

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2543H.03C
Bill No.: HCS for HB 1146
Subject: Libraries and Archives; Education, Elementary and Secondary; Department of
Elementary and Secondary Education
Type: Original
Date: May 20, 2025

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	\$0 or (Less than \$1,000,000)	\$0 or (Less than \$1,000,000)	\$0 or (Less than \$1,000,000)
Total Estimated Net Effect on General Revenue*	\$0 or (Less than \$1,000,000)	\$0 or (Less than \$1,000,000)	\$0 or (Less than \$1,000,000)

*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) subscribes to more than 10 databases for an annual recurring cost of more than \$1,000,000. This is based on acquisition costs for online databases and replacing those resources if they cannot be altered to meet the bill requirements. MOSL may have to subscribe to different databases to replace current resources that may have limited curation capability. While some databases do allow curation of material it may not be possible or feasible to create certain restrictions or possible to remove certain items necessitating the discontinued use of a particular database.

Oversight notes the cost presented by the SOS is for acquiring online databases and the replacement of existing services. Therefore, Oversight will show a cost of less than \$1,000,000 estimated by the SOS assuming the SOS will have some savings as some services are replaced.

Oversight also assumes there could be a potential cost to local libraries 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 for this proposal.

Officials from the **Missouri Ethics Commission, City of Kansas City, the Platte County Board of Elections** and the **St. Louis County Board of Elections** 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.

Officials from the **Rolling Hills Consolidated Library** assume the proposal will have no fiscal impact, as we already do all of this as a part of the Admin Rule set in 2023.

In response to a previous version, officials from the **City of Osceola** responded to **Oversight's** request but did not provide a fiscal impact response for this proposal.

In response to a previous version, officials from the **Department of Elementary and Secondary Education, O'Fallon, the Jackson County Election Board, the Kansas City Election Board, the St. Louis City Board of Elections** and the **Mid-Continent Public Library** each assumed 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 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			
<u>Cost</u> – SOS – online databases and replacement of current services with on-going cost §182.910	\$0 or (Less than <u>\$1,000,000</u>)	\$0 or (Less than <u>\$1,000,000</u>)	\$0 or (Less than <u>\$1,000,000</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or (Less than <u>\$1,000,000</u>)	\$0 or (Less than <u>\$1,000,000</u>)	\$0 or (Less than <u>\$1,000,000</u>)

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

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.

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

This bill defines "material" as any picture, drawing, photograph, motion picture film, videotape or videotape production, or pictorial representation; any recording or transcription; any mechanical, chemical, or electrical reproduction; any stored computer data; or anything that can be used as means of communication. Material includes, but is not limited to, undeveloped photographs, molds, printing plates, stored computer data, and other latent representational objects.

The bill defines "reconsideration" as a process in which library personnel or library governing bodies review materials in a public library due to a formal complaint. The outcome of this reconsideration can include relocating or removing materials or digital library materials.

This bill requires all public libraries to establish a policy outlining the process for materials and digital library materials to undergo reconsideration based on a complaint made about 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 will remove materials from its permanent collection, relocate materials within its collection, or remove 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 materials and digital library materials that complies the requirements of the bill.

To request reconsideration of materials or digital library materials, the individual making the request must sign a form affirming that: the individual has read or consumed the entirety of the challenged material; the individual resides in the taxing district of the public library in which the request is made; and the individual holds a library card for the public library in which the individual is filing the request for reconsideration.

Each public library must develop an appeals process for the reconsideration policy that outlines a process for appealing a decision made regarding the removal of materials. A record of all appeals requested and their outcomes will be made available by a public library upon request.

Digital library resources will not track or provide third-party notification regarding digital library materials accessed by individual users via public library database. An individual who is an employee or volunteer of a public library must not be subject to termination, demotion, discipline, retaliation, or any other penalty for refusing to remove materials or digital library materials before the materials have been reviewed in accordance with a public library 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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