

OFFICE OF FISCAL ANALYSIS

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HB-6958

AN ACT MAKING CERTAIN TERMS IN ELECTRONIC BOOK AND
DIGITAL AUDIOBOOK LICENSE AGREEMENTS OR CONTRACTS
UNENFORCEABLE.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Library, CT State	GF - Potential Savings	None	See Below
Constituent Units of Higher Education	OF - Potential Savings	None	See Below

Note: GF=General Fund; OF=Other Funds

Municipal Impact:

Municipalities	Effect	FY 26 \$	FY 27 \$
Various Municipalities; Local and Regional School Districts	Potential Savings	None	See Below

Explanation

The bill results in a potential savings annually beginning in FY 27 to the Connecticut State Library (CSL), municipal libraries, and libraries operated by local and regional school districts and the constituent units of higher education. It does so by prohibiting certain provisions in licensure and contract agreements between libraries and electronic book publishers.

To the extent the bill produces e-book lending terms that are more favorable to libraries, the bill may result in a savings beginning in FY 27 to publicly funded entities statewide that provide e-books. As an illustration: In FY 25, it is anticipated that CSL will spend approximately \$196,700 on e-book content. Of that amount, it is estimated that \$20,600

is associated with repurchasing content with expired licenses. The bill prohibits e-book contracts from including restrictions on the duration of such licenses unless certain conditions are met.

In FY 24, the University of Connecticut spent \$653,794 on 17 vendor licenses that included e-books, with the cost per license ranging from \$1,000 to \$110,000. Connecticut State Colleges and Universities spend approximately \$500,000 annually on 30 such contracts that may be impacted by the bill's provisions.

The extent of the potential savings depends on contract terms, the cost differential between e-books and traditional books, and the extent to which interlibrary loan access reduces a library's need to independently purchase content.

The Out Years

The ongoing fiscal impact identified above would continue into the future subject to inflation and contract terms.