

## RESEARCH SUMMARY

# A 50-State Review of Regulatory Procedures

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The role of state regulatory agencies is to execute and enforce the statutes passed by state legislatures. Agencies do this by writing and implementing administrative rules that elaborate on unspecified details of requirements found in law. These rules themselves have the force and effect of law. In “A 50-State Review of Regulatory Procedures,” Brian Baugus, Feler Bose, and James Broughel find great diversity in rulemaking procedures across states. This diversity can influence business formation, economic growth, and individuals’ freedom to pursue their aspirations.

### A Look at the Rules That Govern the Rulemakers

State legislatures have enacted administrative procedures acts (APAs) to establish procedures that agencies must follow when enacting administrative rules. Baugus, Bose, and Broughel have developed a data set, derived primarily from the APAs of states, and classify the variables contained therein in terms of six broad categories that vary from state to state.

- *Form of rulemaking in a state.* This variable includes whether the state has a formal or an informal rule-making process.
- *Executive review process for new regulations.* Many states require the state budget office, governor’s office, or another executive office to review new regulations.
- *Legislative review of new regulations.* Some legislatures have significant review powers, including required approval of nearly all new rules or the ability to veto regulations without the governor’s sign-off, whereas others have essentially no role in the rulemaking process after the passage of enabling legislation.
- *Independent agency review of regulations.* In some states, a proposed rule must be reviewed by an independent agency.
- *Impact analysis requirements.* Small business impact statements, fiscal impact statements, and cost-benefit analysis can play a role in the administrative rulemaking process by ensuring that policies are evidence based.
- *Periodic review requirements.* Periodic reviews of existing rules help keep regulations current.

### Future Research Using Data on State-Level Regulatory Procedures

This data set should enable more research about the consequences of regulatory procedures to help inform current and future regulatory reform efforts. Lines of potential research include the following:

- The power balance between the executive and legislative branches

- Comparisons of rulemaking processes among the states and between the states and the federal government
- The quality of impact analysis across states and the procedures that lead to improved analysis
- The association between specific rulemaking procedures and various outcome variables of interest (e.g., ease of doing business, public health outcomes, environmental quality, mortality, economic growth)
- The effects of various procedures on the overall amount of regulation