

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 51

(Delegate Lehman, *et al.*)

Economic Matters

Business Regulation - Sale of Local News Organizations - Required Notice

This bill requires “local news organizations,” as defined by the bill, to provide written notice, at least 120 days before the sale of the organization, to (1) employees and representatives of employees that will be affected by the sale; (2) the Maryland Department of Labor (MD Labor) and the governing body of the county where the local news organization is located; and (3) any nonprofit in the State that is in the business of buying local news organizations. The sale of a local news organization is prohibited unless the written notice is provided. The bill applies only to local news organizations that meet specified criteria.

Fiscal Summary

State Effect: None. MD Labor can receive written notices of the sale of local news organizations with existing budgeted resources. No effect on revenues.

Local Effect: The bill is not anticipated to materially affect local government operations or finances.

Small Business Effect: Minimal.

Analysis

Bill Summary:

Local News Organization – Definition

“Local news organization” means an organization that (1) engages professionals to create, edit, produce, and distribute original content concerning matters of public interest through

reporting activities, including conducting interviews, observing current events, and analyzing documents or other information; (2) employs at least one full-time employee who provides coverage of State or local community news, resides within 50 miles of the coverage area, and publishes original State or local community news for dissemination, as specified; and (3) discloses in its print publication or on its website the beneficial ownership of the entity or, in the case of a nonprofit, its board of directors.

Applicability

The bill applies to a local news organization that:

- if the organization publishes only a print publication: (1) has published at least one print publication over the previous 12 months and (2) maintains a valid United States Postal Service periodical permit or dedicates at least 25% of the organization's content to local news;
- if the organization publishes digital-only content: (1) has published at least one piece about the State or a local community each week during the previous 12 months and (2) at least 33% of the organization's digital audience, on average over the previous 12-month period, is located in the State;
- if the organization publishes print and digital content, satisfies the requirements related to organizations that publish print or digital content; and
- is exempt from taxation as a nonprofit organization and, in its filings with the Internal Revenue Service, states that the mission of the organization is to cover State or local news.

The bill does not apply to (1) a local news organization that received for the previous year at least 50% of its gross receipts from a political action committee or other political organization or (2) an organization that is exempt from taxation as a social welfare organization or business league, as specified under federal law.

Current Law: State law is silent on the issue of the sale of news organizations, but provisions of the bill regarding notification requirements and the length of time prior to the sale of a local news organization are similar to those found in the Economic Stabilization Act and the federal [Worker Adjustment and Retraining Notification Act \(WARN\)](#).

Economic Stabilization Act – Notification of Reduction in Operations

The Economic Stabilization Act established a quick response program to provide both employers and employees with services to assist in mitigating the effects of a reduction in operations on employees. Generally, an employer must provide written notice at least 60 days before initiating a reduction in operations to (1) all employees subject to the

reduction; (2) each exclusive representative or bargaining agency that represents the employees; (3) individuals who work less than 20 hours on average each week or have worked for the employer for less than 6 months in the preceding 12 months; (4) the Division of Workforce Development and Adult Learning's dislocated workers unit; (5) the chief elected official of the political subdivision; or (6) if located in more than one political subdivision, the chief elected official where the employer paid the most taxes for the prior fiscal year when the reduction occurs. However, notice is not required if the employer was actively seeking capital or additional business to prevent the layoffs and believed that providing notice would preclude the employer from obtaining necessary capital or business. In addition, notice is not required if the reduction in operations occurs due to any form of natural disaster.

Worker Adjustment and Retraining Notification Act

WARN requires employers with 100 or more employees (generally not counting those who have worked less than 6 months in the last 12 months and those who work an average of fewer than 20 hours a week) to provide at least 60 calendar days advance written notice of a plant closing and mass layoff affecting 50 or more employees at a single site of employment. WARN makes certain exceptions to the requirements when layoffs occur due to unforeseeable business circumstances, faltering companies, and natural disasters. Employees entitled to notice under WARN include managers and supervisors, as well as hourly and salaried workers. WARN requires that notice also be given to employees' representatives, the local chief elected official, and the State dislocated worker unit.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Baltimore City; Kent and Worcester counties; Maryland Association of Counties; Maryland Department of Labor; Department of Legislative Services

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