



500 E. Lorain Street

National Association of College Stores

Oberlin, Ohio 44074

LEGISLATIVE UPDATE —TEXTBOOK AFFORDABILITY

By Richard Hershman

Director of Government Relations, NACS

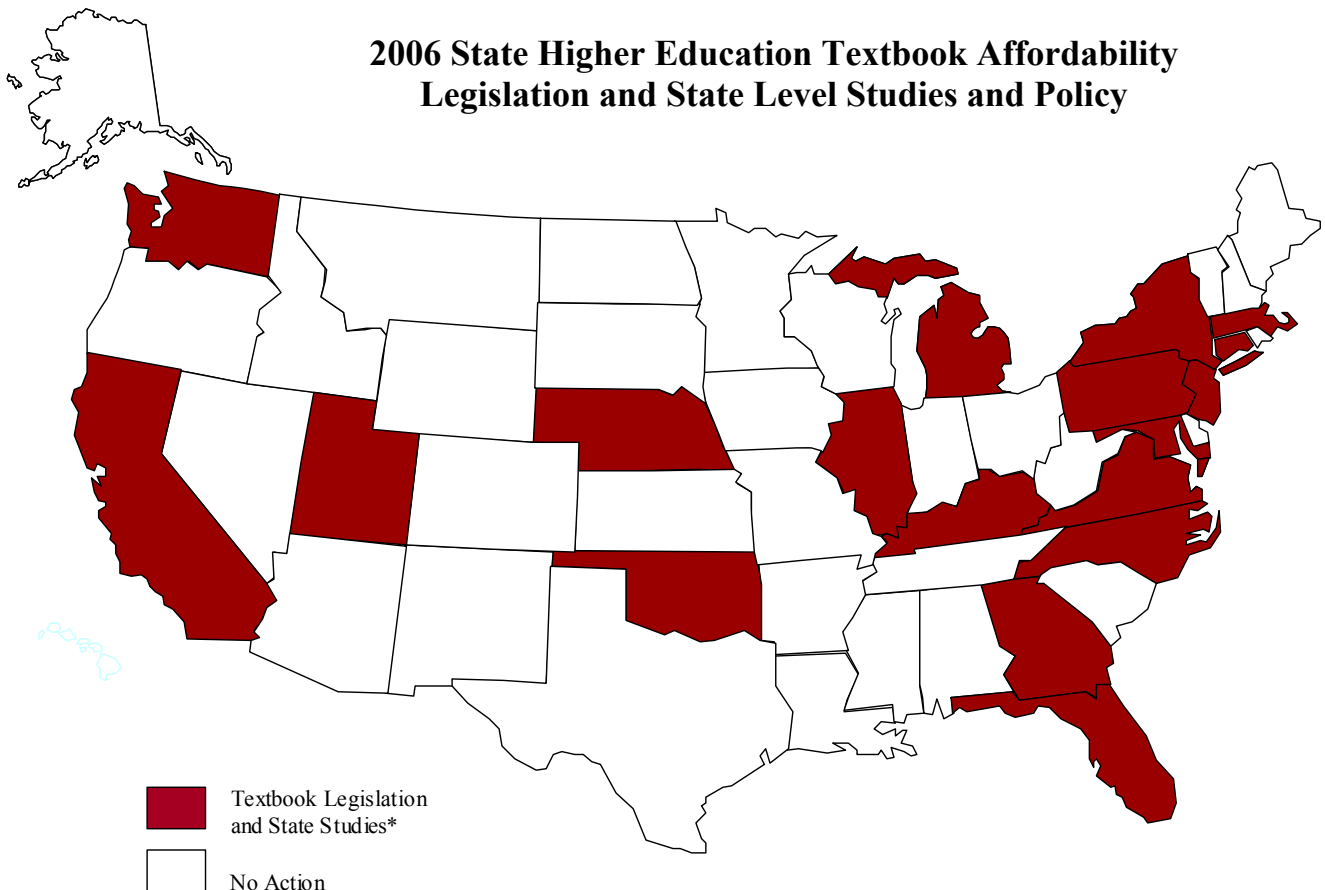
Super Regional Meeting & Buying Show

April 2 - 5, 2006

The Middle-Atlantic, New York, and New England regions have seen significant amounts of legislative and policy activities on textbook affordability in 2005 and 2006 as state legislatures and state higher education agencies continued to consider the textbook affordability issue through legislation, studies, and policies.

This update will briefly highlight for you the key activities and issues occurring in each of the states in these regions. For a more in-depth conversation about these activities and issues please attend the government relations session on Monday or feel free to contact me by e-mail at rhershman@nacs.org.

2006 State Higher Education Textbook Affordability Legislation and State Level Studies and Policy



*State studies have been completed or underway in CT, GA, IL, NC, VA, and WV.

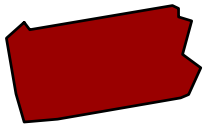
as of 3/20/06

STATE**ACTIVITIES AND STATUS****CONNECTICUT**

Connecticut has been extremely busy addressing the textbook affordability issue over the last three years. The State Board for Higher Education along with the Connecticut Department of Higher Education have discussed the issue at their monthly meetings, held a broadly attended summit on the issue, and issued three studies and policy proposals. The latest release was on February 15th when a report was submitted to the state legislature following the state's textbook summit held in October 2005.

Throughout 2005 the Connecticut legislature debated the merits of legislation to address bundling, student access to adoption lists and ISBN numbers, and several other ideas to address textbook costs. College stores and NACS opposed many of these proposals and thanks in part our collective efforts the legislature ultimately did not pass damaging legislation.

This year the legislature is considering **H.B 5527**, that requires publishers to provide to potential purchasers a complete list of all products, their wholesale prices, and estimated length of time the products will remain on the market. The same information must be placed on the publisher's web site. The bill also requires the boards of the public college and university systems to develop college bookstore charge programs allowing students to buy textbooks on credit at campus stores. A hearing has been held on the bill and it may progress further in the legislative process.

PENNSYLVANIA

Textbook affordability heated up in Pennsylvania during 2005 with a bill **H.B. 1842** introduced with broad support to prohibit publishers and retailers in the state from selling bundles unless texts are available individually as an option. Requires publishers to disclose to retailers or faculty that bundled editions are available individually; price differences between bundled and unbundled texts; how new editions differ from previous editions; and how long an edition will stay in print. Custom course materials are exempt from these requirements.

The bill was introduced in July 2005 and is currently pending in the House Committee on Consumer Affairs. There has been little recent attention to the bill, however two newspaper articles have recently discussed the legislation and recent success in passing bundling legislation in Virginia may spur action in Pennsylvania.

DELAWARE


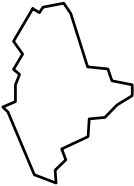

No recent state activity has occurred in Delaware to the best of our knowledge.

RHODE ISLAND

No recent state activity has occurred in Rhode Island to the best of our knowledge.

MASSACHUSETTS

H.B. 1262 textbook affordability legislation modeled on several state proposals was introduced in 2005, however it did not see any action until this year. The legislation would indirectly require bookstores to stock both bundled and unbundled materials, among several other provisions of concern to bookstores, publishers, and libraries.

	<p>A hearing on the bill occurred in January 2006 that featured testimony from MASSPIRG, NACS, AAP, and several students, publishers, and college store representatives. For the most part, the hearing was relatively positive with respect to college stores, however was very hostile to publishers. According to reports, the Co-Chair of the Higher Education Committee would like to move the bill through the legislature. Amendments are likely.</p>
<p>MARYLAND</p> 	<p>Maryland has seen a good deal of legislative and state policy on the textbook affordability issue. Last year a bill was introduced to exempt textbooks from sales tax, however facing opposition over the cost of the exemption, the legislation quietly morphed into a requirement that the state establish a textbook and supply buying consortium for bookstores. That bill passed and was signed into law. The University Maryland System is currently planning to report back to the legislature that they are unable to implement the buying consortium.</p> <p>This year the Maryland General Assembly is considering two textbook bills. The first, S.B. 214 <i>The Textbook Market Fairness Act</i> is identical to legislation in Virginia adopted last year to prohibit any form of compensation to faculty as inducement to adopt particular textbooks for college courses and more importantly to require public college and university bookstores to post book adoption lists, including ISBNs on their web sites at the time faculty submit their lists to the bookstore. A hearing that included testimony by NACS, B&N, and two private store directors was held in February. The bill remains pending in the Senate Committee on Education, Health, and Environmental Affairs.</p> <p>The second legislation H.B. 25 would exempt textbooks from Maryland's 5% sales tax. That legislation is pending in the House Ways and Means Committee. Maryland is the only state of its neighbors to collect sales tax on textbooks.</p> <p>The University System of Maryland has also begun a working group of various stakeholders to establish a set of basic policies to reduce textbook costs.</p>
<p>MAINE</p> 	<p>No recent state activity has occurred in Main to the best of our knowledge.</p>
<p>NEW HAMPSHIRE</p> 	<p>No recent state activity has occurred in New Hampshire to the best of our knowledge.</p>

NEW YORK



New York claims the distinction of having the most textbook affordability bills then any other state. A total of nine bills are pending in the New York State Assembly.

Of particular note and concern is **S.B. 6804**, also known as the *Textbook Pricing and Access Act*, which would require publishers to provide written price lists to faculty for textbooks, supplemental materials, and bundles. In turn, faculty must furnish a written book order to the publisher or store, indicating the earliest edition that students may buy. Faculty and staff would not be permitted to accept compensation for adopting certain materials, except for sample copies or royalties. In addition, the bill requires college bookstores to post their booklists online, including ISBNs. Bundles could be sold only if specifically ordered by a professor.

The bill has been referred to the Senate Committee on Higher Education and is almost identical to the Textbook Pricing and Access Act (**H.B 4867**) that was introduced in the Illinois General Assembly in January. No action has been taken yet on **S.B. 6804**.

The other bills are:




Assembly Bill 1214. Expands the definition for sales tax exemption of "textbooks" to include supplementary books, manipulatives, art reproductions, maps, sheet music, manuals, almanacs, atlases, general dictionaries and encyclopedia, magazines, and newspapers. Status: Filed 1/19/05. Referred to Assembly Committee on Education. Carried over to 2006 session, 1/4/06.

Assembly Bill 1951/Senate Bill 2381. Identical bills: Allow students or their parents to deduct textbook expenses on their state income tax form. Status: A1951 filed 1/24/05. Referred to Assembly Committee on Ways and Means. S2381 filed 2/14/05. Referred to Senate Committee on Investigations and Government Operations. Both bills carried over to 2006 session, 1/4/06.

Assembly Bill 1965. Extends current sales tax exemption on textbooks to include any book recommended or required for college courses. Status: Filed 1/24/05. Referred to Assembly Committee on Ways and Means. Carried over to 2006 session, 1/4/06.

Assembly Bill 2270. Requires institutions to make booklists available to anyone on request 60 days before the term starts. Allows off-campus booksellers to obtain student mailing lists; advertise in campus media; and use campus charge accounts. Status: Filed 1/25/05. Referred to the Assembly Committee on Higher Education. Carried over to 2006 session, 1/4/06.

Assembly Bill 3877. Requires state and city universities to provide all booksellers, upon request, with lists of textbooks to be used for courses. Status: Introduced 2/7/05. Referred to the Assembly Committee on Higher Education. Carried over to 2006 session, 1/4/06.

	<p>Assembly Bill 4766. Requires state university of New York to form an academic review board to develop cost controls for sale of textbooks in campus bookstores, including: requiring publishers to justify new editions; sample copies provided only on request; price caps on reprinted editions. Status: Introduced 2/14/05. Referred to the Assembly Committee on Higher Education. Carried over to 2006 session, 1/4/06.</p> <p>Assembly Bill 8355. Directs Department of Education to conduct a study of bundling practices and report back, with recommendations, to the legislature and governor by July 1, 2006. Status: Filed 5/18/05. Referred to the Assembly Committee on Higher Education. Referred to the Assembly Committee on Ways and Means, 6/21/05. Carried over to 2006 session, 1/4/06.</p>
<p>NEW JERSEY</p> 	<p>New Jersey has seen some activity on textbook affordability and press driven primarily by campus PIRGS. Two bills are pending in the legislature. A.B. 454 Allows an income tax credit for textbook purchases by full-time undergraduates at New Jersey colleges and universities. Credit amounts to 10% of cost up to \$1,000 in total annual purchases. The bill was referred to Assembly Budget Committee.</p> <p>A.B. 994 authorizes public institutions to establish textbook rental programs if requested by the student government and if any existing contracts will permit. The rental program must be self-sustaining; average annual rental costs should not exceed 50% of the average annual retail purchase cost. The program can be disbanded with the student government's approval and cannot limit faculty in selecting course texts. The same bill was introduced in 2005 as AB 4036 and is based on a California bill that was vetoed by the Governor in 2005. The bill is referred to Assembly Higher Education Committee.</p>
<p>VERMONT</p> 	<p>In 2005 legislation was introduced to exempt textbooks from sales tax, however the legislation died. No recent state activity has occurred to the best of our knowledge.</p>
<p>WEST VIRGINIA</p> 	<p>West Virginia has been quiet in 2006 following a tumultuous 2005 of debate on legislation to band bundling and mandate ISBN adoption list postings. The bundling legislation died, however a mandate was passed requiring bookstores post course adoption lists and ISBN numbers on-line became law, though only after amendments were made at the request of college bookstores.</p>