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FRANCIS G. SLAY
MAYOR

To: Mary Ellen Ponder
From: Winston Calvert
Date: June 5, 2015
Subject: Reforms of the Permitted Home Occupation Law

Mayor Slay asked us to identify what reforms would be necessary for city laws and processes to be more accommodating to those starting and growing a business in the City of St. Louis. The Mayor set a clear goal: city laws should make it as easy as possible to start and to grow a business while ensuring that reasonable public health, safety, and quality of life protections remain in place.

Individuals who work from home may do so, consistent with the law, if the work they perform at home is a permitted home occupation. *See Code*, at § 26.80.060. The current home occupation law classifies nine groups of occupations as permitted home occupations: (1) dressmakers, seamstresses, or tailors; (2) painters, sculptors, composers, or writers; (3) telephone answering; (4) home crafts; (5) tutoring; (6) home cooking; (7) computer programming; (8) practicing a profession like architects, engineers, lawyers, and graphic artists; and (9) salesmen. *Code*, at § 26.80.060(B). An individual whose work is something other than this specific list of permitted home occupations could perform work from their home only if they follow the conditional use process. *See Code*, at § 26.80.060(D).

As applied to the real world in 2015, the list of occupations contained in § 26.80.060(B) is, at once, both too narrow and too broad. It is too narrow in that the list of occupations is static, and is not flexible enough to allow analogous occupations to be treated as permitted occupations. The list is also too broad in that it allows individuals with one of the enumerated occupations to be a permitted home occupation even if their conduct at the home would be more burdensome on the neighborhood than the law was intended to allow.

The draft bill attached to this memo would eliminate the list of occupations and replace it with standards for any occupation to qualify as a permitted home occupation. This new law would allow home occupations regardless of whether an individual described themselves as a "tailor," a "home cook," a "telephone answerer," or any other occupations; rather, the new law would simply require that the individual satisfy standards like not changing the primary use of

the home from residential, not generating excess traffic, and not regularly accepting customers and employees into the home. This approach is a more dynamic model that results in a law that is more adaptable to emerging occupations and new kinds of professions. It also will require anyone who is in a permitted home occupation to continue satisfying these standards regardless of whether the individual's occupation is on a particular list of permitted occupations.

1 An Ordinance recommended by the Planning Commission of the City of St. Louis
2 pertaining to the regulation of home occupations in the Zoning Code; amending Ordinance
3 59979, Section Twenty-One, in part; codified as § 26.80.060(A) and § 26.80.060(B) of Revised
4 Code of the City of St. Louis, pertaining to permitted home occupations; containing a
5 severability clause.

6 **WHEREAS**, the City of Saint Louis is home to creative people, entrepreneurs, and
7 businesses of every size who seek to comply with the law while growing their business and
8 serving their customers; and

9 **WHEREAS**, the creativity, diversity, and ingenuity of the people of the City of Saint
10 Louis should be allowed to flourish without unnecessary red tape, over-regulation, or arcane,
11 out-dated laws; and

12 **WHEREAS**, the City of Saint Louis’s current laws regulating home occupations restrict
13 the available home occupations to a list of specified occupations, but a more dynamic law would
14 be better able to adapt to a changing city and emerging businesses; and

15 **WHEREAS**, it is a priority of the City of Saint Louis to make it as easy as possible for
16 people to start a new business and to grow an existing business, while ensuring that necessary
17 and reasonable public health, safety, and quality of life protections remain in place; and

18 **WHEREAS**, it is in the best interests of the City of Saint Louis that the regulation of
19 home occupations be reformed;

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

21 **SECTION ONE.** Section Twenty-One of Ordinance 59979, in part, codified as § 26.80.060(A)
22 and § 26.80.060(B) of the Revised Code of the City of St. Louis, is hereby repealed and replaced
23 with the following:

1 26.80.060 Home occupations. Home occupations shall be permitted if the following
2 requirements are met:

3 1. The home occupation does not change the outside appearance of the residential
4 dwelling,

5 2. The home occupation does not change the primary use of the home from
6 residential;

7 2. The home occupation does not generate traffic, parking, sewerage, refuse, water
8 use, noise, dust, odors, or vibrations in excess of what is normal in a residential neighborhood;

9 3. The home occupation does not create a hazard to person or property, result in
10 electrical interference, involve the storage of flammable or hazardous materials, or become a
11 public or private nuisance, and the home is not classified by the city as a nuisance property;

12 4. The home occupation does not have outside storage or display any occupation-
13 related equipment, including vehicles that openly display occupation-related equipment, outside
14 the home;

15 5. The home occupation does not regularly and routinely employ anyone who is not
16 also a resident of the home to perform work inside the home;

17 6. The applicant of the home occupation resides at the home;

18 7. The home occupation does not display a sign outside the home;

19 8. The home occupation does not regularly and routinely accept customers, clients,
20 or the general public into the home;

21 9. The home occupation does not advertise, solicit or invite customers, clients, or the
22 general public to the home;

23 10. The home occupation is within a property with a valid Occupancy Permit;

1 11. The home occupation and the property remain in compliance with all city laws,
2 rules, and regulations.

3 **SECTION TWO. Registration in lieu of tax.**

4 Sections 8.07.042(A) and 8.07.042(B) of the Revised Code of the City of St. Louis are hereby
5 repealed and replaced with the following:

6 Section 8.07.042(A).

7 Any person or taxpayer operating a home occupation that is permitted by and meets the
8 requirements of the Zoning Code of the City of St. Louis may apply to the License Collector for
9 designation and registration as a home occupation operator. Such designation and registration
10 shall be granted for a one year period and be renewable each year on an annual basis if and only
11 if the person or payer meets the following conditions: (1) The application is accompanied by: (a)
12 a copy of a home occupation permit issued by the Zoning Administrator, (b) a copy of the E-234
13 Business Earnings Tax Form filed by the taxpayer with the Collector of Revenue for the
14 preceding calendar year, (c) a written statement of clearance certifying that no current or past
15 earnings and/or personal property taxes are due and payable to the City; and (2) said Form E-234
16 demonstrates that the taxpayer’s gross earnings attributable to such home occupation for said
17 preceding calendar year are less than one hundred thousand dollars (\$100,000); provided,
18 however, that taxpayers who were not required to file Form E-234 for the preceding calendar
19 year due to the fact that their business did not then exist shall be eligible for designation as home
20 occupation operators without filing the E-234 form for that calendar year only.

21 Sections 8.07.042(B).

22 Upon designation as a home occupation operator, the operator shall pay, in lieu of the graduated
23 business license tax, a home occupation registration fee in the amount of twenty-five dollars

1 (\$25.00). Upon payment of the registration fee, the operator shall be issued a certificate of
2 registration by the License Collector that shall be maintained at the home occupation premises.

3 **SECTION THREE. Severability Clause.**

4 The provisions of this ordinance are severable. In the event any provision of this ordinance is
5 determined to be invalid, the remaining provisions shall not be affected thereby.