

BOARD BILL NO. 215CS INTRODUCED BY: ALDERMAN 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 providers and fiber network providers as set forth herein;
3 providing for an election to be held therefore and the manner of voting thereat; and, upon
4 passage of said ballot measure, an amendment to City of St. Louis Ordinance 67717 as
5 codified in Section 23.34.020 of the Revised Code of the City of St. Louis and Sections
6 23.34.010 through 23.34.030 of the Revised Code of the City of St. Louis reflecting gross
7 receipts tax to be imposed as approved by the voters of the City of St. Louis.

8

9 **WHEREAS**, the City of St. Louis desires to enact a tax structure that will encourage
10 development of fiber networks to provide service to under-served areas of the City.

11

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

13

14 **SECTION ONE.** The following amendment to Ordinance 67717 and Sections 23.34.101
15 .010 through 23.34.030 of the Revised Code of the City of St. Louis is hereby proposed and
16 ballot language to be submitted to the voters of the City of St. Louis to accomplish this
17 amendment, which shall be voted upon at an election to be held as hereinafter provided, is set
18 forth herein. The said amendment is in words and figures as follows:

1 23.34.010-Telecommunications Providers and Fiber Network Providers to pay tax. Every
2 entity now or hereafter engaged in a general telecommunications business in the City,
3 providing telecommunications, telecommunications exchange, or local, ~~and~~ toll, or long
4 distance, telephone service to its customers with a service or billing address within the St.
5 Louis City Limits (“Telecommunications Providers”) shall pay to the city a tax as hereinafter
6 provided in this chapter.

7 Every entity now or hereafter engaged in providing fiber networks, built whole or in part in
8 the City’s public right of way, who are not subject to franchise fees, to ~~its~~ customers using
9 fiber networks (“Fiber Network Providers”), shall pay to the city a tax as hereinafter provided
10 in this chapter.

11 Telecommunications Providers and Fiber Network Providers shall pay the City a tax as
12 hereinafter provided, except that no entity already required to pay a franchise fee or linear
13 foot fees shall also be required to pay a gross receipts tax hereunder.

14 This ordinance is not intended to apply to Small Wireless Facilities as defined in 67.5112(19),
15 RSMo.

16 23.34.020 Gross receipts tax

17 Every Telecommunications Provider and Fiber Network Provider shall pay to the City a tax
18 equaling seven and one half percent of the gross receipts of any such company obtained from
19 ~~its~~ customers or from other use of its fiber networks for any services there provided, except
20 such receipts as represent charges for message rate toll, or long distance, telephone service,
21 charges for message rate interzone telephone service, charges for exclusive interstate service

1 of any kind, charges for Morse, telegraph or radio program transmission facilities, or for other
2 services furnished exclusively and permanently in connection with services extending beyond
3 the boundaries of the City, charges for the billing and collecting for telegrams, charges for the
4 sale of telephone directories, charges for Yellow Pages advertising, charges for the rental of
5 plant facilities or other property not currently used by any such company in furnishing its
6 telephone services, and charges which combine both receipts which are herein taxed and
7 which are herein excepted in all cases in which the demonstrable cost to any such telephone
8 company in making a separation between the revenues taxed and those excepted shall exceed
9 the evident revenue to be derived from the City hereunder. "Gross receipts" does not include
10 an amount equal to all discounts, credits, refunds, overcharges, or overpayments, sales taxes
11 and uncollectible accounts actually charged off, returned, or given credit for by such
12 telephone company to its subscribers during the period for which the return is made, and all
13 discounts, credits, refunds, overcharges, or over payments, sales taxes, and uncollectible
14 accounts actually charged off, returned or given credit for by such telephone company to its
15 subscribers in a prior return period but not previously claimed as a deduction from prior
16 reported gross receipts. Any such tax shall not be applicable to gross receipts from charges for
17 internet access only, as that term is used in the Federal Internet Freedom Act, P.L. 105-277, as
18 amended. Neither this section, nor any provision hereof, shall be deemed or construed as a
19 waiver, relinquishment, creation, expansion, modification or termination of any rights which
20 the City may already have with respect to any Telecommunications Provider and Fiber
21 Network Provider, nor shall it be deemed or construed to alter, amend or modify in any way
22 the settlement agreement entered into between the City of St. Louis and Southwestern Bell

1 Telephone Company and its successors on September 3, 1998. If any entity is not required to
2 pay , or is exempt from, gross receipt tax, such entity may still be subject to the linear foot
3 fee, as codified in Chapter 23.64.090 of the Revised Code of the City of St. Louis.

4 23.34.030 Statement of gross receipts. Every Telecommunications Provider and Fiber
5 Network Provider on or before the second last day of each month shall file with the
6 Comptroller a verified statement of its gross receipts upon which the gross receipts tax is laid
7 for the next preceding month, and shall pay the tax at the same time as the filing of the report.

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9 **SECTION TWO.** The following ballot proposition is hereby proposed and submitted to the
10 voters of the City of St. Louis and shall be voted upon at an election to be held as hereinafter
11 provided. The said ballot measure is in words and figures as follows: “Should Chapter 23 of
12 the Revised Code of the City of St. Louis be amended to impose ~~allow~~ a gross receipts tax of
13 seven and one half percent of the gross receipts of revenue obtained from
14 Telecommunications businesses Providers, which are and include every entity now or
15 hereafter engaged in a general telecommunications business in the City, providing both
16 telecommunications, telecommunications exchange, or local, toll, or long distance to its
17 customers with a service or billing address within the St. Louis City limits; and Fiber Network
18 Providers, which are and include every entity now or hereafter engaged in providing fiber
19 networks, built whole or in part in the City’s public right of way, which are not internet or
20 video service providers subject to franchise fees, to customers and other users of fiber
21 networks ?

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

9 **OFFICIAL BALLOT**

10 Instructions to voters:

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

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

15 Yes ___ No ___

16 Ballot measure: “Should Chapter 23 of the Revised Code of the City of St. Louis be amended
17 to impose a gross receipts tax of seven and one half percent of the gross receipts obtained
18 from Telecommunications Providers, which are and include every entity now or hereafter
19 engaged in a general telecommunication business in the City, providing telecommunication,
20 telecommunications exchange, or local, toll, or long distance, telephone service to its
21 customers with a service or billing address within the St. Louis City limits; and ~~F~~Fiber

1 Network Providers, which are and include every entity now or hereafter engaged in
2 providing fiber networks, built whole or in part in the City’s public right of way, which are
3 not internet or service providers subject to franchise fees, to customers and other users of fiber
4 networks?

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

12
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.

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18 **SECTION SIX.** If the ballot measure set forth herein is approved by a majority of the
19 qualified voters of the City of St. Louis, and if any provision of the same is subsequently held
20 invalid by a court of competent jurisdiction, any entities which would have otherwise been
21 required to pay a linear foot fee pursuant to Chapter 23.64 of the Revised Code of the City of

1 St. Louis shall remain obligated to pay such linear foot fee pursuant to the laws of the City of
2 St. Louis.

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4 **SECTION SEVEN.** This being an ordinance providing for the submission of a question to
5 the voters, it is hereby declared to be an emergency ordinance as provided by Article IV,
6 Section 20 of the Charter of the City of St. Louis, and shall be effective immediately upon
7 approval by the Mayor or its approval over his or her veto.