

SB 686 -3 STAFF MEASURE SUMMARY

Senate Committee On Rules

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Meeting Dates: 4/9, 4/23, 5/5

WHAT THE MEASURE DOES:

The measure requires, for use of digital journalism providers' content, certain online platforms (covered platforms) to compensate digital journalism providers in one of three ways: either pay digital journalism providers an amount to be determined, enter into an arbitration process to determine the percentage of advertising revenue to be paid to digital journalism providers, or donate an amount to be determined to the Oregon Civic Information Consortium (OCIC). It establishes the arbitration process. It creates the OCIC, establishes its mission, and its membership.

Detailed Summary

Digital Journalism Provider compensation

- Requires that the amount to be determined to be paid by covered platforms to be adjusted for inflation, according to the Consumer Price Index for All Urban Consumers, West Region
- Requires that digital platform providers spend at least 70% of funds received from any of the three methods to be spent on news journalists and support staff.
- Prohibits a digital journalism provider from being denied compensation on the basis that it publishes or provides content, in part or in whole, in a language other than English.

OCIC

- Created to advance research and innovation in media and technology
- Requires the OCIC to award grants for applicants that seek to improve civic information
- Requires each Oregon public university to participate in the OCIC
- Establishes an 11-member Board of Directors

Other

- Prohibits covered platforms from retaliating against digital journalism providers.
- Requires covered platforms to compile and post a list of online journalism providers that were accessed during the preceding 12 months, and provide that list to digital journalism platforms, upon request.
- Requires online platforms to report annually certain information about compensation paid to digital journalism providers.

Fiscal impact: The measure may have a fiscal impact, but a statement has not yet been released.

Revenue impact: The measure may have a revenue impact, but a statement has not yet been released.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-3 The amendment replaces the measure. It requires, for use of digital journalism providers' content, covered platforms to compensate digital journalism providers in one of two ways: either pay digital journalism providers a dollar amount annually, based on the number of worldwide monthly active users, or enter into a final arbitration process to determine the percentage of advertising revenue to be paid to digital journalism providers. It changes the mission and membership of the Oregon Civic Information Consortium (OCIC) Board of Directors. It establishes that a digital journalism provider may request compensation from the annual payment amount, or a grant through the OCIC, but not both.

Detailed Summary

Digital Journalism Provider compensation

- \$104 million annually for a covered platform with six billion or more worldwide monthly active users
- \$18 million annually for a covered platform with less than six billion worldwide monthly active users
- Requires that of the annual payments paid by covered platforms
 - 10% be allocated to the OCIC, and
 - 90% be allocated to the digital service providers

OCIC

- Created to support Oregon news content providers, journalism, news, public information projects, and public interest initiatives that address civic information needs by providing grants from proceeds generated pursuant to Section 2
- Allows the OCIC to set criteria for making grants, and establishes the requirements for projects receiving those grants
- Establishes that OCIC shall be housed at the University of Oregon
- Establishes a 13-member Board of Directors that is Governor appointed, and Senate Confirmed

Other

- Changes definition of "covered platform"
- Adds a definition for "freelancer"
- Add a definition for "editorial content"
- Edits the definition of "qualifying publication"
 - Removes language concerning what this does not include
 - Raises the threshold for the percentage of editorial content required to meet the definition, from 25 percent to 51 percent
- Removes the clause prohibiting covered platforms from retaliating against digital journalism providers.
- Makes changes to the final arbitration process

Fiscal impact: Minimal impact

Revenue impact: No impact

BACKGROUND:

At the federal level, in 2022, the [Journalism and Preservation Act of 2022](#) (S.673) attempted to set a process through which certain broadcast or digital news providers may collectively negotiate with covered online platforms regarding use of the news providers' content by the platforms. While the bill was passed out of two committees, it was placed on the Senate Calendar and a vote was not taken.

At the state level, in 2024, the [California Journalism Preservation Act](#) (AB 886) attempted to establish two mechanisms through which digital journalism providers could obtain compensation from large online platforms for the value that the platforms derive from accessing the digital journalism providers' website and other digital services. While the bill passed the Assembly, it was in a Senate Committee upon adjournment sine die.

New Jersey has the first in the nation [Civic Information Consortium](#), with a mission to provide financial resources to support and grow trustworthy, community-based news and information sources throughout the state. It was established in 2018 and is an independent, 501c(3) nonprofit organization. According to the Consortium, it reimagines how public funding can be used to address the growing problem of news desert, misinformation, and support more informed communities. Its website states that to date, more than \$7.5 million have been awarded in more than 80 grants to over 50 organizations in 16 of the state's 21 counties. It brings together the six universities to address the lack of access to local news and information. It is eligible for state funding and can also obtain private funds. It has a 16-member Board of Directors.