

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3209H.011  
 Bill No.: HB 1574  
 Subject: Libraries and Archives; Appropriations; Children and Minors  
 Type: Original  
 Date: February 7, 2024

Bill Summary: This proposal prohibits the state librarian from disbursing funds to libraries that offer obscene materials to children.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue*	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

\*Oversight assumes the withholding of state aid to libraries for being out of compliance with new Section 181.075 will not reach the \$250,000 threshold.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Local Government</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** assumed no fiscal impact other than stating that many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

**Oversight** notes, per the SOS budget book that *“under the Missouri Constitution and state statutes, the General Assembly appropriates funds to support public libraries. State aid is appropriated to libraries that have a minimum voted tax or local government support equal to \$.10 per \$100 of assessed valuation. Libraries use these funds to improve information access and develop stronger library services for Missouri citizens. Funds are distributed to public libraries on a per capita basis and to libraries in high poverty/low assessed valuation counties for equalization aid, and to other public libraries for purposes compliant with RSMo 181.060. Public libraries must certify that they comply with 15 CSR 30-200.015 in order to receive funds pursuant to 15 CSR 30-200.020 and 15 CSR 30-200.025.”*

Oversight notes the following expenditures from the General Revenue Fund for State Aid to Public Libraries:

	<u>State Aid</u>	<u>Eligible Library Districts</u>	<u>Population of Districts</u>
2023	\$4,504,001	160	5,627,557
2022	\$3,504,001	159	5,460,313
2021	\$3,504,001	160	5,462,497

The appropriation for FY 2024 is \$4,504,001. Based on eligible library districts, Oversight will assume the average distribution per district is roughly \$28,130 ( $\$4,504,001 / 160$ ).

Oversight assumes this proposal could result in a reduction/withholding of payments made to local libraries. Oversight will reflect this as a \$0 or an unknown amount.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
<b>GENERAL REVENUE</b>			
<u>Savings</u> – SOS – potential withholding of state funds to local libraries if out of compliance with §181.075	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b>\$0 or <u>Unknown</u></b>	<b>\$0 or <u>Unknown</u></b>	<b>\$0 or <u>Unknown</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
<b>LOCAL LIBRARIES</b>			
<u>Loss</u> – potential to be found liable to injured parties and subject to civil penalties and other civil actions	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<u>Loss</u> – SOS potential withholding of state funds to local libraries if out of compliance with §181.075	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT TO LOCAL LIBRARIES</b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill prohibits the State Librarian from disbursing any state, federal, or other funds to an academic library, institutional library, library consortium, public library, school library, or special library that is otherwise eligible to receive disbursements of funding from the State Librarian unless such library certifies in writing that:

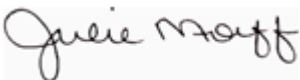
- (1) The library has adopted or will adopt a written, publicly accessible collection development policy that addresses how selections are made, with particular attention to the appropriateness for the age and maturity level of any person less than 18 years of age who accesses any material in any form;
- (2) No funds shall be used to purchase or acquire material that constitutes "child pornography", is "pornographic for minors", or is "obscene";
- (3) The library has adopted or will adopt a written, publicly accessible policy allowing a minor's parent or guardian to determine what materials and access will be available to such minor, and no person employed by or acting on behalf of the library shall knowingly grant to a minor access to any material in any form not approved by such minor's parent or guardian;
- (4) No age-inappropriate materials in any form, as defined in the library's collection development policy, shall be knowingly displayed in the library areas designated by the library as containing materials predominantly for minors;
- (5) No event or presentation shall be held at the library without an age-appropriate designation affixed to any publication, website, or advertisement for such event or presentation; and
- (6) The library has adopted or will adopt a written, publicly accessible library materials challenge policy by which any person may dispute or challenge the library's age-appropriate designation, with any such dispute made public.

In the event that a person or institution knowingly violates the provisions of this bill, the person or institution shall be liable to the injured party, and subject to a civil penalty of \$500 per occurrence.

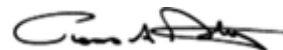
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

#### SOURCES OF INFORMATION

Office of the Secretary of State  
Joint Committee on Administrative Rules



Julie Morff  
Director  
February 7, 2024



Ross Strobe  
Assistant Director  
February 7, 2024