

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. ~~Local~~ *Legacy local media outlets: notice of sale or transfer; 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.

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.

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

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

3 *(a) Preserving access to high-quality and diverse sources of*
4 *local news is of vital importance to our communities. In the*
5 *struggling local news industry, many local newsroom owners find*
6 *it difficult to make payroll each month or attract competitive*
7 *bidders when looking to retire or exit the sector, with large*
8 *conglomerates managed by hedge funds and private equity often*
9 *acting as the buyers of last resort. This has led to growing*
10 *concentration in ownership of local newsrooms, giving fewer*
11 *owners more control over the news that Californians see. This*
12 *concentration of newsroom ownership threatens consumer access*
13 *to diverse sources of high-quality local news.*

14 *(b) Promoting employee ownership of legacy newsrooms by*
15 *employee journalists via notice period will help preserve access*
16 *to diverse sources of community news by stimulating competition*
17 *in the ownership markets for local newsrooms.*

18 *SEC. 2. Title 23 (commencing with Section 3273.80) is added*
19 *to Part 4 of Division 3 of the Civil Code, to read:*

20
21 *TITLE 23. THE KEEP NEWS LOCAL ACT*
22

23 3273.80. *This title shall be known, and may be cited, as The*
24 *Keep News Local Act.*

25 3273.81. *For the purposes of this title, “legacy local media*
26 *outlet” means a business that meets all of the following*
27 *requirements:*

28 *(a) The business has been running for 10 years or more and*
29 *performs a public information function comparable to that*
30 *traditionally served by newspapers and other periodical news*
31 *publications.*

32 *(b) The business employs professionals to create, edit, produce,*
33 *and distribute original content, at least 25 percent of which*
34 *concerns specific interests to a community, city, neighborhood, or*
35 *region in the state.*

36 *(c) The business’s content is produced through print or digital*
37 *means that meets either of the following requirements:*

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

3 (2) A digital publication that has been published once per week
4 in 48 of the previous 52 weeks.

5 3273.82. (a) A legacy local media outlet shall provide notice
6 pursuant to subdivision (b) at least 120 days before any sale or
7 transfer of either of the following:

8 (1) A material amount of its assets.

9 (2) Voting securities greater than 10 percent of the business.

10 (b) Notice described in subdivision (a) shall comply with both
11 of the following:

12 (1) Notice shall be provided as follows:

13 (A) Written notice directly to each employee of the legacy local
14 media outlet.

15 (B) Written or any other applicable form of notice to subscribers
16 and consumers of the legacy local media outlet in each print edition
17 of content published or posted by the local media outlet during
18 the 120-day notice period.

19 (C) Written notice to the governing body of any city or county
20 where the legacy local media outlet is headquartered.

21 (2) The notice shall include, but not be limited to, all of the
22 following information:

23 (A) The name of the proposed buyer.

24 (B) The dollar amount of the proposed sale or transfer.

25 (C) The expected date of the proposed sale or transfer.

26 (D) The legacy local media outlet's affirmation of compliance
27 with the requirements of this section.

28 3273.83. (a) Within the first 60 days of the notice required by
29 Section 3273.82, a legacy local media outlet shall provide its
30 employees a notice of the right of first refusal to purchase a portion
31 or the entirety of that percent of the ownership interest of the local
32 media outlet to be sold or transferred as described in subdivision
33 (a) of Section 3273.82, including an opportunity to substantially
34 match any terms offered by another person.

35 (b) (1) An employee shall have the right of first refusal and
36 may invoke that right by submitting a written notice of their intent
37 and purchase offer at any time within 60 days of receiving a notice
38 of the right to first refusal.

39 (2) A legacy local media outlet shall engage in good faith
40 negotiations with an employee who invokes the right of first refusal

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

3 *(3) The legacy local media outlet may reject any employee offer*
4 *at the end of the 60-day period.*

5 *3273.84. Any purchase or transfer of a portion or the entirety*
6 *of a legacy local media outlet as described in subdivision (a) of*
7 *Section 3273.82 in which the buyer will receive any grants,*
8 *financing, or financing guarantees from a governmental source*
9 *to effectuate a purchase or transfer subject to this title shall accept*
10 *and continue any collectively bargained employee contract in*
11 *effect 120 days before any sale or transfer of ownership.*

12 ~~SECTION 1. It is the intent of the Legislature to enact~~
13 ~~legislation regarding public notices of proposed sales or transfers~~
14 ~~of local media outlets.~~