate these different layers of restrictions to remain in compliance.

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



Source: State RegData, "North Carolina," <http://www.quantgov.org/data/>.

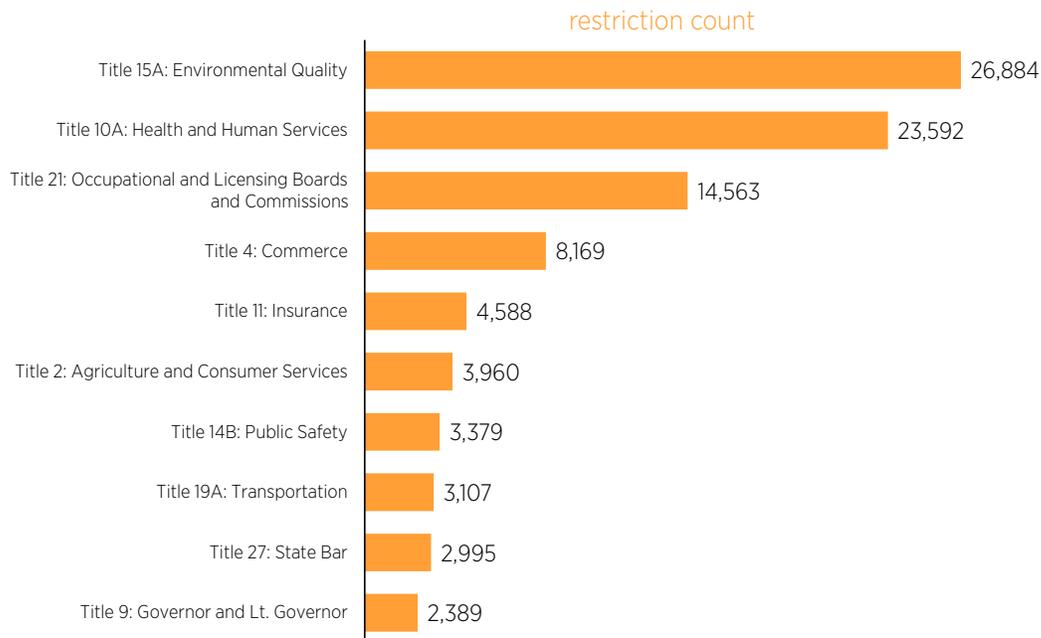
The titles of the NCAC are assigned based on the type of regulation housed within each title. Figure 2 shows that Title 15A, Environmental Quality, contains more than 26,000 restrictions. By this measure, Title 15A is the biggest title in the NCAC. The second-largest title is Title 10A, Health and Human Services, which includes more than 23,000 restrictions. These two titles alone contain 46 percent of all restrictions in the NCAC.

Federal regulation tends to attract the most headlines, but it is important to remember that the more than 112 million words and 1.15 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 North Carolina 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.

---

5. "The QuantGov Regulatory Clock," QuantGov.

Figure 2. The Top 10 Titles in the 2017 North Carolina Administrative Code



Source: State RegData, “North Carolina,” <http://www.quantgov.org/data/>.

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 North Carolina regulation in 2017 is a good indicator, then the states are also active regulators, suggesting that the true impact of regulation on society is far greater than that of federal regulation alone.

6. For example, see 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.

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](http://www.mercatus.org)