

FISCAL NOTE
SENATE BILL NO. 2360
LC# 23.0672.07000
04/17/2023

1 - State Fiscal Effect

Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$450,000		\$300,000	
Appropriations			\$450,000		\$300,000	

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties		\$142,448	\$142,448
Cities		\$3,151,848	\$3,151,848
School Districts			
Townships			

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

SB2360 will create and amend century code relating to obscenity control, required safety policies and technology measures and to define public libraries. Sections 2, 3, 5 will have fiscal impacts on public and school libraries. Section 4 will also impact school libraries.

4 - Fiscal Impact Sections Detail

Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.

We have received new information that Section 5 will require the implementation of a statewide authentication system for access to the databases. The estimated costs to implement are \$300,000 in the first year and annual subscription costs of \$150,000. This estimate is based on vendor-supplied information specific to a subset of North Dakota libraries from early 2022. This does not account for any labor or maintenance costs, nor does it speak to

additional technical expertise libraries would need to employ or outsource to local vendors to manage the connections to such a system. Sections 2, 3, and 4 will require public and school libraries to review significant portions of their existing collections as well as future purchases. The fiscal data at the local level was provided by six libraries: Bismarck Veterans Memorial, Hazen, Lake Region (Devil's Lake), McLean-Mercer (Riverdale), Valley City Barnes County, and Ward County (Minot).

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

Public and school libraries will need to review young adult fiction and nonfiction materials and DVDs in the physical collection. They will need to review the digital collection which includes fiction, nonfiction and magazines. Items purchased going forward will need to be reviewed more granularly to determine compliance with the law. The public and school libraries will need to add additional personnel to manage their collections for compliance with the law. The number of personnel needed will depend on the size of the library collection. We have received estimates of the fiscal impact from six public libraries; the libraries represent small, medium and large libraries. Bismarck Veterans Memorial Library estimates a fiscal impact of over \$334M which includes a review of the adult collection as well as the aforementioned collections since the bill requires materials to be reviewed anywhere in the library accessed by children which is the entire library building. An additional cost for the small public libraries and the school libraries will be the cost to catalog materials at the local level rather than from a vendor. Since libraries will need to review titles before adding them to the collection, they will not be able to have them cataloged by the vendor which provides both cost savings and efficiencies as pre-cataloged materials cannot be returned to the vendor.

Section 5 will require filtering of computers in public and school libraries. Currently 20% of the public libraries do not filter internet access on their public computers. The Children's Internet Protection Act requires a library or school to filter access if they receive e-rate discounts or federal dollars for computers/technology. The cost to add filters for those public libraries will vary based on the size and needs of the library. Smaller libraries may be able to utilize Open DNS, which would provide simple filtering at no cost. Local public schools may need to add additional filters for student emails and google accounts and additional staff to monitor the filter, follow up on red flags, blocks/unblocks, and to work with administration on the response. Public libraries may need additional filtering for public access computers.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.

In the 2023-25 biennium, the North Dakota University Systems would need a general fund appropriation of \$450,000 to implement a statewide authentication system. In the 2025-27 biennium the North Dakota University Systems would need a general fund appropriation of \$300,000 for the authentication system.

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