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# JOEL KITCHENS

STATE REPRESENTATIVE • 1<sup>ST</sup> ASSEMBLY DISTRICT

## **Testimony for the Senate Committee on Rural Development and Mining**

### **Senate Bill 627**

**Wednesday, February 7, 2018**

Thank you Chairman Feyen and committee members for holding a public hearing on Senate Bill 627. The changes that this bill makes will allow many free local newspapers to publish legal notices and compete in a more open market with paid subscription newspapers.

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 there is no paid circulation newspaper published in that 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.



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# JOEL KITCHENS

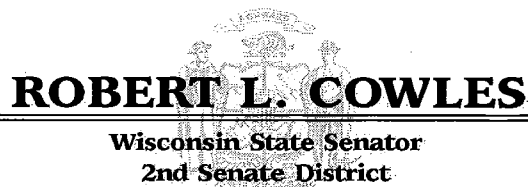
STATE REPRESENTATIVE • 1<sup>ST</sup> ASSEMBLY DISTRICT

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.

The Assembly companion to this bill passed the Assembly Committee on Rural Development and Mining 12-0 and is heading to the floor. I want to thank Senator Cowles and the Newspaper Association for partnering with my office on this issue. Thank you for taking the time to consider my testimony and I'll be happy to take any questions.

STANDING COMMITTEES:

Natural Resources & Energy, Chair  
Transportation & Veterans Affairs



JOINT COMMITTEES

Audit Committee, Co-Chair  
Information Policy and Technology

## Testimony on 2017 Senate Bill 627

Senator Robert Cowles

Committee on Economic Development, Commerce and Local Government - February 7, 2018

Thank you Chairman Feyen and committee members for allowing me to testify on 2017 Senate Bill 627. This bill responds to the challenges that some small-town newspapers face in obtaining compensation for publishing legal notices in their circulation.

Under current law, only a qualifying publication, which includes bona fide paid circulation and duration requirements, will qualify as a newspaper that may receive compensation for publishing legal notices. SB 627 broadens the requirements of qualified newspapers that may receive compensation for publishing legal notices. First, the broadened definition includes newspapers that are merged with or are successors of a newspaper that satisfies portions of the current requirements of a qualified newspaper. The bill also allows newspapers to receive compensation if they meet a news requirement and do not meet the circulation or duration requirements but there are no other newspapers in the area that satisfy the legal notice requirement to receive compensation.

Simply put, this bill opens the door for smaller publications in rural areas to provide an important service to their readership. Legal notices in newspapers are important to ensure government transparency and political participation by the public. The current standards for legal notifications in newspapers stifle this possibility, but with the passage of SB 627, we will help to ensure that these essential legal notices are readily available to the small town and rural citizens of Wisconsin.

Senate Bill 627 is supported by the Wisconsin Newspapers Association, and the Assembly companion, Assembly Bill 731, has been unanimously recommended for passage by the Assembly Committee on Rural Development and Mining.

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## WISCONSIN NEWSPAPER ASSOCIATION

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*Wisconsin's oldest press association, established 1833*

TO: Senate Committee on Economic Development Commerce & Local Government  
FROM: Beth Bennet, Executive Director, Wisconsin Newspaper Association  
DATE: February 7, 2018  
RE: Senate Bill 627

The Wisconsin Newspaper Association appreciates the work Senator Cowles and Representative Kitchens have done to develop SB 627 and the input they allowed the WNA to provide during the drafting process. We are happy to support the bill.

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](http://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 SB 627. The main thrust of this legislation is to expand the definition of qualifying newspapers eligible to print public notices to include certain newspapers with no paid circulation.

Pursuant to SB 627, 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 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 Senator Cowles & Rep. Kitchens for inviting the Wisconsin Newspaper Association to participate in the crafting of this legislation.