

# **Testimony\_RebuildLocalNews.pdf**

Uploaded by: Anna Brugmann

Position: FAV

# REBUILD LOCAL NEWS

February 14, 2022

Honorable Delegate Vanessa E. Atterbeary  
Honorable Delegate Jheanelle K. Wilkins  
Ways and Means Committee  
Maryland House of Delegates  
House Office Building, Room 131  
6 Bladen St., Annapolis, MD 21401

To Delegates Atterbeary and Wilkins,

I am the director of policy for the Rebuild Local News Coalition, which represents more than 20 journalism organizations committed to strengthening local news. The coalition's groups represent more than 3,000 newsrooms and include publishers, labor unions, rural and metropolitan news outlets, members of the Spanish-speaking and historic Black press, nonprofit newsrooms and publications small, medium, and large.

The Rebuild Local News Coalition strongly supports H.B. 0540. The bill, inspired by the national Local Journalism Sustainability Act, would preserve news outlets' editorial independence while offering a critical lifeline between small businesses and local news outlets.

Since 2000, there has been an 81% drop in newspaper advertising revenue. This disruption has resulted in the loss of journalism jobs and democratically vital news outlets across the country. Nationally, there has been an almost 60% decrease in the number of newspaper newsroom workers since 2004. More than 2,000 newspapers have closed since 2004. About 100 closed during the early years of the pandemic alone and the decline is likely to continue at a pace of two per week according to Penny Abernathy of Northwestern University, one of the leading experts on the decline of local news. In addition to closures, widespread consolidation by hedge funds and chains has characterized newspapers for the last decade.

Maryland has seen the effects of this contraction first hand. Alden Global Capital purchased Tribune Publishing and the *Baltimore Sun* along with it, despite a bid for the *Sun* from Maryland businessman Stewart Bainum. But, Maryland has also seen the innovation this crisis has inspired.

The Baltimore Banner launched in 2022. The Bowie Sun, a hyperlocal website serving the city of Bowie, launched in 2021. Legacy publications, like *AFRO News*, have

innovated their business model in their journalism, leveraging philanthropic funds to cover the Black business community in Baltimore and creating new products to reach young audiences.

This innovation is critical for Maryland communities. Communities without local news have less civic engagement, lower voter turnouts, more waste, more corruption and even higher pollution without watchdogs to monitor the industries in their own backyards. Towns with less local news even have lower bond ratings and higher taxes. Polarization and misinformation grows.

This policy would give legacy publications and new entrants a tool to both retain advertisers and attract new ones, building important relationships with the business community. In a case study Rebuild Local News produced about how the advertising tax credit in the federal Local Journalism Sustainability Act would have affected *AFRO News*, AFRO Executive Director Lenora Howze said “with this incentive, she could see herself developing new relationships, creating new lines of advertising revenue on top of the AFRO’s loyal advertisers.”

We thank Delegates Vogel, Foley, Fair, Grossman, D. Jones, Lehman, and Wells for introducing this bill. It appropriately incentivizes community investment in an essential public good. When workers at the *Capital Gazette* unionized along with their colleagues at the *Carroll County Times* and *Baltimore Sun*, they wrote:

Local journalism is unique. We are your neighbors, the eyes and ears of your communities. We report on what matters most to you every day: the crime down the block, the local football team, your child’s school. Whether the sun shines or disaster strikes, we are right there with you. As local news outlets dwindle, we know now more than ever that quality community news is a gift too precious to lose.

This bill is an important first step in securing the future of Maryland local news for years to come, supporting workers, news publishers and the communities they serve.

The Rebuild Local News Coalition urges you to pass House Bill 540.

Anna Brugmann  
Director of Policy  
Rebuild Local News

# **2023 GBCC HB 540 ADVERTISING TAX CREDIT SUPPORT.pd**

Uploaded by: Ashlie Bagwell

Position: FAV



## **Testimony on behalf of the Greater Bethesda Chamber of Commerce**

*In Support of  
House Bill 540—Income Tax—Local Advertisement Tax Credit  
February 14, 2023  
House Ways and Means Committee*

The Greater Bethesda Chamber of Commerce (GBCC) was founded in 1926. Since then, the organization has grown to more than 550 businesses located throughout the Greater Bethesda area and beyond. On behalf of these members, we appreciate the opportunity to provide written comments in support of House Bill 540—Income Tax—Local Advertisement Tax Credit.

House Bill 540 allows businesses with fewer than fifty employees to claim a credit against the State income tax for costs incurred for advertising through a news media entity. Though the credit may seem small--\$1000 in the first taxable year and \$500 for each subsequent year (not to exceed five years)--this is potentially meaningful for a small business, especially one starting out. While the definition of 'news media entity' appears broad, we would want to make sure it includes blogs that engage primarily in the business of newsgathering, reporting or publishing articles or commentary about news, current events, culture or other matters of public interest, in addition to more traditional media outlets.

We appreciate Delegate Vogel's efforts to support small business through the introduction of House bill 540. We respectfully request a favorable vote.

**md-hb540-2023-02-14.pdf**

Uploaded by: Jonathan Schleuss

Position: FAV



# THE NEWSGUILD – CWA

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February 14, 2023

Honorable Delegate Vanessa E. Atterbeary  
Honorable Delegate Jheanelle K. Wilkins  
Ways & Means Committee  
Maryland House of Delegates  
House Office Building, Room 131  
6 Bladen St., Annapolis, MD 21401

Dear Delegates Atterbeary and Wilkins,

I'm the president of The NewsGuild-Communications Workers of America, the largest union of journalists and media workers in North America. We represent workers at the *Baltimore Sun*, *The Capital/Capital Gazette*, the *Carroll County Times*, all part of the Baltimore Sun Media Group, and staff at the *Washington Post*.

I write to you in support of House Bill 540, which would support small businesses advertising in Maryland local media.

We are one of the fastest growing unions on the continent because media workers, and particularly journalists, have seen a massive tightening of the job market in newsrooms across the U.S. In the last five years 6,500 workers from more than 100 news organizations have unionized with us.

In December 2018 about 50 workers at *The Capital* unionized with us, following a shooting when a gunman killed five employees in its Annapolis newsroom five months earlier. The workers received a Pulitzer Prize honoring their journalism through their unthinkable tragedy. When they unionized, they wrote:

“Local journalism is unique. We are your neighbors, the eyes and ears of your communities. We report on what matters most to you every day: the crime down the block, the local football team, your child’s school. Whether the sun shines or disaster strikes, we are right there with you. As local news outlets dwindle, we know now more than ever that quality community news is a gift too precious to lose.”<sup>1</sup>

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<sup>1</sup> Chesapeake News Guild, [Because no community is too small.](#)

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Martha Waggoner  
**Chairperson**

Jon Schleuss  
**President**

Marian Needham  
**Executive Vice President**

CWA|SCA Canada President: Martin O'Hanlon

Vice Presidents: Diane Mastrull, Dan Gabor, Kevin Flowers, Michael Cabanatuan, Bill Baker, Jeff Gordon

When we lose local journalists, we lose the voice and soul of a community. Maryland residents depend on local news to know what's happening in their towns, at their school boards, at local businesses and at their state capital.

Last year the number of reporters covering state capitols full-time shrank by 34% since 2014, to just 245 nationwide in 2022.<sup>2</sup> Between 2008 and 2020 overall newsroom employment fell by 26% in the U.S., a staggering blow to our democracy. Our democracy, especially at the local level, is informed and powered by a free and fully-funded press.

New organizations, like the *Baltimore Banner*, a digital-native news outlet that launched last year, are inspiring. We must do everything we can to incentivize the creation and expansion of such local reporting across Maryland.

Some 2,500 daily and weekly newspapers have closed since 2005 in the U.S., and there are fewer than 6,500 left across the country. Last summer newspapers were closing at a rate of two every week.<sup>3</sup>

In Maryland, 10 counties have just one newspaper left operating. According to an authoritative study of the news industry, between 2004 and 2019, Maryland lost 52% of its newspapers (dailies and weeklies) and 63% of their circulation.<sup>4</sup>

We need action to preserve and strengthen the Fourth Estate. House Bill 540 is an important first step, for it will offer an incentive for local businesses to advertise in local media, thereby providing much-needed revenue for Maryland newsrooms. Such legislation will support the growth of Maryland's small businesses.

We thank Delegates Vogel, Foley, Fair, Grossman, D. Jones, Lehman and Wells for sponsoring this important legislation to save local news.

I urge you to prioritize and pass House Bill 540 and stand with Maryland's journalists and media workers. It has the backing of America's journalists and our union.

Sincerely,



Jon Schleuss  
President  
The NewsGuild-CWA

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<sup>2</sup> Pew Research Center, [The number of full-time statehouse reporters at U.S. newspapers has declined 34% since 2014](#)

<sup>3</sup> Washington Post, [Every week, two more newspapers close — and 'news deserts' grow larger](#)

<sup>4</sup> Penelope Muse Abernathy, "The Expanding News Desert," 2020: <https://www.usnewsdeserts.com/>.  
See the page on Maryland: <https://www.usnewsdeserts.com/states/maryland/>



**MDDC Support HB 540.pdf**

Uploaded by: Rebecca Snyder

Position: FAV



**Maryland | Delaware | DC Press Association**

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To: Ways & Means Committee

From: Rebecca Snyder, Executive Director, MDDC Press Association

Date: February 16, 2023

**Re: HB 540 - SUPPORT**

The Maryland-Delaware-District of Columbia Press Association represents a diverse membership of news media organizations, from large metro dailies like the Washington Post and the Baltimore Sun, to hometown newspapers such as The Herald-Mail and Star Democrat to publications such as The Daily Record, the Baltimore Times, and online-only publications such as Maryland Matters and Baltimore Brew.

The Press Association is pleased to support HB 540, which would benefit small and medium-sized businesses in Maryland AND local news media outlets by creating a tax credit up to \$1,000 in the first year and \$500 in subsequent years for costs incurred for advertising through a news media entity.

This simple bill creates a stronger incentive for businesses to place advertising in print, online and broadcast outlets that serve their local communities. Local news media has a very wide audience and knowledge of local communities that businesses need to get their message out. For instance, MDDC members reach over 2 million readers each week in print and over 70 million readers online.

It's no secret that the news media industry is undergoing radical shifts as big tech, such as Google and Facebook, monetize consumer data and use monopolistic power to edge competitors out of the advertising markets. Advertising dollars support local newsgathering efforts – it is a critical component of the business model – and the only one for many free news outlets. This bill will help encourage advertising dollars back into local communities and benefit small and medium businesses to boot.

When advertising dollars drop significantly, those revenue affect the entire news media outlet, including the newsroom. This bill will help support journalism in Maryland, keeping the public informed and invested in their communities. The Press Association urges a favorable report.



**We believe a strong news media is central to a strong and open society. Read local news from around the region at [www.mddcnews.com](http://www.mddcnews.com)**

**HB540\_FAV\_MRA.pdf**

Uploaded by: Sarah Price

Position: FAV



**HB540 Income Tax - Local Advertisement Tax Credit**  
**House Ways and Means Committee**  
**February 16, 2023**

**Position: Favorable**

**Background:** HB540 would establish a tax credit for local businesses that advertise in local news sources.

**Comments:** The Maryland Retailers Association (MRA) strongly supports HB540, which would establish a State income tax credit for businesses with fewer than fifty employees for costs associated with advertising the business within Maryland. This tax credit would assist small businesses for up to five years with building a reliable customer base within their community. This would boost both the small businesses that could receive the tax credit and local news sources that host the advertisements. Proposals that would offset business operating costs while encouraging Marylanders to patronize and make connections with local businesses will benefit all of our communities and result in stronger local economies.

MRA would urge the Committee to vote favorably on HB540. Thank you for your consideration.