# SENATE BILL REPORT
# SB 5400

As of January 23, 2025

**Title:** An act relating to supporting local news journalism.

**Brief Description:** Supporting local news journalism.

**Sponsors:** Senators Liias, Boehnke, Chapman, Cortes, Frame, Krishnadasan, Lovelett, Lovick, Orwall, Riccelli, Saldaña, Shewmake and Valdez.

**Brief History:**
**Committee Activity:** Labor & Commerce: 1/28/25.

**Brief Summary of Bill**

- Establishes the Washington Local News Journalism Corps Program (Journalism Corps Program) in the Department of Commerce to make grants supporting the employment of news journalists covering civic affairs in underserved communities.
- Requires $20 million of the funds deposited into the Workforce Education Investment Account to be used to support the Journalism Corps Program each fiscal year.
- Increases the cap for the workforce education investment surcharge that is imposed on select advanced computing businesses from $9 million annually to $15 million annually.

## SENATE COMMITTEE ON LABOR & COMMERCE

**Staff:** Jarrett Sacks (786-7448)

**Background:** Workforce Education Investment Surcharge. Washington's business and occupation tax (B&O) is imposed on gross receipts of business activities conducted within the state, without any deduction for the costs of doing business. A business may have more

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than one B&O tax rate depending on the types of activities conducted. The B&O tax rate for services and activities not classified elsewhere is 1.5 percent, but for businesses earning more than $1 million annually the B&O service rate is 1.75 percent. Advanced computing businesses with a worldwide gross revenue in excess of $25 billion are subject to an additional 1.22 percent surcharge. An advanced computing business is one that designs or develops software or computer hardware, including modifications, or provides cloud computing services, operates an online marketplace, an online search engine, or an online social networking platform. The total surcharge an advanced computing business is subject to is capped at $9 million per year.

Workforce Education Investment Account. All revenues from the advanced computing business surcharge and a portion of the additional 0.25 percent tax rate on businesses earning more than $1 million annually are deposited into the Workforce Education Investment Account (WEIA). WEIA may only be used for higher education programs, higher education operations, higher education compensation, and state-funded student aid programs.

**Summary of Bill:** Local News Journalism Corps Program. The Washington Local News Journalism Corps Program (Journalism Corps Program) is established in the Department of Commerce (Commerce). Commerce must make grants to support the employment of news journalists covering civic affairs in underserved communities to deepen community understanding of complex community issues and policies.

Eligible applicants must:

- be an eligible news journalism provider; and
- employ at least three news journalists in Washington per quarter in the four quarters prior to receiving a grant.

If an eligible news journalism provider is not eligible for a grant solely due to employing only two news journalists, they may qualify if they have employed at least two news journalists per quarter in the eight quarters prior to receiving the grant.

The dollar amount for each grant must be in an amount proportional to the hours worked by journalists employed by the applicant. An applicant selected for funding must provide Commerce information on the news coverage supported by the Journalism Corps Program. The information must be provided in progress and final reports as requested by Commerce, but no less frequently than once per biennium.

Workforce Education Investment Account and Surcharge. Beginning July 1, 2026, and in each subsequent fiscal year, $20 million of the funds deposited into the Workforce Education Investment Account must be used to support the Journalism Corps Program.

The cap on the workforce education investment surcharge that is imposed on select advanced computing businesses is increased from $9 million annually to $15 million

annually.

Definitions. An eligible news journalism provider is an eligible publisher or eligible broadcaster that discloses its ownership to the public.

An eligible broadcaster is a person who:

- holds or operates under a broadcast license issued by the Federal Communications Commission;
- engages professionals to create, edit, and produce original content concerning local or regional matters of public interest through activities, including conducting interviews, observing current events, analyzing documents and other information, or fact checking through multiple news sources;
- updates 25 percent of their content on at least a weekly basis; and
- uses an editorial process for error correction and clarification, including a transparent process for reporting errors or complaints to the station.

An eligible publisher is a person that publishes a qualifying publication. A qualifying publication is a (1) legal newspaper, or (2) website, application, or other digital service that:

- does not primarily display content created or owned by an eligible broadcaster;
- provides information to an audience in Washington;
- performs a public information function comparable to that traditionally served by newspapers and other periodical news publications;
- engages professionals to create, edit, and produce original content concerning local or regional matters of public interest through activities, including conducting interviews, observing current events, analyzing documents and other information, or fact checking through multiple news sources;
- updates 25 percent of its content on at least a weekly basis;
- has an editorial process for error correction and clarification, including a transparent process for reporting errors or complaints to the publication;
- has an international standard serial number assigned to an affiliated periodical or is controlled by a tax exempt non-profit organization;
- provides at least 25 percent of its editorial content consisting of information about current topics of local or regional public interest; and
- is not owned or controlled by a foreign power, a terrorist organization or affiliate, or an entity convicted of committing terrorism or providing material support to terrorists.

A news journalist is a natural person who:

- is employed for an average of at least 30 hours per week during a calendar quarter by the eligible news journalism provider; and
- is responsible for gathering, developing, preparing, directing the recording of, producing, collecting, photographing, recording, writing, editing, reporting, designing, presenting, or publishing original news or information that concerns local

or regional matters of public interest.

**Appropriation:** None.

**Fiscal Note:** Requested on January 21, 2025.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.