OFFICE OF FISCAL ANALYSIS

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sSB-1234 AN ACT PROHIBITING LIBRARIES FROM AGREEING TO CERTAIN TERMS IN ELECTRONIC BOOK AND DIGITAL AUDIOBOOK LICENSE AGREEMENTS OR CONTRACTS. As Amended by Senate "A" (LCO 8035) Senate Calendar No.: 121

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Library, CT State	GF - Potential	See Below	See Below
	Savings		
Constituent Units of Higher	OF - Potential	See Below	See Below
Education	Savings		
Note: GF=General Fund; OF=Other Funds			

Municipal Impact:

Municipalities	Effect	FY 26 \$	FY 27 \$
Various Municipalities; Local and	Potential	See Below	See Below
Regional School Districts	Savings		

Explanation

The bill results in a potential savings annually 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 once a condition is met.

The bill's provisions are effective 60 days after the Secretary of the State and CSL determine that a similar law has passed in one or more states with an aggregate population of at least seven million. Any savings resulting from the bill would only occur after that condition is met. This means that libraries could realize savings as a result of the bill as early as FY 26 (if the condition is met in FY 26), or not at all (if the condition is never met).

To the extent that the condition is met and the bill produces e-book lending terms that are more favorable to libraries, the bill may result in a savings 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 (once the condition is met) except in certain situations.

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.

Senate "A" changes the effective date of the bill's provisions from July 1, 2026 (FY 27), to 60 days after the Secretary of the State and CSL determine that a similar law has passed in one or more states with an aggregate population of more than seven million. This changes the timing of any savings resulting from the bill.

The Out Years

The fiscal impact identified above would occur after the bill's condition is met and, if it is met, continue into the future subject to inflation and contract terms.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.