

OFFICE OF FISCAL ANALYSIS

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HB-5312

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 25 \$	FY 26 \$	FY 27 \$
Library, CT State	GF - Potential Savings	None	None	See Below
Higher Education Constituent Units	Various - Potential Savings	None	None	See Below
Attorney General	GF - Potential Revenue Gain	None	None	See Below

Note: GF=General Fund; Various=Various

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$	FY 27 \$
Various Municipalities; Various Local and Regional School Districts	Potential Savings	None	None	See Below

Explanation

Beginning in FY 27, the bill prohibits certain licensure and contract agreements between libraries and electronic book publishers and makes violations an unfair trade practice.

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, including the Connecticut State Library (CSL), the constituent units, various other state agencies, municipalities, and local and regional boards of education.

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4/9/24

Some of the contracts include terms that the bill prohibits, such as restrictions on interlibrary loaning. The bill'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 bill requires the Office of the Attorney General to enforce any violations of the bill's provisions, which constitute an unfair trade practice and may result in a General Fund revenue gain, beginning in FY 27.

The Out Years

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