Local Government Mandate Statement Kentucky Legislative Research Commission 2023 Regular Session

Part I: Measure Information

Bill Request #: 289
Bill #: SB 35
Document ID #:705
Bill Subject/Title: AN ACT relating to electronic literary products.
Sponsor: Senator John Schickel
Unit of Government: X City X County Urban-County Unified Local
X Charter County X Consolidated Local X Government
Office(s) Impacted: Public libraries
Requirement: X Mandatory Optional
Effect on Powers & Duties: Modifies ExistingX Adds New Eliminates Existing

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

SB 35 would require publishers of electronic literary products (audiobooks, e-books) that sell those products to also license the products to libraries under reasonable contract terms. "Reasonable contract terms" would include selling to libraries at no more than 100% of the suggested retail price to consumers.

Currently, publishers charge libraries up to three times more for a license to loan a popular e-book/audiobook to its patrons than a publisher charges a consumer to purchase the book. For example, according to the Boone County Public Library, one title on the New York Times best seller list that is sold to the consumer for \$14.99, would cost the library \$62.99 for a license to loan the e-book to its patrons for 24 months. At the end of that time the library would have to re-purchase the right to loan that title. See also, article published by the PEW Trust recounting testimony to Congress by the American Library Association (ALA) that, while consumers paid \$12.99 for a digital version of a bestseller, the publisher charged libraries approximately \$52 for a two-year license to loan the same e-book. September 6, 2022, STATELINE Article by Caitlin Dewey

https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2022/09/06/librarians-and-lawmakers-push-for-greater-access-to-e-books.

In an earlier article the ALA gives the example of "The Codebreakers", a New York Times best seller offered to consumers in e-book format for \$59.99, while a library must pay \$239.99 for a time-limited right to loan the e-book. See, article by Gabrielle Emanuel, January 6, 2020, https://www.wgbh.org/news/local-news/2020/01/06/inside-the-e-book-war-waging-between-libraries-and-publishers

SB 35 would have a moderate to significant positive fiscal impact on public libraries.

The Boone County Public Library estimates its average cost to purchase e-literature products at \$62.99 per item. At that cost, based on its budget, the Boone County Public Library states it can purchase 2,900 items per year to loan to its patrons. At the lower consumer price of \$12.99 per title and based on its budget, the library could purchase more than 12,000 items. Such a difference reflects a significant financial savings to publicly supported libraries.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II addresses SB 35 as introduced. There is no earlier version for comparison.

Data Source(s): Kentucky Library Association Advocacy Committee; Boone County

Public Library; PEW Trust; American Library Association

Preparer: Mary Stephens (RB) **Reviewer:** KHC **Date:** 1/17/23