

A Snapshot of South Dakota Regulation in 2019

43,940 Restrictions, 3.8 Million Words, and 5 Weeks to Read

James Broughel

Data Analysis by Thurston Powers

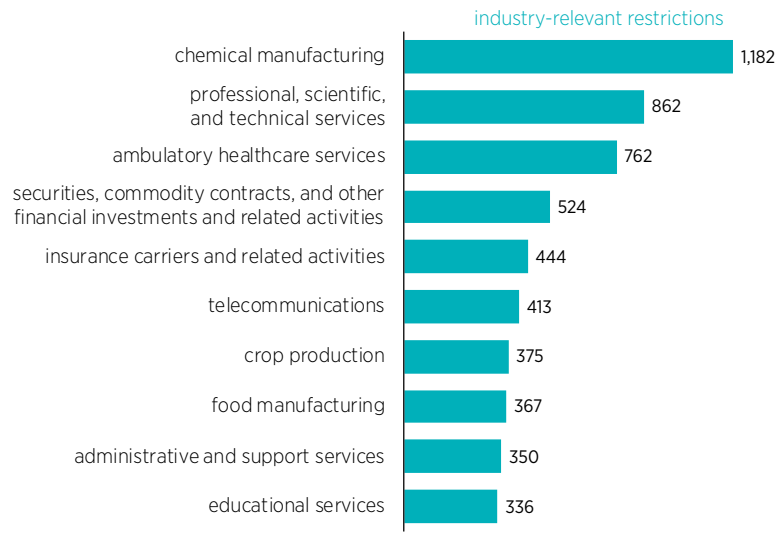
August 2019

It would take an ordinary person almost three years to read the entire US *Code of Federal Regulations* (CFR), which contained nearly 104 million words in 2017.¹ 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 large body of federal regulation. A prime example is the online version of the 2019 *South Dakota Administrative Rules* (SDAR).²

Researchers at the Mercatus Center at George Mason University developed State RegData, a platform for analyzing and quantifying state regulatory text.³ 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. These regulatory restrictions are instances of the words and phrases *shall*, *must*, *may not*, *prohibited*, and *required*, and they 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 2019 SDAR are chemical manufacturing; professional, scientific, and technical services (which includes legal services, accounting and tax preparation, and a variety of other professional services); and ambulatory healthcare services.

State RegData also reveals that the 2019 SDAR contains 43,940 restrictions and 3.8 million words. It would take an individual 213 hours—or more than five weeks—to read the entire SDAR.

Figure 1. Top 10 Industries Targeted by South Dakota State Regulation in 2019

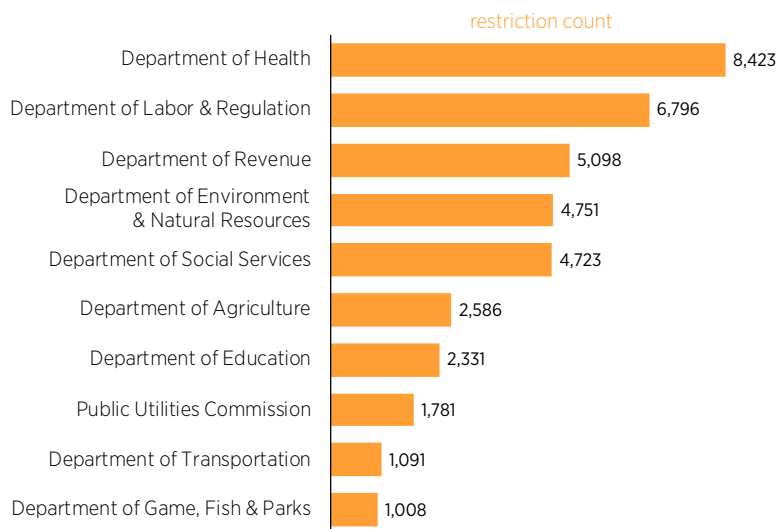


Note: Industries are classified using the RegData 3.0 industry classifier. Some previous state regulatory snapshots used earlier versions of the RegData industry classifier.

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

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.⁵ Individuals and businesses in South Dakota must navigate these different layers of restrictions to remain in compliance.

Figure 2. Top 10 Regulators in South Dakota in 2019



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

The rules in the SDAR are organized by the department that oversees them. Figure 2 shows that rules from the Department of Health contain 8,423 restrictions. By this measure, this is the biggest regulator in South Dakota. Coming in second is the Department of Labor and Regulation, with 6,796 restrictions.

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 South Dakota 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.

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 South Dakota regulation in 2019 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.

ACKNOWLEDGMENT

The author would like to thank Michael Kotrous and Vince Miozzi for helpful research and programming assistance that contributed to this report.

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 at the law school at George Mason University.



QuantGov

This regulatory snapshot was produced in part using **QuantGov**, a policy analytics platform that facilitates analysis of the causes and effects of various government actions. The QuantGov project treats policy text as data, allowing researchers to quickly and effectively examine broad policies (as articulated in bodies of text) by using some of the latest advances from data science, such as machine learning and other artificial intelligence technology. The Mercatus Center's team of data engineers, analysts, and developers created this platform and continually utilize and update it to produce data that support a variety of research products and to provide policymakers with data that inform positive policy change. More information is available at quantgov.org.

Patrick A. McLaughlin
Policy Analytics Director

Stephen Strosko
Data Engineer

Jonathan Nelson
Software Developer

Thurston Powers
Data Analyst

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. South Dakota Legislative Research Council, “Administrative Rules List,” accessed August 5, 2019, <http://sdlegislature.gov/Rules/RulesList.aspx>.
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 South Dakota are available at <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).