A Snapshot of Michigan Regulation in 2017

83,484 Restrictions, 4.6 Million Words, and 6 Weeks to Read

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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.[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. A prime example is the online version of the 2017 *Michigan Administrative Code* (MAC).[2]

A tool known as State RegData[3]—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.[4] As shown in figure 1, the three industries with the highest estimates of industry-relevant restrictions in the 2017 MAC are chemical manufacturing, utilities, and animal production and aquaculture.

State RegData also reveals that the MAC contains 83,484 regulatory restrictions and roughly 4.6 million words. It would take an individual about 257 hours—or more than 6 weeks—to read the entire MAC. That's assuming the reader spends 40 hours per week reading and reads at a

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1. "The QuantGov Regulatory Clock," QuantGov, accessed July 14, 2017.
2. Office of Performance and Transformation, *Michigan Administrative Code*, accessed July 10, 2017.
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, October 31, 2016.
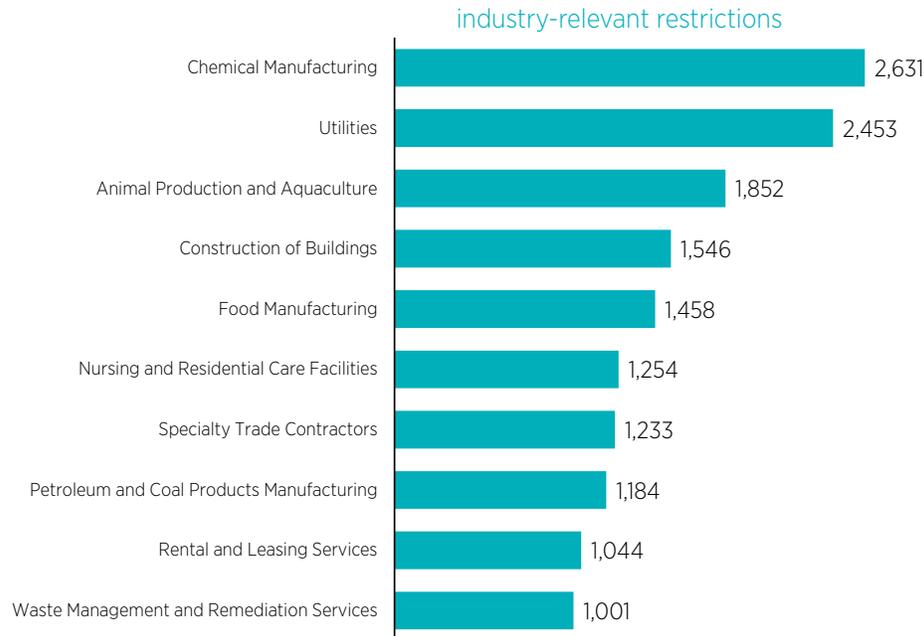4. Restrictions can also occur in legal text for other purposes, such as for definitional purposes. At times, restrictions may relate to government employees rather than the private sector.

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

rate of 300 words per minute. For comparison, in 2017 there were more than 1.15 million additional restrictions in the federal code.[5] Individuals and businesses in Michigan must navigate these different layers of restrictions to remain in compliance.

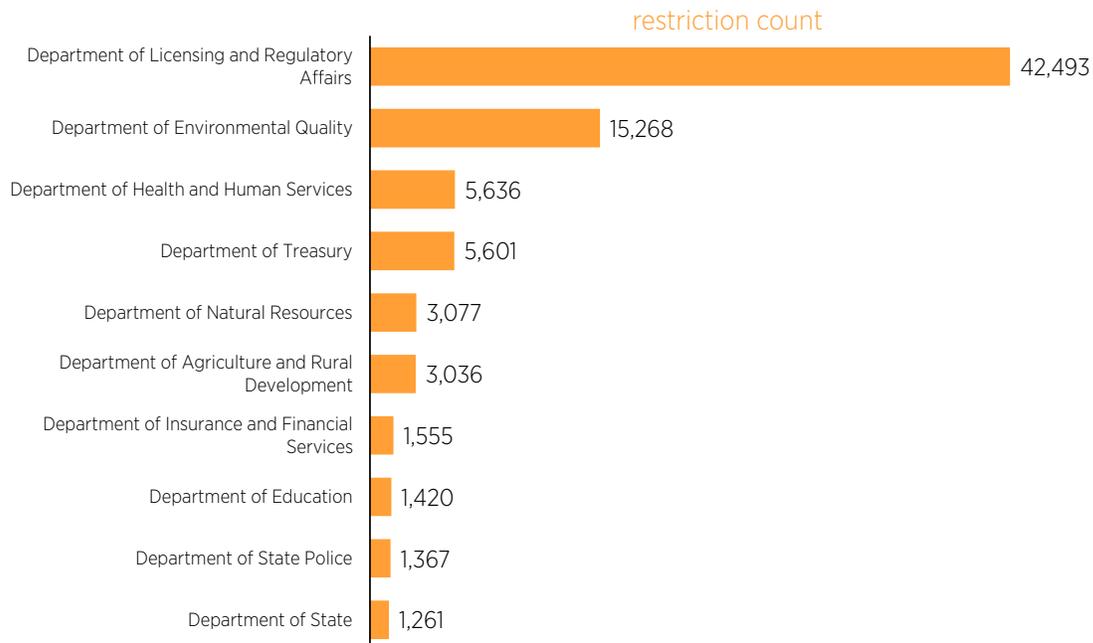Figure 1. The Top 10 Industries Targeted by Michigan State Regulation in 2017

industry-relevant restrictions

Industry	Restrictions
Chemical Manufacturing	2,631
Utilities	2,453
Animal Production and Aquaculture	1,852
Construction of Buildings	1,546
Food Manufacturing	1,458
Nursing and Residential Care Facilities	1,254
Specialty Trade Contractors	1,233
Petroleum and Coal Products Manufacturing	1,184
Rental and Leasing Services	1,044
Waste Management and Remediation Services	1,001

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

The MAC organizes regulations based on the regulatory department overseeing the rules. Figure 2 shows that the section of the MAC associated with the Department of Licensing and Regulatory Affairs contains more than 42,000 restrictions. By this measure, this is the biggest regulator in Michigan, accounting for more than half of the restrictions in the MAC. Coming in second is the Department of Environmental Quality, with more than 15,000 restrictions.

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 significantly understate the true scope of regulation in the United States. States like Michigan write millions of additional words of regulation and tens of thousands of additional restrictions. State-level requirements carry the force of law to restrict individuals and businesses just as federal ones do.

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5. "The QuantGov Regulatory Clock," QuantGov.

Figure 2. The Top 10 Regulators in Michigan in 2017

restriction count

Regulator	Restriction Count
Department of Licensing and Regulatory Affairs	42,493
Department of Environmental Quality	15,268
Department of Health and Human Services	5,636
Department of Treasury	5,601
Department of Natural Resources	3,077
Department of Agriculture and Rural Development	3,036
Department of Insurance and Financial Services	1,555
Department of Education	1,420
Department of State Police	1,367
Department of State	1,261

Source: State RegData, "Michigan," 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.[6] Meanwhile, the effects of state regulation remain largely unknown. If this snapshot of Michigan 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.

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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).

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