
SUBSTITUTE SENATE BILL 5400

State of Washington

69th Legislature

2025 Regular Session

By Senate Labor & Commerce (originally sponsored by Senators Lias, Boehnke, Chapman, Cortes, Frame, Krishnadasan, Lovelett, Lovick, Orwall, Riccelli, Saldaña, Shewmake, and Valdez)

READ FIRST TIME 02/18/25.

1 AN ACT Relating to supporting local news journalism; adding new
2 sections to chapter 43.330 RCW; adding a new section to chapter 82.04
3 RCW; and providing an effective date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds and declares the
6 following:

7 (1) A free and diverse fourth estate was critical in the founding
8 of our democracy and continues to be the lifeblood for a functioning
9 democracy.

10 (2) Every day, journalism plays an essential role in Washington
11 and in local communities. The ability of local news organizations to
12 continue to provide the public with critical information about their
13 communities, including creating content that is used by others, will
14 preserve and ensure the sustainability of local and diverse news
15 outlets.

16 (3) Communities without newspapers lose touch with government,
17 business, education, and neighbors. They operate without journalists
18 working to keep them informed, uncover truth, expose corruption, and
19 share common goals and experiences.

20 (4) Over the past 10 years, newspaper advertising has decreased
21 66 percent, and newsroom staff have declined 44 percent.

1 (5) Ethnic media has long been a distinctive genre of journalism
2 and communications, informing, engaging, and advocating on behalf of
3 communities underserved by both the for-profit and not-for-profit
4 general market media. It plays a unique role in upholding the fourth
5 estate in our democracy by facilitating cross-racial and cross-ethnic
6 communications to facilitate social integration, promote civic
7 engagement, and address inequalities among all underserved
8 communities.

9 (6) Given the important role of ethnic media, it is critical to
10 advance state policy that ensures their publishers continue to employ
11 journalists able to create content. An excellent example is the
12 historic preamble, "We Wish to Plead Our Own Cause," a document
13 penned by the African American journalist and abolitionist Samuel
14 Cornish in 1827. It marked a significant milestone in the history of
15 the Black press as it highlighted the urgent need for African
16 Americans to have their own platform to voice their grievances,
17 advocate for their rights, and challenge racial inequality. This call
18 to action spurred the establishment of numerous Black-owned
19 newspapers and publications, solidifying the role of the Black press
20 as a powerful tool for empowerment and social change, and laid the
21 groundwork in our country for other ethnic media to plead their own
22 cause.

23 (7) Quality local journalism is key to sustaining civic society,
24 strengthening communal ties, and providing information at a deeper
25 level that national outlets cannot match.

26 (8) 73 percent of United States adults surveyed said they have
27 confidence in their local newspaper.

28 NEW SECTION. **Sec. 2.** (1) The Washington local news
29 sustainability program is established within the department. The
30 director shall make grants to eligible applicants, in accordance with
31 this section.

32 (2) Grants made under this section shall be used to support the
33 employment of news journalists covering civic affairs in underserved
34 communities to deepen community understanding of complex community
35 issues and policies.

36 (3)(a) Applicants eligible for grants under this chapter must
37 meet all of the following requirements:

38 (i) Be an eligible news journalism provider; and

1 (ii) Except for applicants that are eligible publishers of
2 newspapers under section 5(5)(a) of this act, employ at least three
3 news journalists in Washington state per quarter in the four calendar
4 quarters prior to receiving a grant from the department.

5 (b) Except for applicants that are eligible publishers of
6 newspapers under section 5(5)(a) of this act, if an eligible news
7 journalism provider fails to meet eligibility requirements in
8 subsection (3)(a)(ii) of this section solely because they only employ
9 two news journalists working in Washington state, they may qualify
10 for a grant if they have employed at least two news journalists in
11 Washington state per quarter in the eight calendar quarters prior to
12 receiving a grant from the department.

13 (c) An eligible publisher of a newspaper covered under section
14 5(5)(a) of this act may qualify for grants under this chapter without
15 meeting the requirements of (a)(ii) and (b) of this subsection.

16 (4) The dollar amount of each grant awarded to an applicant must
17 be in an amount proportional to the hours worked by journalists
18 employed by the applicant as reported by the applicant to the
19 employment security department.

20 (5) An application for a grant under this chapter must be
21 submitted by the applicant in such form and in accordance with
22 requirements as determined by the director.

23 (6) An applicant selected for funding under this section must
24 provide progress and final reports as requested by the department.

25 (7) The department may consult with civic affairs leaders and
26 local news industry leaders in developing this program.

27 NEW SECTION. **Sec. 3.** The department, the employment security
28 department, and the department of revenue may share data as needed to
29 implement sections 2 and 5 of this act.

30 NEW SECTION. **Sec. 4.** The department may adopt rules to
31 implement sections 2 and 5 of this act.

32 NEW SECTION. **Sec. 5.** For the purposes of this act, the
33 following definitions apply:

34 (1) "Eligible broadcaster" means a person that meets all of the
35 following criteria:

1 (a) The person holds or operates under a license issued by the
2 federal communications commission under subchapter III (commencing
3 with section 301), chapter 5 of Title 47, United States Code;

4 (b) The person engages professionals to create, edit, and produce
5 original content concerning local or regional matters of public
6 interest through activities, including conducting interviews,
7 observing current events, analyzing documents and other information,
8 or fact checking through multiple firsthand or secondhand news
9 sources;

10 (c) The person updates their content on at least a weekly basis;
11 and

12 (d) The person uses an editorial process for error correction and
13 clarification, including a transparent process for reporting errors
14 or complaints to the station.

15 (2) "Eligible news journalism provider" means an eligible
16 publisher or eligible broadcaster that discloses its ownership to the
17 public.

18 (3) "Eligible publisher" means a person that publishes a
19 qualifying publication.

20 (4) "News journalist" means a natural person who meets both of
21 the following criteria:

22 (a) The person is employed for an average of at least 30 hours
23 per week during a calendar quarter by the eligible news journalism
24 provider; and

25 (b) The person is responsible for gathering, developing,
26 preparing, directing the recording of, producing, collecting,
27 photographing, recording, writing, editing, reporting, designing,
28 presenting, or publishing original news or information that concerns
29 local or regional matters of public interest.

30 (5) "Qualifying publication" means either:

31 (a) A newspaper as defined in RCW 82.04.214. However, for the
32 purposes of this chapter, "newspaper" includes publications issued at
33 least once per month; or

34 (b) An internet website, online or mobile application, or other
35 digital service that meets all of the following criteria:

36 (i) The internet website, online or mobile application, or other
37 digital service does not primarily display, provide, or offer content
38 generated, created, produced, or owned by an eligible broadcaster;

39 (ii) The internet website, online or mobile application, or other
40 digital service provides information to an audience in the state;

1 (iii) The internet website, online or mobile application, or
2 other digital service performs a public information function
3 comparable to that traditionally served by newspapers and other
4 periodical news publications;

5 (iv) The internet website, online or mobile application, or other
6 digital service engages professionals to create, edit, and produce
7 original content concerning current topics of local or regional
8 public interest through activities, including conducting interviews,
9 observing current events, analyzing documents and other information,
10 or fact checking through multiple firsthand or secondhand news
11 sources;

12 (v) The internet website, online or mobile application, or other
13 digital service updates 25 percent of its content with original
14 content they create on at least a weekly basis;

15 (vi) The internet website, online or mobile application, or other
16 digital service has an editorial process for error correction and
17 clarification, including a transparent process for reporting errors
18 or complaints to the publication;

19 (vii) The internet website, online or mobile application, or
20 other digital service meets any of the following criteria:

21 (A) The internet website, online or mobile application, or other
22 digital service had an international standard serial number assigned
23 to an affiliated periodical; or

24 (B) The internet website, online or mobile application, or other
25 digital service is owned or controlled by an organization exempt from
26 federal income taxation pursuant to Title 26 U.S.C. Sec. 501(c)(3) of
27 the federal internal revenue code;

28 (viii) The internet website, online or mobile application, or
29 other digital service provides at least 25 percent of its editorial
30 content consisting of information about current topics of local or
31 regional public interest; and

32 (ix) The internet website, online or mobile application, or other
33 digital service is not controlled by, or wholly or partially owned
34 by, an entity that meets any of the following criteria:

35 (A) The entity is a foreign power or an agent of a foreign power,
36 as those terms are defined in 50 U.S.C. Sec. 1801;

37 (B) The entity is designated as a foreign terrorist organization
38 pursuant to 8 U.S.C. Sec. 1189;

39 (C) The entity is a terrorist organization, as defined in 8
40 U.S.C. Sec. 1182;

1 (D) The entity is designated as a specially designated global
2 terrorist organization under federal Executive Order No. 13224;

3 (E) The entity is an affiliate of an entity described in
4 (b)(ix)(A) through (D) of this subsection; or

5 (F) The entity has been convicted of violating, or attempting to
6 violate, 18 U.S.C. Secs. 2331, 2332b, or 2339A.

7 NEW SECTION. **Sec. 6.** The local journalism investment account is
8 created in the state treasury. All revenues from the local journalism
9 investment surcharges created in section 7 of this act must be
10 deposited directly into the account. Moneys in the account may be
11 spent only after appropriation. Expenditures from the account may be
12 used only in accordance with sections 1 through 5 of this act.

13 NEW SECTION. **Sec. 7.** A new section is added to chapter 82.04
14 RCW to read as follows:

15 (1)(a) Beginning with business activities occurring on or after
16 April 1, 2026, in addition to the taxes imposed under RCW
17 82.04.290(2), a local journalism investment surcharge is imposed on
18 covered platforms. The surcharge is equal to the gross income of the
19 business subject to the tax under RCW 82.04.290(2), multiplied by the
20 rate of 1.22 percent.

21 (b) In no case will the combined surcharge imposed under this
22 subsection (1) paid by a covered platform be more than \$6,000,000
23 annually.

24 (c) For persons subject to the surcharge imposed under this
25 subsection (1) that report under one or more tax classifications, the
26 surcharge applies only to business activities taxed under RCW
27 82.04.290(2).

28 (d) The surcharge imposed under this subsection (1) must be
29 reported and paid on a quarterly basis in a manner as required by the
30 department. Returns and amounts payable under this subsection (1) are
31 due by the last day of the month immediately following the end of the
32 reporting period covered by the return. All other taxes must be
33 reported and paid as required under RCW 82.32.045.

34 (2) For the purposes of this section, the following definitions
35 apply:

36 (a) "Access" means to acquire, to crawl, or to index content.

37 (b)(i) "Covered platform" means all of the businesses in this
38 state who:

1 (A) Had gross income subject to the tax imposed under this
2 section equal to or greater than \$5,000,000 in the immediately
3 preceding calendar year; and

4 (B) Are a social media platform or search engine.

5 (ii) "Covered platform" does not mean an organization exempt from
6 federal income taxation pursuant to 26 U.S.C. Sec. 501(c)(3) of the
7 federal internal revenue code.

8 (c) "Search engine" means a website, application, or internet
9 based service that provides links to publicly accessible web pages or
10 other relevant information in response to a user's query. "Search
11 engine" does not include services that allow users to query only the
12 internal content of a specific site or service.

13 (d)(i) "Social media platform" means a website, application, or
14 internet-based service that:

15 (A) Allows users to register an account or profile for the
16 purpose of interacting socially with other users through the
17 service;and

18 (B) Allows users to create, share, and view content through their
19 account or profile. Such content may include text, links, photos,
20 audio, or video.

21 (ii) "Social media platform" does not include services that
22 predominantly or exclusively facilitate electronic mail or direct
23 messaging services, online gaming, reviews of businesses or products,
24 technical support, academic research, or other services that do not
25 predominantly or exclusively facilitate social interaction.

26 (3) Revenues from the surcharge under this section must be
27 deposited directly into the local journalism investment account
28 created in section 6 of this act.

29 (4) The department has the authority to determine through an
30 audit or other investigation whether a person is subject to the
31 surcharge imposed in this section.

32 NEW SECTION. **Sec. 8.** Section 7 of this act takes effect January
33 1, 2026.

34 NEW SECTION. **Sec. 9.** Sections 1 through 6 of this act are each
35 added to chapter 43.330 RCW and codified with the subchapter heading
36 of "SUPPORTING LOCAL NEWS JOURNALISM."

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