



OFFICE OF THE GOVERNOR

SEP 30 2026

To the Members of the California State Assembly:

I am signing Assembly Bill 2222, which would establish a refundable tax credit for news outlets of between \$7,500 and \$20,000 for each employed local news journalist.

I share the author's goal of supporting local news journalists, who are essential for a healthy democracy. That is why I worked with the Legislature and the private sector to create the California Civic Media Program, which provides grants to local news organizations. This program just received another \$20 million in funding and will provide up to \$250,000 in grants to eligible organizations. In addition, my administration approved another \$20 million in grants for training new journalists.

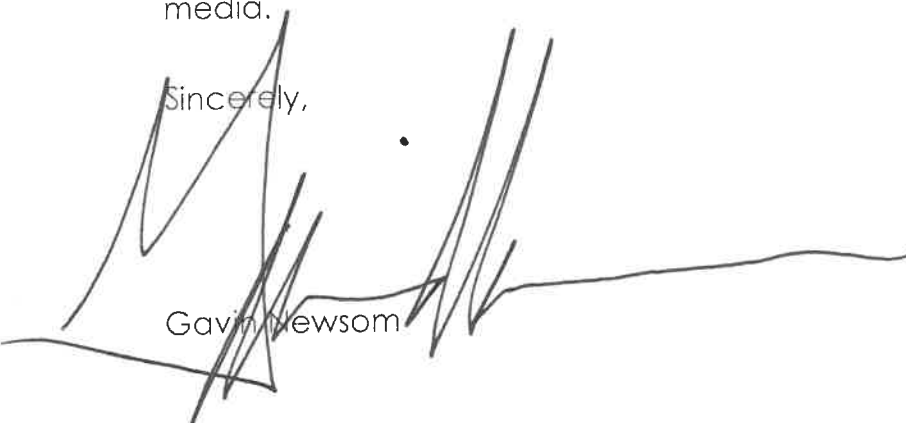
This new legislation builds on this work to help address the 20-year decline in local news coverage in California. The crisis is real, as two intertwining forces have chipped away at the foundations of an independent press in this state. The first is the rise of newspaper consolidation, in which some of the most trusted names in journalism are now controlled by a handful of powerful companies, hedge funds, and private equity firms. The second has been the upending of the advertising industry, which has shifted billions of dollars from newspapers to tech platforms. It's estimated that 46,000 newsroom jobs have been eliminated across the country over the last two decades, including 12,000 in California.

While I am signing this measure to help revive local journalism, the state will need follow-up legislation to address flaws that jeopardize the long-term viability of this new program. First, there is no cap on overall costs, which creates significant long-term financial uncertainty for the state. Second, this measure is not tailored

to those organizations most in need of support. Given the generosity of the proposed tax credit, I am concerned this measure will result in windfall benefits for larger news operations that do not need public intervention at this scale, particularly those owned by hedge funds and billionaires. As currently crafted, the tax credits may give an outsized windfall to entities or individuals who have acquired local news organizations to extract value, and the taxpayers should not subsidize their profits.

Addressing these issues will do more than protect public dollars. The long-term success of this proposal rests on the public's support for using taxpayer dollars to invest in these institutions, which I believe are crucial for a healthy civil society. I fear that failing to address these flaws will further erode trust in our local news media.

Sincerely,



Gavin Newsom