



House of Representatives

General Assembly

File No. 167

January Session, 2013

House Bill No. 5614

House of Representatives, March 26, 2013

The Committee on General Law reported through REP. BARAM of the 15th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING "E-BOOKS" AND LIBRARIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2013*) (a) Any person who offers to
2 license electronic books to the public shall offer to license such books
3 to libraries in the state on reasonable terms that would permit the
4 libraries to provide their users with access to the electronic books.
5 Such reasonable terms may include: (1) A limitation on the number of
6 users to whom the libraries may simultaneously provide access to the
7 electronic books, (2) a limitation on the number of days the libraries
8 may provide a user with access to the electronic books, and (3) the use
9 of technological protection measures that would prevent a user from
10 (A) maintaining access to the electronic books beyond the access
11 period set forth in the license, and (B) providing other users with
12 access to the electronic books.

13 (b) A violation of subsection (a) of this section shall be deemed an
14 unfair or deceptive trade practice under subsection (a) of section 42-
15 110b of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2013</i>	New section

GL *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do 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.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

There is no fiscal impact to the Department of Consumer Protection (DCP) in requiring any person who offers to license electronic books (e-books) to the public to also offer a license to libraries in the state that allows the library's users to access those e-books as the DCP already acts on various consumer related complaints and few additional complaints are anticipated due to the bill.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**HB 5614*****AN ACT CONCERNING "E-BOOKS" AND LIBRARIES.*****SUMMARY:**

This bill requires any person who offers to license electronic books (e-books) to the public to also offer a license to libraries in the state that allows the library's users to access those e-books.

The bill requires the libraries' license to be on reasonable terms, which may include (1) a limit on the number of users who can access the e-book simultaneously, (2) a limit on the e-book's lending period, and (3) terms providing for the use of technology that blocks users from (a) accessing the e-book beyond the lending period and (b) sharing the e-book with others.

The bill makes a violation of these provisions an unfair or deceptive trade practice under the Connecticut Unfair Trade Practices Act (CUTPA).

EFFECTIVE DATE: July 1, 2013

BACKGROUND***Electronic Book Licenses to the Public and to Libraries***

Generally, the public licenses access to e-books from a distributor who licenses books from publishers; provides and supports the technology that makes a book into an e-book (an electronic document formatted for reading on various electronic devices); aggregates a wide offering of e-books; and provides the public with an electronic marketplace in which to find, select, and procure access to e-books.

The majority of libraries that lend e-books license the majority of those e-books from distributors that serve libraries. These distributors

license books from publishers; provide technology that supports e-books; aggregate e-book offerings from various publishers; and provide an online platform in which library users can find, select, and borrow e-books. Libraries contract with these distributors to provide their users with access to some or all of the e-books the distributor supports, along a variety of distribution models.

Connecticut Unfair Trade Practices Act (CUTPA)

The law prohibits businesses from engaging in unfair and deceptive acts or practices. CUTPA allows the Department of Consumer Protection commissioner to issue regulations defining what constitutes an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$5,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorney’s fees; and impose civil penalties of up to \$5,000 for willful violations and \$25,000 for violation of a restraining order.

COMMITTEE ACTION

General Law Committee

Joint Favorable

Yea 18 Nay 0 (03/12/2013)