Committee Item	No.	
Board Item No.	16	

COMMITTEE/BOARD OF SUPERVISORS

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Committee:		Date:	
Board of Sup	pervisors Meeting	Date:	April 22, 2025
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OTHER			
	Assembly Bill 611 CSAC and LCC Standing 4/15/25	5	
Prepared by: Lisa Lew Date: April 18, 2025 Prepared by: Date:			

1	[Supporting California State Assembly Bill No. 611 (Lee) - The Keep News Independent Act]
2	
3	Resolution supporting California State Assembly Bill No. 611, The Keep News
4	Independent Act, introduced by Assembly Member Alex Lee, to promote transparent
5	ownership and protect local journalism in the City and County of San Francisco and
6	across the State of California.
7	
8	WHEREAS, Local journalism is essential to inform civic participation, public
9	accountability, and community connection in the City and County of San Francisco; and
10	WHEREAS, Across California, legacy local newspapers are being quietly purchased by
11	hedge funds and large corporate chains that often reduce newsroom staffing, cut back on
12	local reporting, and centralize editorial decision-making far from the communities being
13	served; and
14	WHEREAS, Since 2004, California has lost 25% of its newspapers, and more than
15	50% of total newspaper circulation in the U.S. is now controlled by investment firms; and
16	WHEREAS, The consolidation of California's newspapers threatens access to trusted,
17	locally rooted information about public safety, elections, schools, housing, transportation, arts,
18	and culture; and
19	WHEREAS, California State Assembly Bill No. 611 (AB 611), introduced by
20	Assemblymember Alex Lee and sponsored by California Common Cause, would require
21	legacy local news outlets to provide 120 days' notice before finalizing a sale to a non-
22	independent buyer such as a hedge fund or corporate chain; and
23	WHEREAS, San Francisco residents and organizations - including small publishers,
24	nonprofit journalism projects, and labor unions representing journalists - have a vested
25	interest in policies that support the survival and independence of local newsrooms; and

1	WHEREAS, The Board of Supervisors recognizes the critical role of independent
2	journalism in maintaining transparency and public trust in government; now, therefore, be it
3	RESOLVED, That the Board of Supervisors supports AB 611 - The Keep News
4	Independent Act; and, be it
5	FURTHER RESOLVED, That the Board of Supervisors will explore local efforts to
6	promote independent and community-owned media and encourage collaboration between
7	policymakers, funders, journalists, and the public to strengthen local journalism; and, be it
8	FURTHER RESOLVED, That the Board of Supervisors urges the California State
9	Legislature and Governor to enact AB 611 as a necessary step to protect community access
10	to diverse and independent sources of local news; and, be it
11	FURTHER RESOLVED, That the Clerk of the Board shall send a copy of this
12	Resolution to Governor Gavin Newsom, President pro-Tempore Mike McGuire, Speaker of
13	the State Assembly Robert Rivas, Chair of the Assembly Labor and Employment Committee
14	Liz Ortega, and Chair of the Assembly Committee on Judiciary Ash Kalra.
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AMENDED IN ASSEMBLY MARCH 24, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 611

Introduced by Assembly Member Lee

February 13, 2025

An act relating to local media outlets. An act to add Title 23 (commencing with Section 3273.80) to Part 4 of Division 3 of the Civil Code, relating to local media outlets.

LEGISLATIVE COUNSEL'S DIGEST

AB 611, as amended, Lee. <u>Local Legacy local</u> media outlets: notice of sale or <u>transfer</u>. *transfer*: *right of first refusal*.

Existing law requires an incumbent grocery employer, defined as a person that owns, controls, or operates the grocery establishment at the time of a change in control, as defined, to post a public notice of a change in control at the location of the affected grocery establishment within 5 business days following the execution of the transfer document, as specified. Existing law, among other things, requires a covered establishment, defined to include a grocery establishment or a pharmacy establishment, to provide written notice of a closure to persons or entities, as specified, no later than 45 days before the closure takes effect.

This bill would require a legacy local media outlet, as defined, at least 120 days before any sale or transfer of a material amount of its assets or voting securities greater than 10 percent of the business, to provide specified notices of the sale or transfer, including written notice to each employee of the legacy local media outlet, that includes prescribed information, including the name of the proposed buyer.

 $AB 611 \qquad \qquad -2-$

Within 60 days of the notice of the sale or transfer, this bill would require a legacy local media outlet to provide its employees a notice of the right of first refusal to purchase a portion or the entirety of that percent of the legacy local media outlet to be sold or transferred. The bill would give an employee a right of first refusal, and would authorize the employee to invoke that right by submitting a written notice of their intent and purchase offer at any time within 60 days of receiving the notice of first refusal. The bill would require the legacy local media outlet to engage in good faith negotiations with an employee who invokes this right of first refusal, and prohibit the local media outlet from accepting another offer until the 60-day period has elapsed. The bill would authorize a legacy local media outlet to reject any employee offer at the end of the 60-day period.

This bill would require any purchase or transfer of a portion or the entirety of a legacy local media outlet, as described above, in which the buyer will receive, among other things, financing guarantees from a governmental source to effectuate a purchase or transfer subject to these provisions to accept and continue any collectively bargained employee contract in effect 120 days before any sale or transfer of ownership.

Existing law requires an incumbent grocery employer, defined as a person that owns, controls, or operates the grocery establishment at the time of a change in control, as defined, to post a public notice of a change in control at the location of the affected grocery establishment within 5 business days following the execution of the transfer document, as specified. Existing law requires a covered establishment, defined to include a grocery establishment or a pharmacy establishment, to post a written notice of the closure, as defined, of the covered establishment in a conspicuous location at the entrance to the covered establishment's premises, as specified, no later than 45 days before the closure takes effect.

This bill would state the intent of the Legislature to enact legislation regarding public notices of proposed sales or transfers of local media outlets.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

-3— AB 611

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares both of the following:

- (a) Preserving access to high-quality and diverse sources of local news is of vital importance to our communities. In the struggling local news industry, many local newsroom owners find it difficult to make payroll each month or attract competitive bidders when looking to retire or exit the sector, with large conglomerates managed by hedge funds and private equity often acting as the buyers of last resort. This has led to growing concentration in ownership of local newsrooms, giving fewer owners more control over the news that Californians see. This concentration of newsroom ownership threatens consumer access to diverse sources of high-quality local news.
- (b) Promoting employee ownership of legacy newsrooms by employee journalists via notice period will help preserve access to diverse sources of community news by stimulating competition in the ownership markets for local newsrooms.
- SEC. 2. Title 23 (commencing with Section 3273.80) is added to Part 4 of Division 3 of the Civil Code, to read:

TITLE 23. THE KEEP NEWS LOCAL ACT

- 3273.80. This title shall be known, and may be cited, as The Keep News Local Act.
- 3273.81. For the purposes of this title, "legacy local media outlet" means a business that meets all of the following requirements:
- (a) The business has been running for 10 years or more and performs a public information function comparable to that traditionally served by newspapers and other periodical news publications.
- (b) The business employs professionals to create, edit, produce, and distribute original content, at least 25 percent of which concerns specific interests to a community, city, neighborhood, or region in the state.
- (c) The business's content is produced through print or digital means that meets either of the following requirements:

AB 611 —4—

(1) A print publication that has been published at least once per month in 11 of the previous 12 months.

- (2) A digital publication that has been published once per week in 48 of the previous 52 weeks.
- 3273.82. (a) A legacy local media outlet shall provide notice pursuant to subdivision (b) at least 120 days before any sale or transfer of either of the following:
 - (1) A material amount of its assets.
 - (2) Voting securities greater than 10 percent of the business.
- (b) Notice described in subdivision (a) shall comply with both of the following:
 - (1) Notice shall be provided as follows:
 - (A) Written notice directly to each employee of the legacy local media outlet.
- (B) Written or any other applicable form of notice to subscribers and consumers of the legacy local media outlet in each print edition of content published or posted by the local media outlet during the 120-day notice period.
- (C) Written notice to the governing body of any city or county where the legacy local media outlet is headquartered.
- (2) The notice shall include, but not be limited to, all of the following information:
 - (A) The name of the proposed buyer.
 - (B) The dollar amount of the proposed sale or transfer.
 - (C) The expected date of the proposed sale or transfer.
- (D) The legacy local media outlet's affirmation of compliance with the requirements of this section.
- 3273.83. (a) Within the first 60 days of the notice required by Section 3273.82, a legacy local media outlet shall provide its employees a notice of the right of first refusal to purchase a portion or the entirety of that percent of the ownership interest of the local media outlet to be sold or transferred as described in subdivision (a) of Section 3273.82, including an opportunity to substantially match any terms offered by another person.
- (b) (1) An employee shall have the right of first refusal and may invoke that right by submitting a written notice of their intent and purchase offer at any time within 60 days of receiving a notice of the right to first refusal.
- (2) A legacy local media outlet shall engage in good faith negotiations with an employee who invokes the right of first refusal

5 AB 611

pursuant to paragraph (1), and shall not accept an offer from any other employee or person until the 60-day period has elapsed.

- (3) The legacy local media outlet may reject any employee offer at the end of the 60-day period.
- 3273.84. Any purchase or transfer of a portion or the entirety of a legacy local media outlet as described in subdivision (a) of Section 3273.82 in which the buyer will receive any grants, financing, or financing guarantees from a governmental source to effectuate a purchase or transfer subject to this title shall accept and continue any collectively bargained employee contract in effect 120 days before any sale or transfer of ownership.
- SECTION 1. It is the intent of the Legislature to enact legislation regarding public notices of proposed sales or transfers of local media outlets.

 From:
 Prager, Jackie (BOS)

 To:
 BOS Legislation, (BOS)

 Cc:
 Chen, Chyanne (BOS)

Subject: Introduction from Supervisor Chen

Date: Tuesday, April 15, 2025 2:31:24 PM

Attachments: Reso - AB 611.doc

Introduction Form - 4 15 AB611.pdf

20250AB611 98.pdf

Good afternoon,

Supervisor Chen is introducing a resolution in support of Assembly Bill no 611 today. Please see attached a copy of the resolution, introduction form, and copy of the bill language.

Supervisor Chen's digital signature serves in place of a wet signature on the introduction form.

Please note that CSAC and League of Counties have not taken a position on this bill.

Please let me know if you have any questions.

Best,

Jackie Prager
Legislative Aide
Office of Supervisor Chyanne Chen, District 11
jackie.prager@sfgov.org | 415-554-6975

Pronouns: she/her/hers

Introduction Form

(by a Member of the Board of Supervisors or the Mayor)

I haral	by cubr	nit the following item for introduction (select only one):		
	•			
	1.	For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)		
	2.	Request for next printed agenda (For Adoption Without Committee Reference) (Routine, non-controversial and/or commendatory matters only)		
	3.	Request for Hearing on a subject matter at Committee		
	4.	Request for Letter beginning with "Supervisor inquires"		
	5.	City Attorney Request		
	6.	Call File No. from Committee.		
	7.	Budget and Legislative Analyst Request (attached written Motion)		
	8.	Substitute Legislation File No.		
	9.	Reactivate File No.		
	10.	Topic submitted for Mayoral Appearance before the Board on		
The p	roposed	legislation should be forwarded to the following (please check all appropriate boxes):		
1	-	nall Business Commission		
	□ Pla	anning Commission Building Inspection Commission Human Resources Department		
Gener	al Plan	Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):		
	□ Ye	es 🗆 No		
(Note:	For Im	perative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)		
Spons	or(s):			
Subje	ct:			
Long	Title or	text listed:		
		Signature of Sponsoring Supervisor:		