



JOEL KITCHENS

STATE REPRESENTATIVE • 1ST ASSEMBLY DISTRICT

**Testimony for the Assembly Committee on Rural Development and Mining
Assembly Bill 731
Thursday, December 21, 2017**

Thank you Chairperson VanderMeer and committee members for holding a public hearing on Assembly Bill 731. The changes made in this bill will allow many free local newspapers to publish legal notices and compete in a more open market with paid subscription newspapers.

Clearly, the newspaper industry has changed dramatically in recent years. With more and more people turning to the internet for their news as well as for their shopping needs, local newspapers have struggled with declining revenues. Many have gone out of business or been absorbed by news networks. The traditional business model of relying on classified advertising and subscription fees as the primary source of income is increasingly becoming a losing proposition.

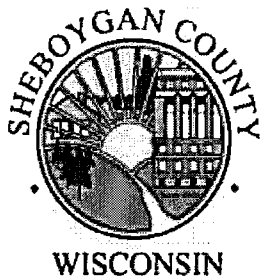
If locally-owned newspapers are going to survive into the future, they will likely need to change their business model. The Peninsula Pulse, published in Baileys Harbor, is a sterling example of a newspaper that is having great success using a different model. The Pulse is sent free of charge weekly to every mailbox holder in Door County. It features first-class reporting of news as well as features on a wide variety of topics of local interest. It is the most widely read news source in Door County. There are several other newspapers around the state following a similar business model.

Current laws do not allow free subscription papers, such as the Pulse, to be reimbursed for publishing legal notices. This law was enacted to prevent "shoppers", which are not true newspapers, from qualifying as official newspapers of record.

This bill removes the paid subscription requirement to be eligible to be compensated for legal notices if the newspaper meets all of the news and circulation requirements in the current statute and is the only qualified newspaper published in a village, city or town. This is a first step in the process of making our law more reflective of the current newspaper market. My hope is that the newspaper industry will themselves recognize the need for this and advocate for further change.

Good local news media is absolutely essential to a well-functioning democracy. Our current law puts high-quality, innovative free newspapers at a competitive disadvantage. As lawmakers, we should be encouraging competition and innovation, not stifling it.

Thank you for taking the time to consider my testimony and I'll be happy to take any questions.



Sheboygan County
Department of County Clerk

Jon Dolson— County Clerk
508 New York Avenue – Administration Building 1st Floor
Sheboygan WI 53081-4126

January 3, 2018

Committee on Rural Development and Mining
Chairperson VanderMeer and Committee Members

Re: Public Hearing of AB-731, Thursday January 4, 2018

Dear Chair VanderMeer and Committee Members,

AB-731 is a common sense bill that is worthy of your support. Sheboygan county has (28) municipalities yet there are only (4) bona fide paid circulation newspapers available within the county. These (4) newspapers do not come near the desired coverage for all the municipalities for governmental notifications, especially those for elections. In addition, their print subscriptions are spiraling downward with a growing digital presence, but our required notices and inserts do not make it into digital versions.

One of my goals as county clerk is to get more people notified and educated on elections, and to drive up voter turnout. One way to help achieve this goal is to allow counties and municipalities to use more options for notifications. One example is the use of a continually published weekly newspaper that is mailed to 98% of county residents. Allowing more options for getting the information into resident's hands is the key, and this bill is a step in the right direction. I ask for your support for AB-731.

Thank you for your time and service!

Sincerely,

Jon G. Dolson

To the Assembly Committee on Rural Development and Mining:

In pre-literate times, town criers were the disseminators of their community's legal notices. The powers that be behind those notices wanted the greatest possible dissemination of information.

The way the Wisconsin statute on legal notices now reads, the locally owned newspaper I have invested my time and energy into for the past five years is not considered a bona fide disseminator for legal notices because we produce a free publication.

We are unable to fairly compete in the marketplace because we do not charge for our publication, meaning we do not have the "bona fide circulation" required by state statute to compete for legal notices.

More importantly, this restrictive statute flies in the face of the centuries-old intent of public legal notices – to disseminate important public information to the widest possible audience.

Our business has been approached by municipalities, businesses and individuals about running legal notices, but we are barred from doing so by the state statute.

Traditionally free publications were shoppers filled with advertising, but we have a hard-working staff that prides itself on presenting original content, the news and information of our community.

However, our competition, the local "bona fide" newspaper owned by the tentacular Gannett Corporation, headquartered in Virginia, has recently begun looking more like a shopper than a bona fide newspaper. And people are noticing that the bona fide newspaper in Door County seems to have given up the fight, with less local content in each issue, but plenty of glossy inserts from Green Bay stores – now that the Sturgeon Bay Gannett newspaper is edited in Green Bay, it reflects more of Green Bay than its former home of Sturgeon Bay.

Although we may not be a bona fide newspaper according to the state statute, when people want their stories told, when they want to get the word out on their businesses or other endeavors, they come to us to tell those stories. We have many readers who do recognize us as their "bona fide" newspaper of record.

While I have no numbers to prove it, I have no doubt our publication gets into the hands of many more readers than our competition, both in and out of Door County, so this law is hampering the dissemination of important public information by allowing it to be carried in a publication that our entire community recognizes is being seen by fewer eyes.

While Assembly Bill 731 is a step in the right direction, it still does not treat our publication and others like ours fairly.

I ask legislators to look at the law enacted by the Minnesota Legislature, which removed the barrier of paid circulation. In fact, we are surrounded by states that allow free newspapers to compete with paid-circulation publications for legal notices.

In short, this statute shuts the legal notice door on our business in a supposedly “open for business” state and does a disservice to the dissemination of public information in our community and most likely in other parts of the state as well.

Jim Lundstrom
Editor, *The Peninsula Pulse*
Doorcountypulse.com

PENINSULA pulse

Serving our community since 1996

January 4, 2018

Members of the Committee on Rural Development and Mining Relating to Assembly Bill 731

We urge you to consider passing Bill 731 relating to qualification of newspapers to receive compensation for publication of legal notice as a first step in raising the quality of newspapers by fostering healthy competition and opening the door to newspapers who have found a way to reach the greatest number of people possible. The passing of this Bill moves us closer to a better informed community, but it does require another look and further evolution forward.

When a legal notice is required to be published, the notice must be published in a newspaper likely to give notice in the area or to the person affected by the notice. Once a newspaper meets the criteria for publishing legal notices - the municipalities then take bids from the qualifying newspapers and choose which publication best serves their community and is most likely to "give notice in the area or to the person affected by the notices."

Why should the state of Wisconsin expand the law and allow publications that do not have a bona fide paid circulation be able to bid on legal notices?

Free publications that provide a news source to their communities and are regarded as credible sources are looking to be on equal footing with paid circulation publications. The existing law does not allow free publications to submit bids and make an argument as to why they should be chosen as the paper of record.

My newspaper, the Peninsula Pulse, is a free newspaper. We serve the County of Door, a population of approximately 28,000 people occupying about 18,000 residences. In 2014 the Peninsula Pulse went from printing 37 issues a year to printing 52 issues per year - once a week year round. We print, on average, 14,000 copies per issue (ranging from 11,500 during the winter months and 18,000 in the height of the summer). Every issue 8,000 copies are mailed to Door County residents and another 500 are mailed to out-of-county subscribers and the remaining papers are distributed to more than 750 drop locations throughout Door County and beyond from Algoma to Washington Island. Any resident of the County of Door can receive a free subscription upon request. On average the publication is 60 pages and of those 60 pages more than 30 pages are filled with news and information - in other words, less than 50% of the publication is paid advertising. In addition we do not allow inserts into our publication, because we believe that they take away from our steady, strong advertising base. The cost of display and classified advertising in our publication is less than our competition. We hold office hours from 9 to 5 Monday through Friday in Door County and employ 20 full-time employees who live and work in our community.

We exceed every criteria for being considered for publication of legal notices except we are free and we do not charge Door County residents for a subscription. As it stands the current paper of record for the County of Door has no competition. They are the only newspaper that has a bona fide paid circulation, therefore the only paper that can bid on legal notices. I could also provide you with the numbers from the current paper of record and compare how our services compare to theirs, but that is beyond the scope of this discussion. As a free publication, we are not looking for special treatment, we are asking to be treated equally, to be given the opportunity to make the case to the communities we serve that our newspaper is best equipped to get notices in front of the individuals and entities affected by those notices.

PENINSULA pulse

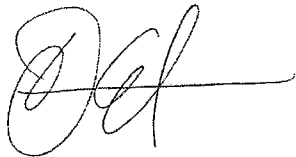
Serving our community since 1996

Newspapers are an essential part of keeping our communities educated and informed on all aspects of their lives and an essential part of maintaining democracy. The process of selection for legal notices should fuel competition and force all qualifying newspapers to serve their communities better.

Being chosen as the newspaper for publishing legal notices has long been recognized as also being chosen as the paper of record for the community. It is a considerable honor. It means that newspaper has been selected as the record keeper of their community. It is an acknowledgement that the newspaper has found a way to earn the respect and trust of the community they serve and to document its place in time. It is a recognition that the publication is fit to record and document the events, moments, and history of our time and it has demonstrated that its circulation reaches as many people as possible within the community.

This is the first step. This Bill allows free publications in the door, but it stops short of giving us a seat at the table. This Bill allows us to attend dinner but we are only allowed to sit at the kids table. It allows us to bid on legal notices when there is no paid newspaper in the area, but it falls short of letting us sit side by side with our paid circulation brothers and compete for the legal notices. It is time to break down the walls between bona fide paid subscription based newspapers and free publications. It is time to give Wisconsin's municipalities more options to choose from and to hold our newspapers more accountable.

Thank you for your consideration,



David Eliot
Publisher
Peninsula Pulse



WISCONSIN NEWSPAPER ASSOCIATION

...world's oldest press association, established 1853

TO: Members of the Assembly Committee on Rural Development & Mining
FROM: Beth Bennet, Executive Director, Wisconsin Newspaper Association
DATE: January 4, 2018
RE: Assembly Bill 731

I apologize for not being able to be with you in person today as you consider Assembly Bill 731. Unfortunately, I had a death in my family and am at that funeral.

The Wisconsin Newspaper Association appreciates the work Representative Kitchens did to develop AB 731 and the input he allowed WNA to provide during the drafting process. We are happy to support the bill and encourage the committee to take quick action on it.

For more than 200 years, Wisconsin's newspapers have helped ensure that our state's citizens are well informed through public notices. These notices serve as a critically important independent reporter between units of government and the taxpayers, as well as, serving as the official notification vehicle for our court system.

Newspaper publication of notices provides the necessary verification, certification and archiving that ensures that individuals and taxpayers rights are protected and preserved. While notice publication in newspapers has been a constant and reliable third-party check on governmental actors for generations, Wisconsin's publishers have worked to continually adapt public notice requirements to ensure the broadest dissemination of public information.

For example, in 2005, the Wisconsin Newspaper Association began digitally archiving all public notices published in the Wisconsin, making them publicly available online at WisconsinPublicNotices.org. This online clearing house of notices from across the state serves as a one-stop shop for notice seekers and can be searched a number of ways. And, the online posting is at no additional cost to the governmental and private entities required to publish public notices.

In our continued effort to expand the reach of public notices, while ensuring that all-important third-party verification, the Wisconsin Newspaper Association is pleased to support AB 731. The main thrust of this legislation is to expand the definition of qualifying newspapers eligible to print public notices to include newspapers with no paid circulation.

Pursuant to AB 731, if there is no paid circulation newspaper in a municipality, then a free distribution newspaper that meets the statutory content requirements can lay claim to being the newspaper of record for the purpose of publishing legal notices. The bill also makes some technical updates to the definition of a newspaper including ensuring continuity of publications in the case of mergers and sales and putting a news content requirement in statute.

On behalf of the 221 members newspapers of the Wisconsin Newspaper Association, I would again like to thank Rep. Kitchens for inviting the Wisconsin Newspaper Association to participate in the crafting of this legislation.