Written Testimony of J.H. Snider in favor of <u>HB0623</u>, Estates and Trusts - Estate Administration - Publication of Notice, Submitted to the Maryland Senate Judiciary Committee, March 26, 2025

If there ever was a government subsidy that's a good example of what economists call rent seeking, it's the legal ad subsidies for Maryland's politically powerful publishing industry at the expense of unorganized and poor Marylanders who cannot defend their interests and so are easy prey for exploitation. I don't dispute that the press provides a worthwhile service; I do dispute that the legal ad fees imposed on the families of deceased Marylanders provides such a service-and it is that narrower issue you should be focusing on here.

The newspaper lobby will tell you that their technology is an excellent way to provide public notice to potential beneficiaries and creditors of the deceased. But anyone who seriously examines this claim in the year 2025 knows it's laughable. Imagine if today's newspapers told Maryland's commercial advertisers that to reach potential customers via the newspaper they would have to use legal ad like ads. It would be financially suicidal because, unless the government forced them to purchase such ads, commercial advertisers would avoid them like the plague. To be sure, 150 years ago commercial advertisers were happy to pay for such ads. But we're no longer living in the 19th Century.

The newspaper lobby will given you a big song and dance about how committed they are to legal ad transparency and accessibility. But communication scholars have for decades been trying to get information from the newspaper industry about the revenue brought in by legal ads, and the industry, including Maryland newspapers, won't provide it because they treat that information as a trade secret. So here they are once again asking to preserve or expand a government handout at the expense of the politically weak, but they won't reveal how much money they receive as a result.

Shamefully, many newspapers won't even publicly post merely the cost of the legals ads on their websites. Instead, one must contact them personally and hope they'll share the cost of those ads. Why such poor customer service? And why are those legal ads often more expensive than comparable classified ads? The answer is simple: the government has granted them a monopoly on those government mandated ads and they act accordingly.

I've randomly asked many people over the years if they looked at legal ads to find out if they were a beneficiary of a deceased relative. Not one of them has ever answered yes. Over the years, the Maryland General Assembly has introduced countless bills concerning legal ad subsidies for newspapers. But I don't recall a single case where a supposed beneficiary of these government mandated ads has supported the claims the newspaper lobby has made for them. I don't doubt that the newspaper lobby could dig up such people. But it's telling and all the public needs to know that their preferred mode of lobbying on legal ads is not publicly but quietly in your offices. And when they do lobby publicly, they often make points that either are not substantiated with hard evidence or answer irrelevant questions.

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At the end of the House public hearing on Feb. 12, 2025, the sponsor of HB623 asked the head of the MDDC Press Association if she could answer what fraction of Maryland newspaper revenue was derived from estate legal ads. This was an obvious question to ask because of the industry's claims that "the survival of our publications would be in jeopardy" if estate legal ad revenue were lost. The head of the industry association answered "yes, absolutely" but then gave a longwinded answer that did not in fact answer the question, which she couldn't answer because, at approximately 1%, it was presumably too embarrassing for her to answer. When newspaper industry representatives or their trade representative tell you how disastrous losing this source of revenue would be, please follow up by asking them to quantify that in terms of their overall local newspaper revenue. If they continue to be unwilling to answer this question, if only in the aggregate, then their sky is falling claims can reasonably be inferred to be disinformation.