

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2543H.01I
Bill No.: HB 1146
Subject: Libraries and Archives; Education, Elementary and Secondary; Department of
Elementary and Secondary Education
Type: Original
Date: April 15, 2025

Bill Summary: This proposal establishes provisions relating to the reconsideration of materials in a public library or public school library.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	\$0 or (Unknown, Could Exceed \$350,000)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on General Revenue*	\$0 or (Unknown, Could Exceed \$350,000)	\$0 or (Unknown)	\$0 or (Unknown)

*Digital database acquisition costs and replacement of current services.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on FTE	0	0	0

☒ 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.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Local Government	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

§182.910 – Reconsideration of Library Materials

Officials from the **Office of the Secretary of State (SOS)** state according to §182.910.6, the Missouri State Library (MOSL) estimates the potential impact as written is between \$0 and more than \$350,000. This is based on digital database acquisition cost and replacing those services if the current service cannot be altered to meet the bill requirements. It may be the MOSL would have to purchase a different database or more than one to replace current services. If no materials are found to be removed the cost is negligible. While some databases do allow curation of material it may not be possible or feasible to create certain restriction or possible to remove certain items necessitating the disconnected use of a particular database. Much would depend upon the issue being challenged.

Oversight spoke with SOS regarding their response. SOS states that if this proposal is enacted, there would be an initial unknown cost that could exceed \$350,000. SOS does license with vendors on a yearly basis and would continue to have on-going cost with this proposal. SOS states depending on who they have licenses with would be an unknown on-going cost going forward. **Oversight** does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the SOS.

Oversight also assumes there could be a potential cost to local libraries and schools if more staff time is used to review content or replace current digital services. Therefore, Oversight will reflect a \$0 or unknown cost to local libraries and school libraries for this proposal.

Officials from the **City of Osceola** and the **Rolling Hills Consolidated Library** responded to **Oversight's** request but did not provide a fiscal impact response for this proposal.

Officials from the **Department of Elementary and Secondary Education**, the **Missouri Ethics Commission**, **Kansas City, O'Fallon**, the **Jackson County Election Board**, the **Kansas City Election Board**, the **Platte County Board of Elections**, the **St. Louis City Board of Elections**, the **St. Louis County Board of Elections** and the **Mid-Continent Public Library** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other cities, counties, school districts and public library districts were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE			
Cost – SOS – potential replacement of digital database acquisition services with on-going cost \$182.910	<u>\$0 or (Unknown, Could Exceed \$350,000)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0 or (Unknown, Could Exceed \$350,000)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL & SCHOOL LIBRARY FUNDS			
Cost - \$182.910 – potential for additional staffing cost to review content or replace current digital services	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL & SCHOOL LIBRARY FUNDS	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill establishes provisions relating to the reconsideration of materials in a public library or public school library.

The bill defines "digital library material" as material including, but not limited to, digital audiobooks, electronic journals, electronic magazines, and other resources that are directly accessible through the public library or school library database, but excluding any online content that is available outside of the public library or school library database or platform.

This bill defines "library material" as any resource in print or non-print format, including, but not limited to, books, magazines, microfiche, microfilm, slides, exhibits, and other materials that are found in a public library or school library.

The bill defines "reconsideration" as a process in which library personnel, public schools, school districts, or library governing bodies review materials in a public library or school library due to a formal complaint filed by a member of the community. The outcome of this reconsideration may include relocating or removing library materials or removing or restricting access to digital library materials.

This bill requires all public libraries and public school libraries to establish a policy outlining the process for library materials and digital library materials to undergo reconsideration based on a complaint made about library materials or digital library materials from a member of the community. Such a policy must be made publicly available as provided in the bill.

A public library or school library will remove library materials from its permanent collection, relocate library materials within its collection, or remove or restrict access to digital library materials within its collection only if the materials have been reviewed in accordance with an established policy for the reconsideration of library materials and digital library materials that complies the requirements of the bill.

To request reconsideration of library materials or digital library materials, the individual making the request must sign an affidavit affirming that: the individual has read or consumed the entirety of the challenged material; and the individual resides in the taxing district of the public library in which the request is made or the school district in which the request is made.

Each public library or school library must develop an appeals process for the reconsideration policy that outlines a process for appealing a decision made regarding the removal of library materials or digital library materials, as provided in the bill.

Digital library resources will not track or monitor the access of library materials or digital library materials by individual users, especially minors, including any tracking or monitoring to personalize user experiences.

An individual who is an employee or volunteer of a public library or school library must not be subject to termination, demotion, discipline, retaliation, or any other penalty for refusing to remove library materials or digital library materials before the materials have been reviewed in accordance with a policy that complies with the provisions of this bill.

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
Department of Elementary and Secondary Education
Missouri Ethics Commission
Kansas City
O'Fallon
Jackson County Election Board
Kansas City Election Board
Platte County Board of Elections
St. Louis City Board of Elections
St. Louis County Board of Elections
Mid-Continent Public Library
Rolling Hills Consolidated Library
City of Osceola



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