



TODD NOVAK

STATE REPRESENTATIVE • 51ST ASSEMBLY DISTRICT

(608) 266-7502
Toll-Free: (888) 534-0051
Rep.Novak@legis.wi.gov

P.O. Box 8953
Madison, WI 53708-8953

DATE: January 19, 2022
RE: Testimony on Assembly Bill 762
TO: The Assembly Committee on Ways and Means
FROM: State Representative Todd Novak

Thank you, Chairman Macco, and members of the Committee on Ways and Means for holding this public hearing on Assembly Bill 762, which would create a tax credit for businesses that advertise with local media.

The COVID-19 pandemic and the worker shortage have taken an incredible toll on many small businesses in Wisconsin. Main street businesses and local media outlets have faced challenges on a level never seen before. The bill before you today would help both small businesses and local media outlets as they begin to recover and rebound from the negative economic effects brought on from the pandemic.

The bill establishes a 50 percent tax credit for small businesses to purchase advertising in local media outlets. The credit would be capped at \$5,000 and sunset after five years. Qualifying advertising would have to be placed in Wisconsin-based media outlets including newspapers, radio stations, television stations, and internet news sites.

Similar legislation has been introduced on the federal level with bipartisan support. This proposal has also already garnered broad support from a diverse group of organizations here in Wisconsin as well.

Having worked in the newspaper industry for 25 years, I think this proposed credit will make a real difference. I believe this advertising incentive creates a win-win scenario for small businesses that want to advertise, customers and workers, and for local media.

Thank you for your consideration of this proposal.



WISCONSIN NEWSPAPER ASSOCIATION

January 19, 2022

Wisconsin Assembly, Ways and Means Committee

Testimony of Beth Bennett, Executive Director, Wisconsin Newspaper Association

Good morning, Mr. Chairman, and members of the committee. I would like to begin by thanking each of you on behalf of the 196 newspapers, which statewide employ more than eight thousand, for providing representatives of the Wisconsin Newspaper Association with the opportunity to speak today in favor of Assembly Bill 762.

I would also like to thank Representative Novak and Senator Roth for their sponsorship of this legislation; and for their work in promoting the value of the tax credit being considered today to Wisconsin based media and the small business community.

It is no secret that the traditional local advertising base once enjoyed by newspapers, radio and TV has eroded dramatically over the past decade. Creative measures such as the tax credit proposed in AB 762 would go a long way to stimulating the small business community's ability to return to local advertising while in-turn providing a renewed advertising revenue stream for local media.

The best way for local business to stay strong and to reach its intended audience is through local media. The tax credit created by this legislation will potentially make additional advertising dollars available to those small businesses to enhance audience messaging. Local advertising, in turn, plays a vital role in sustaining essential the local journalism that is essential to the health and vitality of local communities.

With me here today are three WNA member publishers who will speak to the need for strong community newspapers and the role that those newspapers play in supporting the citizens and in-turn the business communities they serve.

Testifying today:

Mr. Gregg Walker, WNA president/publisher of The Lakeland Times, Minocqua, and the Northwoods River News, Rhinelander;

Mr. Richard Lee, publisher of the Inter-County Cooperative Publishing Association located in Frederic; and

Mr. Mike Hollihan, Director of Sales and Marketing for Multi Media Channels with publications located throughout central and east central Wisconsin.

Testimony on AB 762 - Gregg Walker

Hello,

My name is Gregg Walker and I am the owner and publisher of The Lakeland Times in Minocqua and The Northwoods River News in Rhinelander. I would like to thank Rep. Macco and the committee for hearing us today and also Rep. Novak and Sen. Roth for sponsoring AB 762.

In last 100 years I can't think of a time when newspapers are more important to the communities they serve than now. With the onset of social media finding the truth and trust in information is at the lowest percentage since it was being kept. I can't tell you the countless times in the last five years the number of calls we received. "Is Olive Garden coming to town," "Did three people really die in that crash," "Tax collections are low, services will be cut" and the always "Is it true".

The newspaper and true versions are, no Olive Garden is not coming to town and nobody died in the car crash and tax collections are fine and, no, services will not be cut. That is why community news from newspapers is so important and I know all of you know what I'm talking about. The libel law makes us do vetted news, not that we don't make mistakes, we do, but everything is vetted and corrected in a newspaper. However, that is not the standard on social media.

In order to bring factual news to our communities we need revenue and many of our business both small and big rely on us to get their message out. The pressures of doing business is tough, especially with Amazon dominating the market. The Ma and Pa's are struggling and by giving them the ability to write off advertising dollars will really help and you can take their word for it:

Adam Redman
Broker/Owner
Redman Realty Group

I'm honored that you contacted me with regards to the Assembly Bill relating to Newspaper Adverstising, the value to Realtors and other salespeople and the tax incentives that should be awarded to the advertisers.

I've been in real estate for 17 years and have been advertising in the Lakeland Times since the beginning of my career. It wasn't until the opening of Redman Realty Group in 2011 that I initiated a strategic, repetitive and consistent newspaper advertising campaign. It was incredible to me the amount of comments I would receive around our community with regards to the awareness of our firm, our agents and our properties for sale. The successful branding of our firm was in huge part to our consistent advertising in the Lakeland Times. I've also sold a significant number of Properties from featured Property advertisements. Realtors do invest significant money in print media, however I've never second guessed the return on investment.

Pastor Steve, Eaglebrook Church, Woodruff, WI."

"Our church has been a local advertiser for over 14 years in the Lakeland Times, based in Minocqua, WI. The key being "local." When a local person sees an ad for any business, it begins a potential relationship between that business and that individual. The success of a local business is very contingent upon both building, and maintaining that relationship. Advertising is a big part of that. Any bill or legislation that helps local businesses succeed, by building relationships and making our community stronger, is worth supporting. Allowing advertisers to deduct their advertising expenses would be a

helpful step to ensure that happens. Thank you.

In closing the Fourth Estate is critical to the functionality of government and an informed citizenry, it embodies what made this country great; the news within a newspaper provides a service to the community and it allows business to promote their message at the same time providing goods and services. That is free enterprise system at its best. By allowing businesses the ability to write off advertising dollars, it will help both newspapers stay functional and keep employees and promote community businesses. For the sake of our communities and what binds them together, please move the bill on and hopefully it will be passed in Congress and signed into law.

Thank you,

Gregg Walker

Publisher

The Lakeland Times

The Northwoods River News

P.O. Box 790

Minocqua, WI 54548

Multi Media Channels

310 West Walnut 4th floor
Green Bay, WI.
(920) 499-1200

AB 763

January 19, 2022

Presented by Mike Hollihan

I want to thank the bill sponsors, the committee chair and the committee for the opportunity to testify.

Multi Media Channels Story

MMC was started in 1953 by Frank Wood as Brown County Publishing with one paper in Denmark Wisconsin. In 2012 Frank's son Patrick Wood became the owner and CEO. MMC owns newspapers in the following communities : Rhinelander, Tomahawk, Owen-Withee, Merrill, Antigo, Wausau, Stevens Point, Wisconsin Rapids, Marshfield, Lomira, Maville, Campbellsport, Waupaca, Clintonville, New London, Seymour and Green Bay. MMC has 49 media properties. 26 weekly publications, 4 monthly and 19 digital.

MMC's Economic impact

MMC employs over 92 full time and Part-time employees in 12 offices. Our publications and digital websites serve over 50 urban and rural communities in Northeast and Central Wisconsin.

Supporting our communities

MMC supports the Homeless in Wisconsin. Each year, Multi Media Channels works with the Wisconsin Newspapers Association during the month of October to bring awareness to homelessness in Wisconsin through content generation that is disseminated to newspapers throughout the state.

In addition, Multi Media Channels also manages a fundraising campaign throughout the state which provides funding to local organizations to get assistance right in the hands of those who need it, providing "boots on the ground" in local communities.

Good afternoon. I would like to thank Senator Roth and Representative Novak for sponsoring Assembly Bill 762, and our committee chair Representative Macco and the rest of the committee for the opportunity to testify today on this bill. My name is Richard Lee and I'm the President for Inter-County Cooperative Publishing Association.

We are located in Frederic, a small town in northwestern Wisconsin. The Inter-County Cooperative Association was founded in 1933 by area farmers who wanted to know the local news and what their neighbors were doing. You can still buy a non-dividend share today and be a shareholder for only \$5. We are the second largest employer in Frederic with 49 employees, the Frederic school system being the largest. The ICCPA publishes 5 community papers and 1 newspaper for a total of 6 weekly papers that go to approximately 100,000 homes every week. Our coverage area is approximately 5,000 square miles with most of it being rural areas! People in the area count on our paper for hyper-local news and state news. One of the reasons our readers count on us is we are a trusted news source and provide them much-needed information. For many of our readers the TV news coverage comes from the Twin Cities or Duluth. One of the challenges with the rural area is the lack of internet, thus an even larger need for the paper.

The ICCPA is part of the fabric of many area towns. Just to mention a few things we do to support our readers and communities, we provide scholarships to 8 area schools, coverage of high school events, county board meetings, and school board meetings, publish legal notices, make financial donations to many clubs and civic organizations, provide free advertising of town events, and host chamber of commerce meetings.

Since the start of COVID, we have seen many small area businesses struggle, including our own. We count on the businesses to advertise with us so we can continue to provide all of the services we currently do. The ICCPA has seen advertising sales drop by 20% over the past 2 years. Many of the small businesses don't have a way to let the local residents know what is happening without the "Yellow Advertiser". It's the most cost-effective way for the businesses to let people know about sales, hours of operation, specials and help wanted, to name just a few.

I have three stories I'd like to share:

1. A new owner of a small hardware store was struggling, with sales being down, and turned to us for help. He said he really wanted to advertise, but couldn't afford it. We worked out a deal with him as a trial and the first week after he ran his insert ads with us, he saw his daily sales increase by 3 times the daily amount he had been doing.

2. An area restaurant was having a hard time with sales being down. He was worried that he wouldn't be able to stay open any longer. People just weren't coming in and dining any more. We told him that we would run a coupon ad that needed to be redeemed in person. He was worried that it would take 25 dinners to cover the cost of the ad. He ran the ad and the following week he saw his sales for the coupon special grow by 125 dinners.

In 2021, MMC worked with local organizations to fundraise for Badger Packs – backpacks filled with necessities and informational resources – for those considered homeless. The packs are currently being distributed in our communities.

For example, currently in Green Bay, The Press Times is doing a 5 part series to create awareness. The Green Bay Press Times is also the official newspaper of The Cerebral Palsy telethon, all the school districts in Green Bay, University of Wisconsin Green Bay athletics and The Brown County Home Builders to name a few. All of our papers throughout Wisconsin are integrated with our communities. Each paper serves as a Stewardship.

3. One area business was struggling with finding help. He had been trying for more than 8 weeks with no luck. He was running ads for help on his website, social media and even was trying a recruiter. He turned to the paper for help. The first week after he ran an ad in the paper, he had 6 people apply and by the second and third week he was able to fill the open positions he had.

In closing, area papers provide a much-needed service for individuals and businesses. This bill would help not only business get information out to the public, but provide much-needed relief and a service to everyone in all communities.

Respectfully,

Richard Lee

REBUILD LOCAL NEWS

January 19, 2022

Statement of Steven Waldman, chair of the Rebuild Local News Coalition, and President and co-founder of Report for America

The Rebuild Local News is a coalition of 17 national organizations committed to strengthening local news. The coalition's groups represent more than 3,000 newsrooms, and includes publishers, labor unions, rural and urban, mainstream and ethnic, publications small, medium and large – including 254 in Wisconsin.

The Rebuild Local News Coalition strongly supports Assembly Bill 762. This smart bill would solve two problems at once – helping small businesses get back on their feet and helping save local news from destruction.

I'd like to provide some national context about the local news part of that equation. While national cable news and newspapers are thriving, *local* news is collapsing. The internet has devastated the business models of local newspapers. Since 2000, there has been an 81% drop in newspaper advertising revenue. Some 1,800 communities have no newspapers and thousands more have "ghost newspapers," which barely cover local issues.

We know that the publications in Wisconsin are doing their best. But they are doing it with far fewer reporters. Nationally, the drop in ad revenue has led to a 54% drop in the number of reporters since 2000. The contraction has been particularly severe in rural areas.

This makes it harder for communities to address the problems most important to them. Studies have shown that towns with less local news have lower bond ratings and even higher taxes (because municipal governments tend to get

sloppier when no one is watching). Such communities have less civic engagement and lower voter turnouts. It's also harder to improve schools if parents don't know what's going on. Finally, studies have shown that less local news leads to more polarization, as local news is replaced by national cable news, social media and other sources.

We are gratified to see that so many local business, professional and civic groups support this legislation. This makes sense – and not just because the businesses can sure use the financial help afforded by this marketing credit. It also makes sense because communities without good local news – without accurate information – tend to stagnate.

We particularly appreciate that this is a way of helping local news without having the government pick and choose favorite outlets. Instead, the tax credit goes to Wisconsin small businesses, who in turn decide which local news source best fits their marketing needs and, we would hope, has built up trust from the community through years of fair journalism.

Part of why I'm here today is that I think this could not only be great for Wisconsin – it can be a model for the rest of the country. We think you have honed in on a superb, bipartisan (or really nonpartisan) approach, which we think can lead the way for other communities or even the U.S. Congress. There may be a few tweaks that could strengthen the bill but the general approach is shrewd, effective *and* First Amendment friendly.

It's an American as apple pie to complain about elected officials – and now it's as American as apple pie to complain about the media. I certainly do it all the time, and I work in the media. I'm guessing you have some critiques of the media too.

But the collapse of local news poses a really severe threat to the health of communities. This bill provides a great solution to this crisis.

The Rebuild Local News Coalition includes:

The National Newspaper Association, Institute for Nonprofit News, National Newspaper Publishers Association, America's Newspapers, The News Guild, Local Independent Online News, National Association of Hispanic Publications, National Federation of Community Broadcasters, Association of Alternative Newsmedia, Report for America / The GroundTruth Project, American Journalism Project, Lenfest Institute, Solutions Journalism Network, Local News Consortium, Chalkbeat, PEN America, Public Knowledge

Wisconsin newsrooms included in those groups:

Door County Knock	Milwaukee Times Weekly
Isthmus	Wisconsin Center for Investigative Reporting
Madison365	Wausau Daily Herald
MI WISCONSIN	Spectrum News Milwaukee
Milwaukee Neighborhood News Service	Green Bay Post Gazette
The Badger Project	Abbotsford Record-Review
Tone Madison	Tribune-Phonograph
Wausau Pilot and Review	Amery Free Press
Wisconsin Watch	Antigo Daily Journal
Milwaukee Journal Sentinel	Ashland Daily Press
Milwaukee Community News	Bayfield County Journal
Oshkosh Examiner	Waukesha Freeman
Point/Plover Metro Wire	Beloit Daily News
Racine County Eye	The Boscobel Dial
The Newcomer	Ozaukee County News Graphic
West of the I	Tri-County Press
WisCommunity	Republican Journal
The Madison Times Weekly	Vilas County News Review
Milwaukee Community Journal	Country Today
Milwaukee Courier	Leader Telegram

Edgerton Reporter
Fennimore Times
Jefferson County Union
Crawford County Independent
Burnett County Sentinel
Sawyer County Record
Hillsboro Sentry Enterprise
Janesville Gazette
Cambridge News
Courier
Lake Mills Leader
Grant County Herald Independent
Poynette Press
EagleHerald
Medford Star News
Milton Courier
Daily Reporter
Monroe Times
Muscodas Progressive
Osceola Sun
Price County Review
The Platteville Journal
Chronotype
Richland Observer
River Falls Journal
Spooner Advocate
Cottage Grove Herald-Independent
McFarland Thistle
Sun Prairie Star
Superior Telegram
Dodge County Independent News
Watertown Daily Times
DeForest Times-Tribune

Lodi Enterprise
Waunakee Tribune
Waushara Argus
West Bend Daily News
Wisconsin Rapids Tribune | The Daily
Tribune
The Post-Crescent
The Sheboygan Press
FDL Reporter | The Reporter
The Northwestern
Stevens Point Journal
Herald Times Reporter
Marshfield News Herald
Adams Friendship Times Reporter
Hometown Herald
Buffalo County Journal
Pecatonica Valley Leader
The Daily Press
The Press
Augusta Area Times
The Baldwin Bulletin
County Ledger Press
Baraboo News Republic
Barron News-Shield
Daily Citizen
Berlin Journal
Banner Journal
Jackson County Chronicle
The Blair Press
Bloomer Advance
The Boscobel Dial
The Independent Register
Brookfield-Elm Grove Now

Burlington Standard Press
The Cambridge News and Deerfield
Independent
Campbellsport News
Cashton Record
The Chetek Alert
The Chippewa Herald
The Clinton Topper
Clintonville Tribune Gazette
Cochrane-Fountain City Recorder
The Colfax Messenger
Columbus Journal
Courier Sentinel
The Herald-Independent and The
McFarland Thistle
The Forest Republican
Cumberland Advocate
The Denmark News
The Dodgeville Chronicle
The Courier-Wedge
Vilas County News-Review
The Country Today
Leader-Telegram
The Record-Review
The Edgerton Reporter
Elkhorn Independent
Pierce County Herald
The Messenger of Juneau County
The Evansville Review
Fitchburg Star
The Florence Mining News
Daily Jefferson County Union
Inter-County Leader

Crawford County Independent & The
Kickapoo Scout
Germantown-Menomonee Falls Now
Tribune Press Reporter
The Glidden Enterprise
Green Bay Press-Gazette
Green Lake Reporter
Greenfield-West Allis Now
Central St. Croix News
Lake Country Reporter
Hillsboro Sentry-Enterprise
Hudson Star-Observer
Iron County Miner
The Gazette
Times-Villager
Kenosha News
Kewaskum Statesman
Tri-County News
La Crosse Tribune
La Farge Episcopo
Ladysmith News
Lake Geneva Regional News
Lake Mills Leader
Tribune Record Gleaner
The Capital Times
Wisconsin State Journal
The Marion Advertiser
Markesan Regional Reporter
Marshfield News-Herald
Juneau County Star-Times
Dodge County Pionier
The Star News
The Mellen Weekly-Record

The Dunn County News
Merrill Courier
Middleton Times-Tribune
The Daily Reporter
The Democrat Tribune
The Lakeland Times
Mondovi Herald News
The Monroe Times
The Marquette County Tribune
The Mosinee Times
Mount Horeb Mail
Mukwonago Chief
The Progressive
Muskego-New Berlin Now
The Clark County Press
Post Messenger Recorder
New London Press Star
New Richmond News
North Shore Now
Franklin-Greendale-Hales
Corners-Oak Creek Now
Oconomowoc Enterprise
Oconomowoc Focus
Oconto County Reporter
Omro Herald
Courier-Life
County Line
The Oregon Observer
The Sun
Oshkosh Northwestern
Peshtigo Times
The Review
Ozaukee Press

Portage Daily Register
Courier Press
Prescott Journal
Princeton Times-Republic
The Journal Times
The Sounder
Reedsburg Independent
The Northwoods River News
Reedsburg Times Press
Ripon Commonwealth Press
River Falls Journal
Sauk Prairie Star
Sauk Prairie Eagle
Shawano Leader
Sheboygan Falls News
Washburn County Register
South Shore Now
Monroe County Herald
Home News
Sun-Argus
Standard-Press
The Stanley Republican
Portage County Gazette
Wisconsin State Farmer
The Stoughton Courier Hub
Door County Advocate
The Star
The Thorp Courier
The Three Lakes News
The Tomah Journal and Monitor
Herald
Tomahawk Leader
The Times

The Valders Journal
The Verona Press
Epitaph-News
Vernon County Broadcaster
The County Journal
The Courier
The Freeman
Waukesha Now
The Waunakee Tribune
Waupaca County Post
Wauwatosa Now
Daily News
The Coulee News
Westby Times
Trempealeau County Times
The Winneconne News
Sawyer County Gazette
Wisconsin Dells Events
Daily Tribune
O-W Enterprise
The Wittenberg Enterprise and
Birnamwood News
The Woodville Leader