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**SUBSTITUTE SENATE BILL 5400**

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**State of Washington 69th Legislature 2025 Regular Session**

**By** Senate Labor & Commerce (originally sponsored by Senators Liias, Boehnke, Chapman, Cortes, Frame, Krishnadasan, Lovelett, Lovick, Orwall, Riccelli, Saldaña, Shewmake, and Valdez)

AN ACT Relating to supporting local news journalism; adding new sections to chapter 43.330 RCW; adding a new section to chapter 82.04 RCW; and providing an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  The legislature finds and declares the following:

(1) A free and diverse fourth estate was critical in the founding of our democracy and continues to be the lifeblood for a functioning democracy.

(2) Every day, journalism plays an essential role in Washington and in local communities. The ability of local news organizations to continue to provide the public with critical information about their communities, including creating content that is used by others, will preserve and ensure the sustainability of local and diverse news outlets.

(3) Communities without newspapers lose touch with government, business, education, and neighbors. They operate without journalists working to keep them informed, uncover truth, expose corruption, and share common goals and experiences.

(4) Over the past 10 years, newspaper advertising has decreased 66 percent, and newsroom staff have declined 44 percent.

(5) Ethnic media has long been a distinctive genre of journalism and communications, informing, engaging, and advocating on behalf of communities underserved by both the for-profit and not-for-profit general market media. It plays a unique role in upholding the fourth estate in our democracy by facilitating cross-racial and cross-ethnic communications to facilitate social integration, promote civic engagement, and address inequalities among all underserved communities.

(6) Given the important role of ethnic media, it is critical to advance state policy that ensures their publishers continue to employ journalists able to create content. An excellent example is the historic preamble, "We Wish to Plead Our Own Cause," a document penned by the African American journalist and abolitionist Samuel Cornish in 1827. It marked a significant milestone in the history of the Black press as it highlighted the urgent need for African Americans to have their own platform to voice their grievances, advocate for their rights, and challenge racial inequality. This call to action spurred the establishment of numerous Black-owned newspapers and publications, solidifying the role of the Black press as a powerful tool for empowerment and social change, and laid the groundwork in our country for other ethnic media to plead their own cause.

(7) Quality local journalism is key to sustaining civic society, strengthening communal ties, and providing information at a deeper level that national outlets cannot match.

(8) 73 percent of United States adults surveyed said they have confidence in their local newspaper.

NEW SECTION. **Sec.**  (1) The Washington local news sustainability program is established within the department. The director shall make grants to eligible applicants, in accordance with this section.

(2) Grants made under this section shall be used to support the employment of news journalists covering civic affairs in underserved communities to deepen community understanding of complex community issues and policies.

(3)(a) Applicants eligible for grants under this chapter must meet all of the following requirements:

(i) Be an eligible news journalism provider; and

(ii) Except for applicants that are eligible publishers of newspapers under section 5(5)(a) of this act, employ at least three news journalists in Washington state per quarter in the four calendar quarters prior to receiving a grant from the department.

(b) Except for applicants that are eligible publishers of newspapers under section 5(5)(a) of this act, if an eligible news journalism provider fails to meet eligibility requirements in subsection (3)(a)(ii) of this section solely because they only employ two news journalists working in Washington state, they may qualify for a grant if they have employed at least two news journalists in Washington state per quarter in the eight calendar quarters prior to receiving a grant from the department.

(c) An eligible publisher of a newspaper covered under section 5(5)(a) of this act may qualify for grants under this chapter without meeting the requirements of (a)(ii) and (b) of this subsection.

(4) The dollar amount of each grant awarded to an applicant must be in an amount proportional to the hours worked by journalists employed by the applicant as reported by the applicant to the employment security department.

(5) An application for a grant under this chapter must be submitted by the applicant in such form and in accordance with requirements as determined by the director.

(6) An applicant selected for funding under this section must provide progress and final reports as requested by the department.

(7) The department may consult with civic affairs leaders and local news industry leaders in developing this program.

NEW SECTION. **Sec.**  The department, the employment security department, and the department of revenue may share data as needed to implement sections 2 and 5 of this act.

NEW SECTION. **Sec.**  The department may adopt rules to implement sections 2 and 5 of this act.

NEW SECTION. **Sec.**  For the purposes of this act, the following definitions apply:

(1) "Eligible broadcaster" means a person that meets all of the following criteria:

(a) The person holds or operates under a license issued by the federal communications commission under subchapter III (commencing with section 301), chapter 5 of Title 47, United States Code;

(b) The person engages professionals to create, edit, and produce original content concerning local or regional matters of public interest through activities, including conducting interviews, observing current events, analyzing documents and other information, or fact checking through multiple firsthand or secondhand news sources;

(c) The person updates their content on at least a weekly basis; and

(d) The person uses an editorial process for error correction and clarification, including a transparent process for reporting errors or complaints to the station.

(2) "Eligible news journalism provider" means an eligible publisher or eligible broadcaster that discloses its ownership to the public.

(3) "Eligible publisher" means a person that publishes a qualifying publication.

(4) "News journalist" means a natural person who meets both of the following criteria:

(a) The person is employed for an average of at least 30 hours per week during a calendar quarter by the eligible news journalism provider; and

(b) The person is responsible for gathering, developing, preparing, directing the recording of, producing, collecting, photographing, recording, writing, editing, reporting, designing, presenting, or publishing original news or information that concerns local or regional matters of public interest.

(5) "Qualifying publication" means either:

(a) A newspaper as defined in RCW 82.04.214. However, for the purposes of this chapter, "newspaper" includes publications issued at least once per month; or

(b) An internet website, online or mobile application, or other digital service that meets all of the following criteria:

(i) The internet website, online or mobile application, or other digital service does not primarily display, provide, or offer content generated, created, produced, or owned by an eligible broadcaster;

(ii) The internet website, online or mobile application, or other digital service provides information to an audience in the state;

(iii) The internet website, online or mobile application, or other digital service performs a public information function comparable to that traditionally served by newspapers and other periodical news publications;

(iv) The internet website, online or mobile application, or other digital service engages professionals to create, edit, and produce original content concerning current topics of local or regional public interest through activities, including conducting interviews, observing current events, analyzing documents and other information, or fact checking through multiple firsthand or secondhand news sources;

(v) The internet website, online or mobile application, or other digital service updates 25 percent of its content with original content they create on at least a weekly basis;

(vi) The internet website, online or mobile application, or other digital service has an editorial process for error correction and clarification, including a transparent process for reporting errors or complaints to the publication;

(vii) The internet website, online or mobile application, or other digital service meets any of the following criteria:

(A) The internet website, online or mobile application, or other digital service had an international standard serial number assigned to an affiliated periodical; or

(B) The internet website, online or mobile application, or other digital service is owned or controlled by an organization exempt from federal income taxation pursuant to Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code;

(viii) The internet website, online or mobile application, or other digital service provides at least 25 percent of its editorial content consisting of information about current topics of local or regional public interest; and

(ix) The internet website, online or mobile application, or other digital service is not controlled by, or wholly or partially owned by, an entity that meets any of the following criteria:

(A) The entity is a foreign power or an agent of a foreign power, as those terms are defined in 50 U.S.C. Sec. 1801;

(B) The entity is designated as a foreign terrorist organization pursuant to 8 U.S.C. Sec. 1189;

(C) The entity is a terrorist organization, as defined in 8 U.S.C. Sec. 1182;

(D) The entity is designated as a specially designated global terrorist organization under federal Executive Order No. 13224;

(E) The entity is an affiliate of an entity described in (b)(ix)(A) through (D) of this subsection; or

(F) The entity has been convicted of violating, or attempting to violate, 18 U.S.C. Secs. 2331, 2332b, or 2339A.

NEW SECTION. **Sec.**  The local journalism investment account is created in the state treasury. All revenues from the local journalism investment surcharges created in section 7 of this act must be deposited directly into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only in accordance with sections 1 through 5 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 82.04 RCW to read as follows:

(1)(a) Beginning with business activities occurring on or after April 1, 2026, in addition to the taxes imposed under RCW 82.04.290(2), a local journalism investment surcharge is imposed on covered platforms. The surcharge is equal to the gross income of the business subject to the tax under RCW 82.04.290(2), multiplied by the rate of 1.22 percent.

(b) In no case will the combined surcharge imposed under this subsection (1) paid by a covered platform be more than $6,000,000 annually.

(c) For persons subject to the surcharge imposed under this subsection (1) that report under one or more tax classifications, the surcharge applies only to business activities taxed under RCW 82.04.290(2).

(d) The surcharge imposed under this subsection (1) must be reported and paid on a quarterly basis in a manner as required by the department. Returns and amounts payable under this subsection (1) are due by the last day of the month immediately following the end of the reporting period covered by the return. All other taxes must be reported and paid as required under RCW 82.32.045.

(2) For the purposes of this section, the following definitions apply:

(a) "Access" means to acquire, to crawl, or to index content.

(b)(i) "Covered platform" means all of the businesses in this state who:

(A) Had gross income subject to the tax imposed under this section equal to or greater than $5,000,000 in the immediately preceding calendar year; and

(B) Are a social media platform or search engine.

(ii) "Covered platform" does not mean an organization exempt from federal income taxation pursuant to 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code.

(c) "Search engine" means a website, application, or internet based service that provides links to publicly accessible web pages or other relevant information in response to a user's query. "Search engine" does not include services that allow users to query only the internal content of a specific site or service.

(d)(i) "Social media platform" means a website, application, or internet-based service that:

(A) Allows users to register an account or profile for the purpose of interacting socially with other users through the service;and

(B) Allows users to create, share, and view content through their account or profile. Such content may include text, links, photos, audio, or video.

(ii) "Social media platform" does not include services that predominantly or exclusively facilitate electronic mail or direct messaging services, online gaming, reviews of businesses or products, technical support, academic research, or other services that do not predominantly or exclusively facilitate social interaction.

(3) Revenues from the surcharge under this section must be deposited directly into the local journalism investment account created in section 6 of this act.

(4) The department has the authority to determine through an audit or other investigation whether a person is subject to the surcharge imposed in this section.

NEW SECTION. **Sec.**  Section 7 of this act takes effect January 1, 2026.

NEW SECTION. **Sec.**  Sections 1 through 6 of this act are each added to chapter 43.330 RCW and codified with the subchapter heading of "SUPPORTING LOCAL NEWS JOURNALISM."

**--- END ---**