

# A Land of Laws: Why Monitoring State and Federal Legislation Is Critical

A LexisNexis® White Paper

## Highlights:

- Proposed legislation seldom gets front-page treatment, but it can have a significant impact on businesses and organizations.
- State legislatures contribute substantially to more than 170,000 measures considered across the country each year. Roughly 30,000 of those will become law.
- Determining which measures will affect your bottom line can be a challenge.
- When you track and gain insight on legislative activity, you are better able to take action affecting the legislative process, as well as prepare for impending costs and other changes.
- Monitoring the large volume of legislation isn't easy. Full-text searching on government websites may yield a significant number of irrelevant hits. Variations in terminology and codes related to legislation can complicate the process.
- On the plus side, new legislation also can result in business opportunities.
- In addition, affordable resources are available to help you quickly identify, assess and respond to legislative activity.

## Overview

**Scandals, disasters and tragedies invariably make headlines.** Some days, the coveted space “above the fold” in a newspaper or Web browser might report a special or unusual event (excluding “man bites dog,” so far) or developments in an ongoing drama. Occasionally, you get a story about some quirky aspect of life—the current state of [Spanish bullfighting](#)<sup>1</sup>, for example—which is meant to draw you deeper into the news, because that’s where all the advertising resides.

Unless it has to do with some seismic shift in public policy, proposed legislation seldom gets front-page treatment. You might find a story buried in the back pages of the business section. But even there, if you find it, you should probably take notice. If passed, that law and its attendant [regulations](#)<sup>2</sup> could have a significant impact on you or the future of your organization.

## Always the Twain Shall Meet

Legislation is an inescapable fact of life. So, too, is the impact of measures that affect virtually every segment of the U.S. economy. “No man’s life, liberty or property are safe while the Legislature is in session” is a maxim that’s usually but perhaps [wrongly attributed to Mark Twain](#).<sup>3</sup> Whoever said it couldn’t have been more precise with the aim of his wit. State legislatures contribute substantially to more than 170,000 measures considered across the country each year. Roughly 30,000 of those will become law.

## 50-State Bill Volume by Issue Year-to-date as of mid-July 2013

Issue	Introduced	Enacted
Agriculture	3,311	750
Business	20,214	3,902
Chemicals	3,256	605
Consumer Affairs	3,500	663
Education	17,993	2,970
Energy	4,529	690
Environment	6,301	1,120
Finance	6,027	1,258
Food & Beverages	3,755	739
Government & Politics	43,067	8,716
Health & Social Services	33,705	6,221
Info & Telecommunication	21,479	4,822
Insurance	7,276	1,367
Labor & Employment	14,618	2,464
Law & Justice	33,957	5,761
Real Estate & Construction	15,188	2,664
Recreation & The Arts	6,954	1,358
Resource Management	8,140	1,567
Taxation	4,935	546
Transportation	13,585	2,315
Utilities	5,263	935

Source: LexisNexis® State Net®

Thousands of state bills are introduced and enacted each year. The figures above are for the first six and a half months of 2013.

A major challenge for individuals and organizations is determining which of the thousands of measures introduced will actually affect their bottom lines. It's a certainty that some of them will.

For example, the Dodd-Frank Wall Street Reform and Consumer Protection Act, passed by Congress in the wake of the Great Recession, could cost the nation's largest banks \$22 billion to \$34 billion annually, according to [Standard & Poor's](#)<sup>4</sup>. Elsewhere, the public and private costs of complying with the federal Clean Air Act Amendments of 1990 are [expected to reach \\$65 billion by the year 2020](#)<sup>5</sup>. And that figure includes only direct compliance costs, such as capital expenditures for pollution control equipment.

Indirect costs, such as lost productivity and missed business opportunities, push that number much higher. In addition, regulations based on enacted measures often impose costs and include provisions for substantial noncompliance penalties.

## Keeping an Eye on Lawmakers Is Essential

Tracking legislation enables organizations to limit their exposure to such costs. With early notification of emerging measures, organizations can have an impact on the legislative process well before those measures become law and related rules are adopted.

Indeed, legislatures have considerable latitude in addressing the concerns of those likely to be affected by their deliberations. Lawmakers can even decide not to consider a particular bill. It is primarily for this reason that billions are spent each year lobbying Congress and state legislatures.

Tracking can also be beneficial for organizations that don't actively engage in lobbying. Active monitoring allows organizations more time to prepare for impending changes and the various costs that will be incurred. Although lawmakers generally provide a grace period to comply with new laws, early warning provides additional time for smoother adaptation to mandated changes.

## The Challenges of Monitoring Legislation

For all the reasons why monitoring legislation is so critical, there's another hard truth: it isn't easy to do. Here's why.

The sheer volume of relevant legislative information is an initial barrier. Consider that a single moderately active state, such as Pennsylvania, introduces roughly 5,000 measures every two years. Amendments to those measures as they move through the legislative process generate another 1,000 unique bill versions. That translates to nearly 30,000 pages of text that an organization or company would need to scan to determine if any of the bills might impact its business in the state. The workload would be even greater for those with operations or interests in multiple states.

There is also considerable variation in how states and the federal government make legislative information available through their websites. Most sites allow full-text searching to identify legislation containing keywords and phrases; however, that approach frequently yields irrelevant "hits." Among the 50 state legislatures, 30 different terms are used for automated search machines, for example. Failing to enter the proper search terms makes the prospect of missing critical information—and additional effort required to screen out the extraneous information—a safe bet.

Finally, there are peculiarities in the many ways that states report legislative information. For example:

- The official website of the [New Mexico Legislature](#)<sup>6</sup> uses various codes for each individual status action. In order to obtain and understand the meaning for each action code, you would need to look up each code individually on the actions abbreviations list.
- The [Hawaii State Legislature](#)<sup>7</sup> uses non-standardized language in the reporting of its status actions. The variation in wording complicates the process of tracking bills.
- [Missouri](#)<sup>8</sup> has separate websites for each chamber of its legislature. One site is often better than the other for obtaining certain information.

## Conclusion ... and the Good News

Monitoring legislative activity can be a challenge, but it's not impossible to do. Moreover, as with regulations, a benefit that tends to be overlooked is the potential for business opportunities associated with ever-changing mandates. Compliance consulting is a prime example. The industry has grown rapidly in recent years as companies have sought assistance with meeting their legal requirements.

There are also resources available to make monitoring legislation practical and affordable. That enables organizations to adopt a forward-looking view of what's going on in state capitols and at the federal level—so they can quickly identify, assess and respond to legislative activity that's critical to them.

## Staying on top of legislative activity

To explore information on LexisNexis® resources for monitoring state and federal legislation, visit [www.lexisnexis.com/statenet](http://www.lexisnexis.com/statenet).

*LexisNexis® State Net®*, the essential online legislative and regulatory intelligence and tracking application for the 50 States and Congress, provides proprietary search tools, hands-on issue screening, convenient tracking, automatic notification, communication tools and one-click access to an expanding library of unique content and resources.

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1 "Bullfighting in Spain struggling amid financial crisis," Anthony Faiola, *The Washington Post*, June 22, 2013, [www.washingtonpost.com](http://www.washingtonpost.com).

2 "Part 1 of 2—The Game of Rules: Why Monitoring Government Regulations is Essential," [www.thisisreallaw.com](http://www.thisisreallaw.com).

3 [http://en.wikipedia.org/wiki/Gideon\\_J.\\_Tucker](http://en.wikipedia.org/wiki/Gideon_J._Tucker) as of July 2013; also see *Respectfully Quoted: A Dictionary of Quotations Requested from the Congressional Research Service*, Washington D.C., Library of Congress, 1989; Bartleby.com, 2003, [www.bartleby.com/73/](http://www.bartleby.com/73/).

4 "Two Years On, Reassessing The Cost Of Dodd-Frank For The Largest U.S. Banks," August 9, 2012, [www.standardandpoors.com](http://www.standardandpoors.com).

5 "The Benefits and Costs of the Clean Air Act from 1990 to 2020," U.S. Environmental Protection Agency, Office of Air and Radiation, March 2011.

6 [www.nmleix.gov](http://www.nmleix.gov).

7 [www.capitol.hawaii.gov](http://www.capitol.hawaii.gov).

8 [www.moga.mo.gov](http://www.moga.mo.gov).

