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## Newspapers take notice of legislative threat to revenue By LINDSAY VANHULLE

LANSING — The next wave of digital transformation in the news business: Public notices? Unlikely. Printed in tiny type, the government notices

can include upcoming public hearings, legal

descriptions of property to be sold or redeveloped and election dates. They're far from the most disruptive force challenging news organizations today, and they certainly don't make for thrilling reading. But they do still represent a revenue stream although no one seems to be able to say exactly how much of one — and Michigan's newspapers are

House Bill 4183 would require that public notices be



published solely online, changing the legally required practice of townships, villages, cities and counties paying to

So far, there's not a groundswell of support: A vote on the bill was postponed June 18, the last session day before the House left for summer break, when it became apparent lawmakers didn't have enough support to pass it. It could be taken up again later this summer or fall. "The way technology's going to go, we get our news a lot by television and other media sources, and we see

readership in newspapers going down," said state Rep. Amanda Price, a Republican from Ottawa County's Park

"We envisioned a time when we'll have fewer and fewer newspapers and more and more technologies and ways

The bill pending in the House gradually would phase out print publication of government notices by 2025. It would allow local governments to publish notices on their own websites, or contract with newspapers or broadcast outlets to host them on

their sites. A similar bill passed the House in the last legislative session, but died in a Senate committee.

More than 200 state laws require advance notice of hearings and other government

notices, with varying requirements, Price said. Some include specific language that

"When these laws were enacted, newspapers were virtually the only form of reliable

communication. That just isn't the case anymore," said Nikki Brown, a legislative

associate for the Michigan Municipal League. "This legislation promotes good

notices be published in general-circulation newspapers that reach residents within the

affected municipality, or that notices be published for a certain amount of time. Many of

government and transparency by providing the public notices in other forms of communication that are visited more often." Going digital also could save taxpayers money, Price said, by reducing the amount local governments have to spend on publishing the notices. Supporters of moving public notices online, including Price and the municipal league, however, could not

those laws were adopted before the birth of the Internet.

Initially, Price said, her idea was to get notices in people's hands however possible — through emailed newsletters, Twitter, text messages. The bill evolved after hearing "pretty compelling" testimony from

State and national press associations say the issue, while about Advertisement money, also has to do with government transparency, universal Sept. 15 - 17, 2015 Internet access, geography and economic competition.

Westin Chicago Northwest "Is it a turf war? Of course, that's an aspect of it," said Brad Plastics News

But, cumulatively, public notices add up to hundreds of millions

township and \$50,000 in a larger county.

of dollars for American print newspapers — and are especially *NLLERCOORS* Championing Sustainability in important for smaller daily and weekly papers, wrote Geoffrey Beverage Packaging Cowan and David Westphal, of the Annenberg School for LEARN MORE Communication and Journalism's Center on Communication

Groups like the Michigan Press Association, which opposes the legislation, can't say how much money its member newspapers take in from government notices — nor how much of a financial hit they'll take. That depends, they say, on the size of the publication, the market, the ad. The nonpartisan House Fiscal Agency, in an analysis of Price's bill, said publishing costs could hit \$4,000 in a

The organization represents all of the state's commercial TV stations and 87 percent of its radio stations. "We feel we can make public notices somewhat more popular than what they are now," White said, adding that

Broadcasters, who hope they will be able to compete for government business, believe it's time public notices

enter the 21st century and adapt to new technology that has changed the way people receive information.

No Net? Opponents resist the digital shift in part because there's still a large swath of the state without reliable Internet or

He said his opposition to Price's bill isn't about protecting the print newspaper industry, but rather out of fear that government, left unchecked to post their own notices, could change or hide parts they don't want the public to see.

that may be changed until somebody says, 'Oh, my God, do you know what's going on?' "

An amendment has been attached to Price's bill that would allow

want to continue publishing public notices in newspapers, rather

than phasing out print entirely. Price said she is supportive of the

said, "I need to continue to listen to my colleagues and figure out

other language that (they) would like to include in the legislation."

position, particularly at a smaller daily or weekly publication.

pricing, and most newspapers do that."

local government leaders to decide on their own whether they

"If the zoning ordinance changes on the township, city or village website," Pettalia said, "how many people

actually go there on a daily basis or a weekly basis or a monthly basis or even a yearly basis to look at something

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elected officials to know which way is the best way to reach their Best-managed constituents." NONPRO As for the tepid support in the House for her bill last month, she

agree. Newspapers believe they have an advantage over TV and radio because they have a permanent record built into their business model, said Lisa McGraw, public affairs manager for the Michigan Press Association. Archived editions of newspapers dating back centuries can still be read on microfilm at public libraries. And

newspapers consider themselves government watchdogs, even more so than broadcasters, which is intended to

Ensuring government transparency might be the only part of Price's bill on which newspapers and broadcasters

TV and radio stations don't know what they might charge because they've never been able to compete for the business, said White of the broadcasters association. Whether they win contracts would depend on the market, the popularity of their websites compared to other local media outlets and how capable the sites are to host and archive public notices. Broadcast websites are just as capable of storing archived information as newspapers' sites, White said.

Thompson, of the Detroit Legal News, said he publishes Detroit's public notices. He charges the city about \$8 per

"We have worked extremely hard to police our own industry," he said. "Municipalities get our absolute best

inch and has dropped the rate several times while the city was going through financial trouble.

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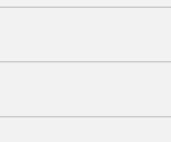
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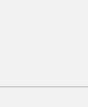
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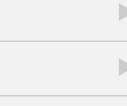
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publish some notices in print newspapers serving their residents. Online-only publication now would allow TV and

Media

radio stations to compete for contracts.

Township, who introduced the bill.

battling to keep a lock on the business.

to inform the public."

Amanda Price: Going digital could save money.

estimate the amount of possible savings. Message access broadcasters about their viewership numbers, she added.

Thompson, president of Detroit Legal News, who says less than a tenth of his publication's revenue comes from such notices.

Leadership and Policy at the University of Southern California, in a 2010 report.

They cited an estimate from the **National Newspaper Association** — which represents 2,400 newspapers, mostly weeklies and small dailies, across the U.S. — showing government notices made up 5-10 percent of community newspaper revenue in 2000. The association's CEO, Tonda Rush, told Crain's the estimate came from a previous executive and she doesn't have an updated figure.

"We just don't feel there's any place in a free market for exclusivity, especially now, because the way people consume media is so varied," said Karole White, president and CEO of the Michigan Association of Broadcasters. broadcasters would direct viewers to visit their public notice Web pages on the air. "They should be more than to line a birdcage."

cellphone service. Some townships and small cities, especially in rural areas, have rudimentary websites and older populations that still rely on newspapers for information. Rep. Peter Pettalia, R-Presque Isle, was a township supervisor for 16 years before he was elected to the Legislature. He said fewer than half of the townships he represents in the northeastern Lower Peninsula have Internet service at their government offices.

idea. "When we do things like this, we've got to be mindful of the variety of ways government is delivered," she said. "It falls to the

Papers as watchdogs

keep government honest.

The MPA doesn't oppose cities and townships from hosting their own public notices, McGraw said. They just shouldn't be the only source. "People don't go to local government websites for news. We feel that we're a better source for this kind of information," she said. "I just don't think the broadcasters can do what we do because they can't provide a print source." The revenue newspapers gain from government notices is not significant, McGraw said, but it might fund a

Newspapers disagree. "We feel it creates competition, and competition often drives down prices," White said. "We're going to have to cross that bridge. We know that we're going to have to be competitive with what print has." Lindsay VanHulle: (517) 657-2204. Twitter: @LindsayVanHulle

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