

BOARD BILL NO. 215 INTRODUCED BY: JACK COATAR

1 An ordinance submitting to the qualified voters of the City of St. Louis a gross receipts tax to
2 be imposed on telecommunications and fiber network providers as set forth herein; providing
3 for an election to be held therefore and the manner of voting thereat; and, upon passage of
4 said ballot measure, an amendment to City of St. Louis Ordinance 67717 as codified in
5 Section 23.34.020 of the Revised Code of the City of St. Louis and Sections 23.34.010 through
6 23.34.030 of the Revised Code of the City of St. Louis reflecting gross receipts tax to be
7 imposed as approved by the voters of the City of St. Louis; establishing a
8 Telecommunications Gross Receipts Tax Fund, and requiring the gross receipts tax collected
9 pursuant to the Sections 23.34.010 through 23.34.030 of the Revised Code of the City of St.
10 Louis to be deposited into the Telecommunications Gross Receipts Tax Fund to be
11 appropriated and expended to further smart city initiatives in the City of St. Louis.

12 **WHEREAS**, the City of St. Louis desires to enact a fee structure that will encourage
13 development of fiber networks to provide service to under-served areas of the City; therefore

14 **BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:**

15 **SECTION ONE.** The following amendment to Ordinance 67717 and Sections 23.34.101
16 through 23.34.030 of the Revised Code of the City of St. Louis is hereby proposed and ballot
17 language to be submitted to the voters of the City of St. Louis to accomplish this amendment,

1 which shall be voted upon at an election to be held as hereinafter provided, is set forth herein.

2 The said amendment is in words and figures as follows:

3 23.34.010 ~~Telephone~~—Telecommunications providers and fiber network providers ~~companies~~

4 to pay tax. Every ~~person-entity~~ now or hereafter engaged in a ~~general~~ **general**

5 **telecommunication** ~~telephone~~-business in the City, providing ~~both~~ **telecommunications,**

6 **telecommunications** exchange, or local, and toll, or long distance, telephone service to its

7 customers **with a service or billing address within the St. Louis City Limits** shall pay to

8 the city a tax as hereinafter provided in this chapter. **Every entity now or hereafter engaged**

9 **in providing fiber networks who are not video service providers, long haul**

10 **telecommunication or network providers and/or subject to franchise fees, to its**

11 **customers with a service and/or billing address within the St. Louis City Limits shall pay**

12 **to the city a tax as herein after provided in this chapter.**Gross receipts tax Every

13 ~~telephone~~-telecommunications and fiber network provider ~~company~~ shall pay to the City a tax

14 equaling ~~seven and one half~~ seven and one half percent of the gross receipts of any such

15 company obtained from its customers **with a billing or service address** within the **St. Louis**

16 **City limits** for any services there provided, except such receipts as represent charges for

17 message rate toll, or long distance, telephone service, charges for message rate interzone

18 telephone service, charges for exclusive interstate service of any kind, charges for Morse,

19 telegraph or radio program transmission facilities, or for other services furnished exclusively

20 and permanently in connection with services extending beyond the boundaries of the City,

21 charges for the billing and collecting for telegrams, charges for the sale of telephone

22 directories, charges for Yellow Pages advertising, charges for the rental of plant facilities or

1 other property not currently used by any such company in furnishing its telephone services,
2 and charges which combine both receipts which are herein taxed and which are herein
3 excepted in all cases in which the demonstrable cost to any such telephone company in
4 making a separation between the revenues taxed and those excepted shall exceed the evident
5 revenue to be derived from the City hereunder. "Gross receipts" does not include an amount
6 equal to all discounts, credits, refunds, overcharges, or overpayments, sales taxes and
7 uncollectible accounts actually charged off, returned, or given credit for by such telephone
8 company to its subscribers during the period for which the return is made, and all discounts,
9 credits, refunds, overcharges, or over payments, sales taxes, and uncollectible accounts
10 actually charged off, returned or given credit for by such telephone company to its subscribers
11 in a prior return period but not previously claimed as a deduction from prior reported gross
12 receipts. In determining the applicability of any tax of the City to **telephone**
13 **telecommunications providers or fiber network providers** companies, the term
14 "**telephone** telecommunications provider ~~company~~" means an entity providing telephone or
15 telecommunications or similar services, whether through wire **or fiber optic or wireless**
16 transmissions, to customers in the City of St. Louis for a fee directly to the public, or to such
17 classes of users as to be effectively available directly to the public. **The term "fiber network**
18 **provider" is defined as any entity that builds and provides fiber networks who are not**
19 **video service providers, long haul telecommunication or network providers and/or**
20 **subject to franchise fees to customers with a service address within the St. Louis city**
21 **limits.** In determining the applicability of any tax of the City to **telephone**
22 **telecommunications and fiber network providers companies entities:** The term "gross

1 receipts obtained from its customers within the **St. Louis City limits**” means gross receipts
2 derived from a service to the extent that service is charged to a ~~billing~~ or service address in
3 the City, unless otherwise provided by applicable federal law; ~~B. “Telephone or T~~
4 telecommunications or similar services” does not include video **only** service that is subject to
5 a cable television franchise fee or video service provider fee; Any such tax shall not be
6 applicable to gross receipts from charges for internet access **only**, as that term is used in the
7 Federal Internet Freedom Act, P.L. 105-277, as amended. Neither this section, nor any
8 provision hereof, shall be deemed or construed as a waiver, relinquishment, creation,
9 expansion, modification or termination of any rights which the City may already have with
10 respect to any ~~telephone telecommunications provider and fiber network provider~~
11 ~~company~~, nor shall it be deemed or construed to alter, amend or modify in any way the
12 settlement agreement entered into between the City of St. Louis and Southwestern Bill
13 Telephone Company and its successors on September 3, 1998. **If any entity is not required,**
14 **or exempt from gross receipt tax, such entity may still be subject to the linear foot fee, as**
15 **set codified in Section 23.64.090 of the revised Code of the City of St. Louis.23.34.030**
16 Statement of gross receipts. Every ~~telephone telecommunications provider and fiber~~
17 ~~network provider company~~ on or before the second last day of each month commencing
18 October, 1969, shall file with the Comptroller a verified statement of its gross receipts upon
19 which the gross receipts tax is laid for the next preceding month, and shall pay the tax at the
20 same time as the filing of the report. **SECTION TWO.** The following ballot proposition is
21 hereby proposed and submitted to the voters of the City of St. Louis and shall be voted upon
22 at an election to be held as hereinafter provided. The said ballot measure is in words and

1 figures as follows: “Should Chapter 23 of the Revised Code of the City of St. Louis be
2 amended to allow a gross receipts tax of seven and one half percent of the gross receipts of
3 revenue obtained from telecommunications businesses and fiber network providers obtained
4 from customers with a billing or service address within the limits of the City of St. Louis,
5 with such tax revenues collected by the City of St. Louis to be set apart in a special fund for
6 the purpose of funding smart city initiatives in the City of St. Louis?”

7 **SECTION THREE.** The foregoing proposed ballot measure shall be submitted to the
8 qualified voters of the City of St. Louis at the next annual election to be held on April 2, 2019,
9 and if said ballot measure shall receive in favor the votes of a majority of the qualified voters
10 voting at such election for or against said proposed ballot measure, such measure shall be
11 adopted immediately and become a part of the Revised Code of the City of St. Louis from the
12 date of said election and the tax imposed shall be authorized and become effective
13 immediately. Qualified voters of the City of St. Louis may at the election aforesaid vote a
14 ballot substantially in the following form:

15 **OFFICIAL BALLOT**

16 Instructions to voters:

17 To vote in favor of the proposition submitted upon this ballot, place an “X” in the square
18 opposite the word “Yes” and to vote against the proposition submitted on this ballot, place
19 and “X” in the square opposite the word “No”.

20 The ballot measure shall appear on the ballot substantially as follows:

21 Yes ___ No ___

1 Ballot measure: “Should Chapter 23 of the Revised Code of the City of St. Louis be amended
2 to allow a gross receipts tax of seven and one half percent of the gross receipts obtained from
3 telecommunications businesses and fiber network providers obtained from customers with a
4 billing or service address within the limits of the City of St. Louis, with such tax revenues
5 collected by the City of St. Louis to be set apart in a special fund for the purpose of funding
6 smart city initiatives in the City of St. Louis?”

7 **SECTION FOUR.** The Board of Election Commissioners shall provide the ballots or voting
8 machines or both and conduct the election and shall ascertain and certify the result thereof
9 according to the law. If voting machines are used, the aforesaid “OFFICIAL BALLOT” shall
10 be placed or posted on the said voting machines wherever said machines are used under the
11 direction of the Board of Election Commissioners for the City of St. Louis and according to
12 law.

13 **SECTION FIVE.** Upon the approval of this Ordinance, it shall be published in the City
14 Journal, the official publication of the City of St. Louis, Missouri. Proof of the publication of
15 this Ordinance shall be made by affidavit of the City Register, and such affidavit shall be filed
16 in the office of the City Register and a copy of such publication shall be attached thereto.

17 **SECTION SIX. Establishment of Fund.** Upon passage of the ballot measure set forth in
18 this ordinance, the Comptroller of the City of St. Louis is hereby authorized to and directed to
19 establish a special account to be known as the Telecommunications Gross Receipts Tax Fund
20 (the Fund), in which all gross receipts revenue referenced herein shall be deposited and such f

1 funds shall be kept separate and apart from all other funds.

2 All interest generated on deposited funds shall be accrued to the Telecommunications Gross

3 Receipts Tax Fund Account.

4 **SECTION SEVEN.** The Board of Public Service is authorized and directed to establish rules

5 and regulations for the administration of the Fund and approve expenditures consistent smart

6 city initiatives, which initiatives are to be recommended by the Chief Technology Officer of

7 the City of St. Louis and initiatives and expenditures toward the same are to be approved by

8 the Board of Public Service.

9 **SECTION EIGHT.** This being an ordinance providing for the submission of a question to

10 the voters, it is hereby declared to be an emergency ordinance as provided by Article IV,

11 Section 20 of the Charter of the City of St. Louis, and shall be effective immediately upon

12 approval by the Mayor or its approval over his or her veto.