

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

May 30, 2023

CORRECTION

To Fiscal Note on LCO No. 8674
sHB-6829, File No. 586

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

OFA Fiscal Note

See Below

State Impact: See Below

Municipal Impact: See Below

Explanation

The fiscal note on the amendment (LCO 8674) should have indicated the following: The amendment delays any fiscal impacts of the bill until FY 26. The fiscal impacts under the amendment are described below.

Consumer Protection Impact

Beginning in FY 26, there is an approximate annual cost of \$145,000 to the Department of Consumer Protection (DCP) and \$62,000 to the Office of the State Comptroller. To the extent that violations occur DCP may have to hire one special investigator and one paralegal. These positions will manage and review the complaints, investigate the cases, and conduct settlement negotiation and case preparation.

Libraries Impact

To the extent the amendment produces e-book lending terms that are more favorable to libraries, the amendment may result in a savings beginning in FY 26 to publicly funded entities statewide that provide e-books, including the Connecticut State Library (CSL), the constituent units, various other state agencies, municipalities, and local and regional boards of education. The extent of annualized savings would depend upon actual contract terms.

Currently, there are various e-book licensing models implemented across state agencies and municipalities. The CSL spends approximately \$125,000 annually on e-book content and municipalities aggregately spend approximately \$150,000 per year on e-book content.

The higher education constituent units collectively have over 30 contracts involving e-books. Some of the contracts include terms that the amendment prohibits, such as restrictions on interlibrary loaning. The amendment's removal of those terms potentially results in savings associated with less costly e-book acquisition, as well as expanded interlibrary loan access. 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.