

Summary

Impact of Regulations on Virginia’s Manufacturing Sector

WHAT WE FOUND

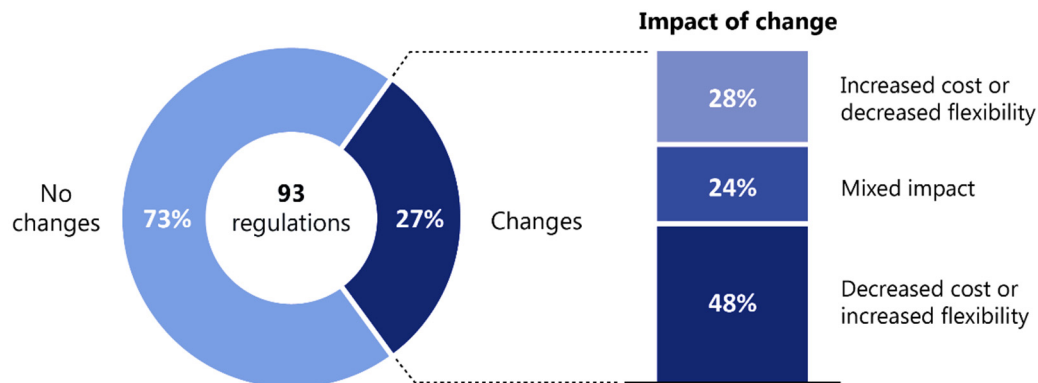
Most regulations that affect Virginia manufacturers are federal

Most of the more than 500 total regulations that affect manufacturers in Virginia are federal. Many of these federal regulations, such as vehicle safety standards, are enforced directly by federal agencies. JLARC staff and state agencies identified 98 state regulations that currently affect manufacturers. These include regulations Virginia has adopted on its own and those with a basis in federal regulations.

Nearly three-fourths of Virginia regulations that affect manufacturers have not changed since 2005

During the past decade, nearly three-fourths of Virginia’s regulations that affect manufacturers did not change. Changes to the remaining one-fourth had a variety of impacts. Almost half of the changes reduced manufacturers’ costs or increased their flexibility in complying with the regulation. Others increased manufacturers’ costs or decreased flexibility. Still others had a mixed impact on compliance cost and flexibility.

Just over one-fourth of manufacturing regulations were changed in a way that affected compliance cost and flexibility (2005-2014)



SOURCE: JLARC staff analysis of regulatory changes identified by state regulatory agencies and the Virginia Manufacturers Association.

NOTE: Regulations that were repealed (two) or adopted (five) since 2005 are excluded.

Financial impact of regulations on Virginia manufacturers has not changed substantially since 2005

The financial impact of regulations on Virginia manufacturers is not substantially different from the impact estimated in the 2006 JLARC report, adjusted for inflation. JLARC staff estimate the financial impact of regulations in 2014 was between \$942 million and \$4.84 billion, or between two percent and 12 percent of manufacturing's total economic output. As in 2006, the majority of this financial impact was attributable to federal regulations rather than Virginia regulations.