

Move to online public notices looms over papers

May 22 2009, By EMERY P. DALESIO , AP Business Writer

(AP) -- The tough economy means the growing suburb of Apex can't replace some computers and police vehicles. So the town's mayor is pleased to save \$13,000 by posting public notices of rezoning requests and major land development plans on the town's Web site, rather than in the local newspaper.

"This was good for us for this year, that we didn't have to include that advertising cost in our budget," said Keith Weatherly, mayor of the Raleigh suburb of 35,000, which has an annual budget of \$27 million.

To the dismay of struggling newspapers also beset by the same dragging economy, other U.S. communities wish they could get similar savings.

State laws require newspaper notices to inform citizens about official activities, such as changes to tax laws, foreclosures and public meetings. Newspapers have long been deemed the best outlets for these notices because they are widely accessible, relatively inexpensive, have a documented list of subscribers and are easily preserved for records, said Shannon Martin, an Indiana University journalism professor who has studied moves to allow Web posting.

These days, though, city and county governments say posting public notices on Web sites can save taxpayer money - and reach a public increasingly leaving the printed page behind.

Publishers who fear losing one of their most reliable revenue streams

contend that nothing replaces the local newspaper as a community bulletin board. Newspapers run public notices on their Web sites in addition to the printed pages, and press associations in about 20 states compile the notices into a searchable database.

Newspaper advocates worry an online shift will reduce the public's understanding about civic affairs and ability to act on the information. In North Carolina, the NAACP opposes online notices because poor and rural communities still have limited access to the Internet.

"People in my community still heavily read the newspaper. They may not be able to afford Internet access, but they can afford 50 cents for the newspaper," said the Rev. William Barber, president of the North Carolina branch of the National Association for the Advancement of Colored People. "These are not want ads to buy a car. Many times these notices are about issues like zoning that can affect people in the long term."

Beth Grace, executive director of the North Carolina Press Association, said municipal Web sites have far fewer viewers than newspaper sites. There are also more of the government sites, requiring engaged citizens to repeatedly scour multiple Web pages to know what's coming. "Public notices need to be where the public notices," Grace said.

About half of Internet users have gone to classified ad Web sites like Craigslist at some point, a doubling since 2005, and one out of 11 Americans seek online classified ads on a typical day, according to a new report by the Pew Internet & American Life Project.

Because of those changing patterns of readership, the Obama administration has proposed saving \$6.7 million over five years by having federal authorities publicize an Asset Forfeiture program on the Internet instead of in newspapers.

At state and local levels, where most notices are printed, the move toward putting taxpayer-financed notices on government Web sites has been building at least since 2002. Now the subject is being discussed in nearly every state, said Tonda Rush, who heads the Public Notice Resource Center, an effort by the newspaper industry to defeat the idea.

North Carolina allowed Apex and a handful of other towns to relax their newspaper ad requirements, though an effort to expand that to other cities failed. Legislators in Pennsylvania, New Mexico, Florida and Arizona this year also considered changing the rules.

(Officials eager to move notices of upcoming civic meetings to the Web tend to leave alone legal notices, which may announce bankruptcies or bond sales and are paid for by the parties involved.)

Newspaper trade associations and independent analysts say it's unclear how much newspapers collect in total from such publicly financed advertising. At one newspaper company, Trib Total Media, which runs the Pittsburgh Tribune-Review and other newspapers in western Pennsylvania, about 7 percent of revenue comes from government-funded legal notices, Chief Executive Ralph Martin said.

Executives note that public notices are less profitable than other forms of advertising in the newspaper.

"A good-sized car dealer is going to run more dollars than the entire category of legals. A single car dealer," Martin said.

But they do produce a consistent revenue stream at a time the industry is hurting. Newspaper advertising revenues fell by 17.7 percent in 2008, with classified ads sinking 29 percent to nearly \$10 billion, according to the Newspaper Association of America. While legal and other public notices represent a small fraction of classified ads, the catchall grouping

that includes them was the most stable of the four classified ad categories, sliding 4.3 percent last year.

In Arizona, 90 municipalities spent about \$900,000 last year on public-notice ads, said Ken Strobeck, executive director of the League of Arizona Cities and Towns. State Rep. Anna Tovar sided with the league in supporting legislation that would let communities move public notices from newspapers to the Internet. Legislators are considering a special advisory committee to study the issue.

Tovar said the Phoenix suburb of Tolleson, where she was vice mayor until February, budgets \$40,000 a year for public notices. That is roughly what the city of 6,000 also spends on an after-school program for more than 150 elementary school students who otherwise might be home alone while parents work, she said.

"We could take that money that we would use for newspaper fees for notices and use that for programs that are great priorities in our city," Tovar said. "If this is going to save our city money, I'm all for it."

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