

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 2161 - HB 2737**

March 8, 2024

**SUMMARY OF BILL:** Prohibits a contract or license agreement between a publisher and a library from: restricting the library from performing customary operational functions relating to electronic literary materials; restricting the library from performing customary lending functions for electronic literary materials; restricting the library from disclosing any terms of its license agreements to other libraries; or, from requiring the library to violate the requirements related to confidentiality of a patron's library records. Establishes that a publisher who does not comply with this prohibition commits a violation of the *Tennessee Consumer Protection Act of 1977*. Authorizes the Attorney General and Reporter (AG) to seek a civil penalty for a violation of up to \$5,000. Authorizes a library, employee of a library, or a borrower who uses a library's services to bring action in court against a publisher.

**FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Pursuant to the proposed legislation, library means any public library, public elementary or secondary school library, tribal, academic, research, special, or talking book library, consortium library system, or archive.
- According to the proposed legislation, electronic literary materials means digital audiobooks or electronic books.
- The proposed legislation will not result in a significant increase in court proceedings, and can therefore be accomplished within existing resources.
- Any increase in state revenue as a result of fines to publishers will be not significant.
- Any legal action that is brought by a library, employee of a library, or a borrower who uses a library's services against a publisher will be borne of private costs and will have no fiscal impact to the state.
- The AG can accommodate the authorization under this legislation with existing resources.
- Any impact on state or local revenue or expenditures will be not significant.

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**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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