

FISCAL NOTE
SENATE BILL NO. 2360
LC# 23.0672.06000
03/30/2023

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			\$269,038		\$173,721	
Appropriations			\$269,038		\$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
Counties			
Cities			
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 the State Library as well as 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.

Section 2 includes a definition of public libraries that includes the State Library.

Section 3 of the bill will require the State Library, public and public school libraries to review the young adult non-fiction collection, certain sections of the adult non-fiction collection, periodicals, and the e-book and e-magazine

collections.

Section 5 will require NDSL to receive certification from vendors of Online Library Resources (OLRs) or databases; to collect reports of any incidents; and to disseminate the information to the libraries. 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.

The State Library will need to review portions of the collection for young adults, sections of the non-fiction collection and the e-magazine and e-nonfiction collections. Items that are purchased going forward will need to be reviewed more granularly to determine compliance with the law. NDSL would need to add 1 FTE professional librarian to manage the collection of materials, including the purchase and maintenance of the Online Library Resources. An increase in general fund appropriation of \$173,721 would need to be included in SB2013. We will need 3 temp employees to help review the e-book, e-magazine, young adult and juvenile collections. An increase in general fund appropriation of \$95,317 would need to be included in SB2013.

Public and school libraries will need to review materials in their young adult fiction, graphic novel, and manga collections as well as non-fiction, periodicals and audiovisual materials. 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.

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.

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. Minnesota currently handles the procurement of these resources. We expect to be able to continue the partnership. Public and school libraries will need to communicate with NDSL regarding the compliance report that is required. NDSL will have to assign an employee to coordinate the collection of the compliance reports and the dissemination of the information to the library community.

The other potential impact is on InterLibrary Loan (ILL). It is unclear how materials received through ILL from other states would be impacted by this bill. NDSL currently facilitates 21,000 ILLs for individuals directly and through local libraries. If staff need to review items received through ILL, NDSL would need additional staff to help facilitate that process.

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 State Library would need a general fund appropriation in SB2013 of \$269,038. In the 2025-27 biennium the North Dakota State Library would need a general fund appropriation in SB2013 of \$173,721.

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