# SB 686 B STAFF MEASURE SUMMARY

Carrier: Sen. Pham

### Senate Committee On Rules

Action Date:	06/11/25
Action:	Do pass with amendments to the A-Eng bill. (Printed B-Eng.)
Vote:	3-2-0-0
Yeas:	3 - Golden, Jama, Manning Jr
Nays:	2 - Bonham, Thatcher
Fiscal:	Has minimal fiscal impact
Revenue:	No revenue impact
Prepared By:	Leslie Porter, LPRO Analyst
Meeting Dates:	4/9, 4/23, 5/5, 6/11

### WHAT THE MEASURE DOES:

The measure prevents certain online platforms from accessing online content of a digital journalism provider for an Oregon audience, unless there is an agreement in place between the provider and the covered platform, and it establishes the standards for that agreement. It allows a provider to bring a civil action against a covered platform for specific reasons and allows the provider to recover damages. It establishes the arbitration process for determining amounts a covered platform must pay to providers. It prevents a provider from bringing action against a covered platform for accessing content between January 1, 2026, and December 31, 2027, if the covered platform chooses to pay a provider a dollar amount annually, based on the number of its worldwide monthly active users. It requires covered platforms to compile and make public a list of online journalism providers that were accessed during the preceding two calendar years, with the first report due no later than March 1, 2026. It also establishes the Oregon Civic Information Consortium (OCIC) and its Board of Directors to provide grants that address Oregonians' civic information needs.

### **Detailed Summary**

### **Compensation Agreements**

- Sets compensation agreement between covered platforms and providers.
- Requires the agreement to:
  - o be in writing
  - $\circ$   $\,$  be a standalone agreement that covers the compensation to digital journalism providers by covered platforms
  - $\circ$  specify the compensation
  - o include an audit of the covered platform's access of the digital journalism providers' online content.
- Prohibits:
  - $\circ$  the agreement from being conditional, and
  - the covered platform from selling or licensing certain content or data to a third party.

### Optional Digital Journalism Provider compensation between January 1, 2026, and December 31, 2027

- Requires \$104 million to be paid annually by a covered platform with six billion or more worldwide monthly active users.
- Requires \$18 million to be paid annually by a covered platform with fewer than six billion worldwide monthly active users.
- Requires that, of the annual payments paid by covered platforms
  - 10 percent be allocated to the Oregon Civic Information Consortium, and
  - $\circ$   $\,$  90 percent be allocated to the digital service providers.
- Requires that digital journalism providers spend at least 70 percent of funds received on news journalists and support staff.

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• 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.

## **Definitions and terms**

- Adds definitions for:
  - "access for an Oregon Audience," and
  - o "broadcaster."
- Changes definitions for:
  - $\circ$  "advertising revenue,"

  - $\circ$  "publisher."
- Removes the definitions for:
  - o "editorial content,"
  - o "eligible broadcaster," and
  - "qualifying publication."
  - Changes the term "natural person" to "individual."

# **Oregon Civic Information Consortium (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 the annual payments or through the arbitration process.
- 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.

## **ISSUES DISCUSSED:**

- Provisions and intent of the amendment
- Potential constitutional issues, how the amendment addresses them, and how courts may rule
- Whether covered platforms are allowed to access digital journalism providers' content without an agreement in place, and if covered platforms choose not to make the optional lump sum payments

# **EFFECT OF AMENDMENT:**

The amendment replaces the measure.

## BACKGROUND:

At the federal level, in 2022, the <u>Journalism and Preservation Act of 2022</u> (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' websites 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 deserts, misinformation, and how to support more informed communities. Its website states that to date, more than \$7.5 million has been awarded in more than 80 grants to over 50 organizations in 16 of the state's 21 counties. It brings together the six

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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.