OFFICE OF FISCAL ANALYSIS

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sHB-6829
AN ACT MAKING CERTAIN TERMS IN ELECTRONIC BOOK AND DIGITAL AUDIOBOOK LICENSE AGREEMENTS OR CONTRACTS UNENFORCEABLE.

AMENDMENT

LCO No.: 8973
File Copy No.: 586
House Calendar No.: 357

OFA Fiscal Note

See Fiscal Note Details

The amendment strikes the underlying bill and its associated fiscal impact.

Beginning in FY 26, the amendment prohibits certain licensure and contract agreements between libraries and electronic book publishers and makes violations an unfair trade practice.

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.

Additionally, the amendment requires the Office of the Attorney General to enforce any violations of the amendment's provisions, which constitute an unfair trade practice and may result in a General Fund revenue gain, beginning in FY 26.