

**FISCAL NOTE**  
**SENATE BILL NO. 2360**  
**LC# 23.0672.05000**  
**03/29/2023**

**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
<b>Revenues</b>						
<b>Expenditures</b>			\$3,636,913		\$173,721	
<b>Appropriations</b>			\$3,636,913		\$173,721	

**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
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

**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 1, 3, 5 will have fiscal impacts on the State Library as well as public and 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.*

Sections 1, 3, 5 of the bill require libraries to review all items in their collection to determine if they meet the description of obscene material as it is described in of SB2360.

Section 5 will require NDSL to receive certification from vendors of Online Library Resources (OLRs) or databases.

Some of the OLRs are purchased jointly in partnership with Minnesota and South Dakota; Minnesota holds the contracts for these resources.

## **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.*

As SB2360 is currently written, NDSL will need to review all fiction items in the collection, some non-fiction items as well as the e-book collection. NDSL's fiction collection includes almost 19,000 items and our non-fiction collection, exclusive of state and federal documents includes 89,000 items. The shared e-book collection includes almost 9,000, exclusive of the e-magazines

The State Library researched the average number of words read by adults, teens and grades 1-6 as well as the average number of pages and word count in fiction and non-fiction books for adults, teens and elementary students. Using that data, NDSL has determined that we would need to add 71 temporary staff to review the fiction collection and 35 to review the e-book collection. NDSL purchases e-magazines that can be accessed by NDSL cardholders or cardholders from the 60+ participating public libraries. We would need to review the magazines to determine which titles we would want to "weed" as the collection is curated by the vendor. We are estimating three temporary staff to review the magazine collection. As a result an increase in general fund appropriation \$3,463,193 would need to be included in SB2013.

NDSL would also need to add 1.0 FTE, professional librarian, to oversee the reviewing process and make the final recommendation to the State Librarian on items in the collection. An increase in general fund appropriation of \$173,721 would need to be included in SB2013.

In 2021, there were 4.9M items collectively owned in North Dakota public libraries. NDSL does not have a count of the number of items that are owned by North Dakota school libraries. Public and school libraries will need to review the majority of items in their collection. While NDSL cannot fully estimate the cost to the public libraries, NDSL divided the collective items owned (4.9M) by the number of North Dakota public libraries (83) to determine the average collection size per library, which is 224 items. Using NDSL salary data, the average library would need \$7,117,017 in additional funds for staff to review their collection.

NDSL purchases a suite of Online Library Resources (OLRs) or databases in partnership with Minnesota and South Dakota. Minnesota manages the procurement process and holds the contracts for that suite. NDSL purchases additional OLRs for use in North Dakota only. Last fiscal year, the total cost for our online resources was \$439,000 which includes the cost for the State Library, ODIN (our statewide shared circulation system which is part of NDUS) and the local libraries portion. We are still trying to determine the impact of this bill on the joint OLRs and if NDSL will have to purchase these resources on our own going forward. In 2017, utilizing data from the vendors we learned that if each library had to purchase the OLRs individually the cost would be over \$12M.

## **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 2023-2025 biennium the North Dakota State Library would need general fund appropriation in SB2013 of \$3,636,913.

In 2025-2027 biennium the North Dakota State Library would need general fund appropriation in SB2013 of \$173,721.

## **Contact Information**

**Name:** Mary Soucie

**Agency:** ND State Library

**Telephone:** 7013284654

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