BOARD BILL NUMBER 83FSAA SPONSORED BY ALDERMAN SHANE COHN,
ALDERWOMAN CHRISTINE INGRASSIA, ALDERWOMAN MEGAN GREEN,
ALDERWOMAN CARA SPENCER, ALDERMAN FREEMAN BOSLEY, SR.,
PRESIDENT LEWIS REED, ALDERWOMAN BETH MURPHY, ALDERMAN CHRIS
CARTER, ALDERWOMAN SHARON TYUS, ALDERMAN SAMUEL MOORE
An ordinance establishing a minimum wage in the City of St. Louis, providing certain
exemptions and exceptions from the minimum wage, providing for updates to the minimum
wage rate in the future, setting forth remedies for violations of the minimum wage rate, requiring
employers to notify employees regarding the provisions of this Ordinance, acknowledging the
right of collective bargaining, and containing a savings provision, a severability provision, and
an emergency clause.

WHEREAS, the defining issues of our time include the increase in income inequality,
the growing gap between rich and poor, and the obstacles preventing people from rising into the
middle class; and

WHEREAS, real wages for most workers have increased little if at all since the early
1970s, while wages for the top earners has risen precipitously; and

WHEREAS, low-wage workers in the St. Louis region struggle to meet their most basic
needs and to provide their children a stable foundation, a safe dwelling, and an opportunity to
obtain a high-quality education; and

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WHEREAS, the population of the City of St. Louis suffers from higher rates of poverty than surrounding areas and a high prevalence of obesity, diabetes, heart disease, and other health problems associated with low-incomes; and

WHEREAS, many workers in the City of St. Louis cannot fully participate in our region’s dynamic civic life or pursue the myriad educational, cultural, and recreational opportunities that constitute a flourishing life because many struggle to meet their households’ most basic needs; and

WHEREAS, minimum wage laws promote the general welfare, health, and prosperity of the City of St. Louis by ensuring that workers can better support and care for their families and fully participate in the community; and

WHEREAS, the City of St. Louis is home to many innovative employers who contribute significantly to the economic prosperity of the region; and

WHEREAS, businesses in the City of St. Louis that have implemented an increased minimum wage have found that the increased wage improved their employees’ well-being, reduced turnover, and decreased their training costs, and that the increased wage did not require the businesses to raise prices charged to consumers; and

WHEREAS, state and local governments around the country have implemented and enforced minimum wages that exceed the federal minimum wage rate; and

WHEREAS, significant economic evidence exists demonstrating that increases in the minimum wage have had little or no negative impact on employment of minimum-wage workers, but have had a stimulative impact on the economy as low-wage workers spend their additional income.
earnings, raising demand and increasing job growth.

WHEREAS, in January 2014, Mayor Francis Slay announced an initiative to ensure that no City of St. Louis employee was paid less than $10.10 per hour, including part-time employees; and

WHEREAS, Section 1, Paragraph 25 of the Charter of the City of St. Louis empowers the City to “regulate all acts, practices, conduct, business, occupations, callings, trades, uses of property and all other things whatsoever detrimental or liable to be detrimental to the health, morals, comfort, safety, convenience or welfare of the inhabitants of the city”; and

WHEREAS, Section 1, Paragraph 26 of the Charter of the City of St. Louis empowers the City to “prescribe limits within which business, occupations and practices liable to be . . . detrimental to the health, morals, security or general welfare of the people may lawfully be established, conducted or maintained”; and

WHEREAS, Section 1, Paragraph 33 of the Charter of the City of St. Louis empowers the City to “do all things whatsoever expedient for promoting and maintaining the comfort, education, morals, peace, government, health, welfare, trade, commerce or manufactures of the city or its inhabitants”; and

WHEREAS, the Department of Human Services of the City of St. Louis is responsible for overseeing programs provided by, and funded by, the City focused on the poor, the indigent, and those seeking to rise into the middle class, as well as regulating conduct that protects the welfare and well-being of those who live and work in the City of St. Louis;

WHEREAS, Missouri law does not prohibit municipalities from establishing a minimum
wage rate that exceeds the state minimum wage rate in that Missouri’s Minimum Wage sets a floor that does not bar higher local minimum wage rates and in that § 67.1571, RSMo., was unconstitutionally enacted as held in Order and Decision entered in Missouri Hotel and Motel Association v. City of St. Louis, No. 004-02638 (Mo. Cir. Ct. July 18, 2001); and

WHEREAS, the Missouri General Assembly recently passed House Bill 722, which acknowledges that a municipality may adopt and enforce municipal minimum wage ordinance; and

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

SECTION ONE. Definitions.

The terms used in this Ordinance are defined as follows, and have the same meaning whether or not the terms are capitalized within this Ordinance:

A. “Bonuses” means non-discretionary payments in addition to hourly, salary, Commission, or Piece-Rate payments paid under an agreement between an Employer and an Employee.

B. “Commission” means a sum of money paid to an employee upon completion of a task, usually selling a certain amount of goods or services.

C. “Effective Date” means the date on which this Ordinance becomes effective under the laws of the City of St. Louis. Each and every requirement of this Ordinance shall be deemed in effect as of the date it is signed into law by the Mayor of the City of St. Louis, including any increases in the minimum wage rate that begin after that date.
D. “Employ” means to suffer or permit to work.

E. “Employer” means any individual, partnership, association, corporation, business trust, or any person or group of persons acting directly or indirectly in the interest of an employer in relation to an employee, and shall include the City of St. Louis and its departments, divisions, and agencies, but shall not include any other governmental entity which includes, for purposes of this Ordinance, any other unit of local government, the state government, and the government of the United States, except that the term “Employer” shall not include any individual, partnership, association, corporation, entity, business trust, or any person or group of persons:

1. Whose annual gross revenues made or business done is less than five hundred thousand ($500,000), or if the business has been in operation for less than one year whose annual gross revenues made or business done is reasonably projected to be less than five hundred thousand ($500,000); or

2. Which has employed no more than fifteen (15) regardless of location or status as exempt under this ordinance, during each calendar week within the current calendar year and the previous calendar year, whether on a part-time, full-time or temporary basis, and shall include contingent and contracted workers and individuals working through a temporary service, staffing or employment agency or similar entity either directly, indirectly, or through affiliates. If the Employer is a franchise within the meaning of
Mo. Rev. Stat §407.400(1), all employees of franchisees associated with the same franchisor or a network of franchises, wherever located, shall be counted in the aggregate in determining whether the Employer is eligible for this exclusion.

F. “Employee” means any individual employed by an Employer and who performs at least 20 hours of work within a calendar year for an Employer while physically present within the geographic boundaries of the City of St. Louis, whether on a part-time, full-time or temporary basis, and shall include contingent and contracted workers and individuals working through a temporary service, staffing or employment agency or similar entity, except that the term “Employee” shall not include:

1. Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

2. Any individual standing in loco parentis to foster children in their care;

3. Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

4. Any person employed on a casual basis to provide baby-sitting services;
5. Any individual who is an offender, who is incarcerated in any correctional facility, including offenders who provide labor or services on the grounds of such correctional facility;

6. Students of a secondary or post-secondary educational institution participating in a bona fide work-study program shall be exempt from the minimum wage requirements of this ordinance provided that said work-study program is certified in advance by the Director of the Department of Human Services or their designee. For purposes of this paragraph, a “work-study program” means an internship or similar program in which a student receives academic credit toward graduation at his or her school in exchange for work or service under the monitoring of a professional.

G. “Minimum Wage” means all Wages, Commissions, Piece-Rate, and Bonuses, actually received by the employee.

H. “Piece-Rate” means a price paid per unit of work.

I. “Rate of Inflation” means the Consumer Price Index annual percent change for urban wage earners and clerical workers, termed CPI-W, or a successor index, for the St. Louis Metropolitan Area (or if not available, for a comparable geographic area), for the twelve months prior to each July 1st as calculated by the United States Department of Labor.

J. “Tips” (a) means a verifiable sum to be presented by a customer as a gift or gratuity in recognition of some service performed for the customer by the

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employee receiving the tip; and (b) separately-designated amounts collected by an employer from customers that are for services by employees, or are described in such a way that customers might reasonably believe that the amounts are for such services, including but not limited to those charges designated on receipts under the term “service charge,” “delivery charge,” or “porterage charge.”;

K. “Wage” means compensation due to an Employee by reason of employment, payable in legal tender of the United States or checks on banks convertible into cash on demand at full face value, subject to such deductions, charges, or allowances as may be permitted by rules of the Department of Human Services. Commissions, Piece-Rate, and Bonuses are included in wages. Tips and Employer payments toward a retirement, medical, or other benefit plan do not constitute Wages for purposes of this Ordinance.

SECTION TWO. Wage Requirements.

A. Payment of Minimum Wage Rate Required. Except as specifically provided in this Ordinance, every Employer shall pay wages to each Employee for each hour worked while physically present within the geographic boundaries of the City of St. Louis, beginning the Effective Date, at a rate not less than $11.00 per hour and, beginning on January 1, 2019, at the rate established by Section 2(B) of this Ordinance and as thereby amended annually. Notwithstanding the above, any Employer that complies in full with every requirements of this Ordinance, shall be entitled to pay Employees at or above the lower minimum wage rates set forth in

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Section 2(B)(1) as of the dates stated therein and, beginning on January 1, 2019, shall pay Employees at or above the lower minimum wage rates set forth in Section 2(B)(2) and as thereafter amended annually. In addition to any other penalties, obligations, or requirements set forth in this ordinance, any Employer that pays an Employee at a rate less than the minimum wage rates required herein shall be required to pay wages to its Employees at a rate not less than $11.00 per hour beginning from the date of first violation until January 1, 2019, when it shall then pay at a rate not less than the rate as established by Section 2(B)(2) and as thereafter amended annually. The rates set forth herein are subject to Section 2(B)(4).

B. Establishment of a City Minimum Wage Rate.

1. Phase-in of minimum wage rate. Beginning on the Effective Date, the minimum wage rate shall be the minimum wage rate established by the State of Missouri. Beginning October 15, 2015, the minimum wage rate shall be increased to $8.25 per hour. Beginning on January 1, 2016, the minimum wage rate shall be increased to $9.00 per hour. Beginning on January 1, 2017, the minimum wage rate shall be increased to $10.00 per hour. Beginning on January 1, 2018, the minimum wage rate shall be increased to $11.00 per hour.

2. Annual revision following phase-in of minimum wage rate. Beginning January 1, 2019, and on each January 1 of each successive year thereafter,
the minimum wage rate from the previous year shall be increased annually on a percentage basis to reflect the Rate of Inflation. By October 1, 2018 and each October 1 of each successive year thereafter, the Ways and Means Committee of the Board of Aldermen shall report the Rate of Inflation and direct the Director of the Department of Human Services to promulgate a rule establishing the revised minimum wage rate effective January 1 of the upcoming calendar year based on the Rate of Inflation calculated to the nearest five cents. In addition, by October 1, 2018 and each October 1 of each successive year thereafter, the City shall post on its website a bulletin announcing the adjusted minimum wage rate for the upcoming calendar year. The rate set by rule shall not be less than the previous amount established.

3. Effect of Economic Activity and Regional Impact. Annually, following the first rate increase in the minimum wage under this Ordinance, the Board of Estimate & Apportionment shall report to the Board of Aldermen on the economic health of residents and businesses located within the City of St. Louis from the findings of an independent study of a firm selected by the Board of Estimate & Apportionment. Said report shall include, but is not limited to, quantitative and comparative (year-over-year) data pertaining to unemployment rates, poverty rates, business licenses issued, graduation rates, reported payrolls, and other information as requested by
the Chair of the Ways and Means or Health and Human Services Committees prior to the development of said report.

4. Effect of Higher State or Federal Minimum Wage Rate. If the state or federal minimum wage rate is at any time greater than the minimum wage rate established by this Ordinance, then that greater rate shall become the minimum wage rate for purposes of this Ordinance, and shall be increased annually pursuant to Section 2(B)(2) of this Ordinance, beginning January 1, 2019, for as long as that rate is greater.

C. Tipped Employee Minimum Wage.

1. Employees customarily receiving tips. With respect to any Employee engaged in an occupation in which the Employee customarily and regularly receives more than $30 per month in Tips, the Employer shall pay Wages in the amount not less than 50% percent of the minimum wage rate specified pursuant to this Ordinance, provided that the total compensation in Tips and Wages for such Employee shall total at least the minimum wage rate specified pursuant to this Ordinance, the difference being made up by the Employer. It is the Employer’s obligation to provide evidence of any amount received by the Employee as Tips.

D. Ordinance Adherence. This Ordinance does not modify, alter, or amend requirements under the City of St. Louis' Living Wage Ordinance, Service Contracts Ordinance, or other City ordinances relating to wages and benefits; and,
individuals and entities subject to those ordinances shall pay wages at the rates set
under those ordinances, or the applicable rate set under this Ordinance, whichever
rate is higher.

E. Violations. It shall be a violation of this Ordinance for any Employer to pay any
Employee a Wage below the minimum wage rate set forth herein. Each day that
the Employer pays the Employee a Wage below the minimum wage rate set forth
herein shall be a separate violation.

SECTION THREE. Other Prohibited Conduct.

A. It shall be a violation of this Ordinance for an employer or any other person to
interfere with, restrain, or deny the exercise of, or the attempt to exercise any right
protected under this Ordinance.

B. It shall be unlawful, and a violation of this Ordinance, for any employer to
discharge any employee, to reduce the compensation of any employee, to take any
adverse action against an employee, or to discriminate against an employee
because the employee engaged in any of the following activities:

1. making a complaint to the Department of Human Services regarding

2. participating in any investigation of the Department of Human Services

3. informing his or her employer, fellow employees, union or similar
organization, or legal counsel about an employer’s alleged violation of this
Ordinance;

4. exercising, in good faith, the rights protected by this Ordinance;

5. opposing or otherwise speaking or advocating against any policy, practice,
or act that is unlawful under this Ordinance;

6. availing himself or herself of any of the civil remedies provided herein.

C. It shall be a violation for an Employer to enter into any agreement whereby the
Employer will pay an individual to work for less than the minimum wage
prescribed in this Ordinance as that minimum wage may be amended from time to
time.

D. It shall be a violation of this Ordinance for any employer to violate the rules and
regulations promulgated to set the annual minimum wage rate, or that are
otherwise promulgated to interpret, apply, or enforce this Ordinance by the
Department of Human Services.

E. It shall be a violation of this Ordinance for any employee to make any complaint or
report to the Department of Human Services that the employee knows to be false.

SECTION FOUR. Notice and Posting

A. By October 15, 2015, every Employer shall post in a conspicuous place at each
facility where any Employee works that is located within the geographic
boundaries of the City a notice advising the Employee of the current minimum
wage and of the Employee’s rights under this ordinance. Such notice shall include
the text of Sections 2, 3, and 5 of this Ordinance. Employers that do not maintain a
business facility within the geographic boundaries of the City and households that
serve as worksites for domestic workers are exempt from this paragraph.

B. Beginning October 15, 2015, every Employer shall provide with the first
paycheck subject to this ordinance that is issued to the Employee, a notice advising the
Employee of the current minimum wage and the Employee’s rights under this ordinance.
Such notice shall include the text of Sections 2, 3, and 5 of this Ordinance.

C. The Director of the Department of Human Services shall prepare and make
available to Employers form notices that satisfy the requirements of this section.
These notices will require approval from the Ways and Means Committee of the
Board of Alderman.

SECTION FIVE. Enforcement.

A. Rules and Regulations. The Director of the Department of Human Services may,
with direction and approval from the Ways and Means Committee of the Board of
Aldermen, promulgate rules and regulations regarding the interpretation,
application, and enforcement of this Ordinance. Such rules and regulations may
include, but are not limited to, those further defining terms used in this Ordinance,
and setting forth more particularized applications of this Ordinance’s exceptions
and exemptions.

B. Complaints and Investigations. The Department of Human Services and the City
Counselor’s Office are authorized to receive any complaint regarding a possible or
suspected violation of this Ordinance and further authorized to take appropriate
steps to enforce this Ordinance including, regardless of whether there is a
complaint, investigating any possible or suspected violation of this Ordinance.

C. Penalty for Violations. Performance of any act prohibited by this Ordinance, and
failure to perform any act required by this Ordinance, shall be punishable by a
sentence of not more than 90 days in jail, or by a fine of not more than $500.00 per
violation or both or by any combination of sentence and fine up to and including
the maximum sentence and maximum fine. Each day that any violation hereunder
continues is a separate violation subject to the penalties provided in this Ordinance.
In addition to all other penalties set forth herein, an Employer may be subject to
conditions which will serve to compensate the victim, including that the Employer
pay restitution to any Employee in the form of unpaid back wages plus interest
from the date of non-payment or underpayment, to the extent allowed by the City
Charter and the law.

D. Revocation of Licenses and Permits for Repeated Violations. Every business
license issued pursuant to Title 8 of the Revised Code of the City of Saint Louis,
may be revoked by the License Collector’s Office if the License Collector’s Office
concludes, upon results of an investigation, that the Employer has engaged in
repeated violations or intentional violations of this ordinance. Any Occupancy
Permit, and any other permit, variance, or license issued by the City of St. Louis
may be revoked by the Board of Public Service if the Board of Public Service
concludes, upon notice and hearing, that the Employer has engaged in repeated
violations or intentional violations of this Ordinance. Such Board of Public
Service proceeding may be initiated by the Board of Public Service itself, the
Director of the Department of Human Services, the City Counselor, or by a
verified complaint submitted by two or more Employees of the Employer accused
of repeated violations or intentional violations of the ordinance that is
accompanied by affidavits signed by each such Employee which states with
particularity the facts underlying the complaint. The Board of Public Service shall
promulgate rules and regulations setting forth the procedures it will follow in any
such revocation proceeding.

E. Actions by Employee. Nothing contained in this Ordinance shall be in any way
construed to limit or abridge any rights of an Employee at common law, by statute,
or by ordinance to bring a civil action against an Employer.

SECTION SIX. Collective Bargaining

Nothing in this Ordinance shall be deemed to interfere with, impede, or in any way
diminish the right of employees to bargain collectively with their employers through a
representative of their own choosing in order to establish Wages or other conditions of
employment in excess of the applicable minimum wage rate established by this Ordinance.

SECTION SEVEN. Savings Provision.

Any act done or right vested or accrued, or any proceeding, suit or prosecution had or
commenced in any cause before the effective date of this ordinance shall not be affected by this
ordinance; but every act done, or right vested or accrued, or proceeding, suit or prosecution had

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or commenced shall remain in full force and effect to all intents and purposes as if prior law had remained in full force and effect. No offense committed and no liability or penalty incurred prior to the effective date of this ordinance, shall be discharged or affected by this ordinance; but prosecutions and suits for such offenses, liabilities or penalties shall be instituted and proceeds with in all respects as if this ordinance had not taken effect.

SECTION EIGHT. Severability Provision.

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

SECTION NINE. Emergency Clause.

This being an Ordinance for the preservation of public peace, health, and safety, it is hereby declared to be an emergency measure within the meanings of Sections 19 and 20 of article IV of the Charter of the City of St. Louis and therefore shall become effective immediately upon its passage and approval by the Mayor.