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AB-611 Legacy local news organizations: notice of sale. (2025-2026)

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Date Published: 06/19/2025 09:00 PM

AMENDED IN SENATE JUNE 19, 2025 AMENDED IN ASSEMBLY APRIL 21, 2025 AMENDED IN ASSEMBLY MARCH 24, 2025

CALIFORNIA LEGISLATURE — 2025-2026 REGULAR SESSION

ASSEMBLY BILL NO. 611

Introduced by Assembly Member Lee

February 13, 2025

An act to add Title 23 (commencing with Section 3273.80) to Part 4 of Division 3 of the Civil Code, relating to local news organizations.

LEGISLATIVE COUNSEL'S DIGEST

AB 611, as amended, Lee. Legacy local news organizations: notice of sale.

Existing law requires an incumbent grocery employer, defined as a person that owns, controls, or operates the grocery establishment at the time of a change in control, as defined, to post a public notice of a change in control at the location of the affected grocery establishment within 5 business days following the execution of the transfer document, as specified. Existing law, among other things, requires a covered establishment, defined to include a grocery establishment or a pharmacy establishment, to provide written notice of a closure to persons or entities, as specified, no later than 45 days before the closure takes effect.

This bill would require a legacy local news organization, at least 120 days before the final execution of any transaction agreement, to provide a notice of intent to sell, as specified. The bill would require written notice to be provided, among other things, directly to each employee of the legacy local news organization, as specified, and would require the notice to include prescribed information, including the name of the proposed buyer. The bill would specify that its provisions do not apply to a legacy local news organization that would be independently owned after a transaction. The bill would define various terms for these purposes.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares both of the following:

- (a) Preserving access to high-quality and diverse sources of local news is of vital importance to our communities. In the struggling independent community news industry, many local newsroom owners find it difficult to make payroll each month or attract competitive bidders when looking to retire or exit the sector, with large conglomerates managed by hedge funds and private equity often acting as the buyers of last resort. This has led to growing concentration in ownership of community-based newsrooms, giving fewer owners more control over the news that Californians see. This concentration of newsroom ownership has coincided in a dramatic loss in the number of journalists employed in the state, which threatens consumer access to diverse sources of high-quality local news reporting.
- (b) Preserving California's independently owned and operated newsrooms does all of the following:
 - (1) Promotes local reporting and government accountability to the public.
 - (2) Protects diversity of opinion.
 - (3) Improves local business development, community engagement, and connection to arts and culture.
 - (4) Maintains resident access to accurate and essential community information, from disaster preparedness to voting information.
 - (5) Undergirds our local, state, and even national democracies.
- (c) Promoting independent, employee, and small business ownership opportunities of legacy newsrooms by employee journalists via a notice period will help preserve access to diverse sources of community news by stimulating competition in the ownership markets for local newsrooms, which preserves and supports the unique character of local communities and culture throughout the state.
- SEC. 2. Title 23 (commencing with Section 3273.80) is added to Part 4 of Division 3 of the Civil Code, to read:

TITLE 23. The Keep News Independent Act

- 3273.80. This title shall be known, and may be cited, as the Keep News Independent Act.
- **3273.81.** For the purposes of this title, the following definitions apply:
- (a) "Independently owned" means a local new organization that meets all of the following requirements:
 - (1) The local news organization is not a publicly traded entity, and no more than 5 percent of the beneficial ownership of the local news organization is owned, directly or indirectly, by a publicly traded entity.
 - (2) The local news organization is not beneficially owned by a private fund.
 - (3) The local news organization is not a subsidiary.
- (b) "Legacy local news organization" means a local news organization that meets both of the following requirements:
 - (1) The local news organization has been operating for 10 years or more with no break in operations exceeding—one 1 year, regardless of ownership changes.
 - (2) The local news organization's content is produced through print or digital means that meets either of the following requirements:
 - (A) A print news publication that has been published at least 24 times over the previous 12 months.
 - (B) A digital news publication that has published new content an average of once per week in 48 of the previous 52 weeks.
- (c) "Local news organization" means an entity that engages professionals to create, edit, produce, and distribute original local or state community news in the state for dissemination to a local or state community, through reporting activities, including conducting interviews, observing current events, or analyzing documents or other information. "Local news organization" does not include an entity that is a television or radio broadcasting station licensed by the Federal Communications Commission.
- (d) "Private fund" means a corporation that is an investment company, as defined in Section 3 of the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-3), except paragraphs (1) to (7), inclusive, of subsection (c). "Private fund" does not include either of the following:

- (1) A venture capital fund, as defined in Section 275.203(l)-1 of Title 17 of the Code of Federal Regulations, as that section read on the effective date of this title.
- (2) A selected community development financial institution pursuant to Section 107 of the federal Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. Sec. 4706).
- (e) "Transaction" means an ownership sale or transfer involving either any of the following:
 - (1) A-material sufficient amount of a legacy local news organization's assets to constitute a merger or transfer of control of editorial operations or distribution.
 - (2) Voting securities greater than 10 percent of a legacy local news organization.
 - (3) A legacy local news organization's name, branding, or adjudication.
- **3273.82.** (a) A legacy local news organization shall provide notice of intent to sell pursuant to subdivision (b) at least 120 days before the final execution of any transaction agreement.
- (b) The notice described in subdivision (a) shall comply with both of the following:
 - (1) Notice shall be provided as follows:
 - (A) Written notice directly to each employee of the legacy local news organization.
 - (B) Written or any other applicable form of notice to subscribers and consumers of the legacy local news organization in each print edition of content published or posted by the legacy local news organization during the 120-day notice period.
 - (C) (i) Written notice in at least seven-point type shall be published in an adjudicated newspaper of general circulation in the county where the local news organization is located for three consecutive weeks.
 - (ii) If there is no adjudicated newspaper of general circulation in the county, the written notice described in clause (i) shall be published in an adjudicated newspaper of general circulation in a county that geographically borders the county where the local news organization is located.
 - (2) The notice shall include, but not be limited to, all of the following information:
 - (A) A statement of intent to sell by the owner of the legacy local news organization.
 - (B) The name of the proposed buyer.
 - (C) If there is an expected date of the proposed sale or transfer, the date.
 - (D) The legacy local news organization's affirmation of compliance with the requirements of this section.
- **3273.83.** This title shall not apply to a legacy local—media news organization that would be independently owned after a transaction.