BOARD BILL NO. 226   INTRODUCED BY ALDERWOMAN CHRISTINE INGRASSIA

An Ordinance relating to the proceeds from an increase of one half of one percent in the rate of the local use tax levied by the City of St. Louis pursuant to Ordinance No. 65609, which increase corresponds to a proposed one half of one percent local sales tax for economic development purposes; calling and providing for the holding of an election in the City of St. Louis on April 4, 2017, for the purpose of submitting to the qualified voters of the City of St. Louis a proposal to use the proceeds of such one half of one percent increase in the local use tax levied by the City of St. Louis for the purpose of providing funding for minority job training and business development programs and a multipurpose stadium for soccer, local amateur sports, concerts, and community events; directing the Comptroller to collect the proceeds of such one half of one percent increase in the local use tax levied by the City of St. Louis from the State of Missouri to be held separate and apart from all other proceeds of the local use tax levied by the City of St. Louis; authorizing and directing that the proceeds of such one half of one percent increase in the local use tax levied by the City of St. Louis be used for the purpose of providing funding for minority job training and business development programs and a multipurpose stadium for soccer, local amateur sports, concerts, and community events subject to voter approval of such purposes; containing a severability clause; and containing an emergency clause.

WHEREAS, the City of St. Louis (the “City”) is a body corporate and a political subdivision of the State of Missouri, duly created, organized and existing under and by virtue of its charter, the Constitution and laws of the State of Missouri; and

WHEREAS, pursuant to Section 144.757 RSMo. and City Ordinance No. 65609, the City levies a local use tax at a rate equal to the current rate of the local sales tax levied by the City, which use tax is the equivalent of a sales tax on purchases from out-of-state sellers by in-state
buyers and on certain taxable business transactions for which a sales tax is not levied so that no taxpayer is subject to a sales tax and a use tax on the same transaction; and

WHEREAS, on ________, 2017, pursuant to Section 67.1305 of the laws of the State of Missouri, the Board of Aldermen of the City passed Ordinance No. _____, [Board Bill No. ___] providing for the submission to the qualified voters of the City of a proposition to impose a new one half of one percent sales tax on all retail sales made in the City which are subject to taxation under Chapter 144 RSMo. for economic development purposes (the “Economic Development Sales Tax”); and

WHEREAS, upon approval of the Economic Development Sales Tax proposition by the qualified voters of the City and the City’s levy of the Economic Development Sales Tax, the rate of the local use tax levied by the City under Ordinance No. 65609 will increase by a corresponding one half of one percent without the need for any further action or voter approval; and

WHEREAS, the City of St. Louis is committed to working in partnership with labor, businesses, and the community to create a skilled workforce that reflects the diversity of the population of City; and a well-trained, diverse workforce is critical to the economic and social vitality of the City and the region; and statistical data and other evidence shows that minorities and women are under-represented in the skilled workforce of the construction industry, including the “City of St. Louis Disparity Study” and the “City of St. Louis Workforce Study” completed in 2015 by Mason Tillman Associates, Ltd., for the City of St. Louis and the St. Louis Development Corp., which identified numerous and specific deficiencies and disparities; and

WHEREAS, such under-representation is due to past discriminatory barriers and that minority job training and business development programs are needed to rectify such under-
representation; and funding from any increased proceeds from the City’s use tax can provide training and job opportunities as a means to increase the skills and diversity of the City workforce; and

WHEREAS, construction of a multipurpose stadium for soccer, local amateur sports, concerts, and community events is contingent on an MLS commitment to bring a professional soccer team to the City, attracting visitors from throughout the region to the City, and significantly benefiting the City by: (a) increasing state and local tax revenues through the creation of new jobs; (b) increasing state and local tax revenues through increased sales; (c) increasing state and local taxes through increased taxes withheld or paid by employers; (d) increasing sports activity, recreational entertainment, convention and tourism activities within the City; and (e) causing redevelopment of an areas within the City in need of redevelopment and creating an environment to stimulate additional private investment in and near the areas in which the stadium will be located; and

WHEREAS construction of such a multipurpose stadium will, in addition to other major projects such as the new National Geospatial-Intelligence Agency headquarters, MetroLink expansion, Choice Neighborhood development, Ballpark Village expansion, Union Station renovation and other projects, create several hundred jobs and provide opportunities for City residents to build a career in the construction trades and for the City to put into action minority job training and business development programs also funded by the proceeds of an increased use tax; and

WHEREAS, the site of the proposed multipurpose stadium is within one and a half miles of other civic amenities such as Union Station, Ballpark Village, Scottrade Center, Busch Stadium and the Arch Grounds, providing the City an unprecedented opportunity to form a
“corridor” of attractions with the potential of driving significant economic activity for the City;  

and

WHEREAS, pursuant to the foregoing, it is desirable and in the public interest that the  

proposition of whether the proceeds of such one half of one percent increase in the local use tax  

levied by the City should be used for the purpose of providing funding for minority job training  

and business development programs and a multipurpose stadium for soccer, local amateur sports,  

concerts, and community events be submitted to the qualified voters of the City at an election;  

and

WHEREAS, it is desirable and in the public interest to authorize and direct that, upon the  

passage of the Economic Development Sales Tax proposition by the qualified voters of the City  

and levy of the Economic Development Sales Tax by the City, the proceeds from the  

corresponding one half of one percent increase in the rate of the local use tax levied by the City  

be used for the purpose of providing funding for minority job training and business development  

programs and a multipurpose stadium for soccer, local amateur sports, concerts, and community  

events, subject to approval of such funding by the qualified voters of the City as provided herein.

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

SECTION ONE. The Board of Aldermen hereby adopts the foregoing recitals as findings.

SECTION TWO. In accordance with Section 144.757 RSMo. and Ordinance No. 65609, upon the passage of the Economic Development Sales Tax proposition by the qualified voters of the City and levy of the Economic Development Sales Tax by the City, the rate of the local use tax levied by the City shall increase by one half of one percent.
SECTION THREE. An election shall be held and the same is hereby called and ordered to be held in the City of St. Louis, Missouri on the 4th day of April, 2017, at which there shall be submitted to the qualified voters of the City the proposition as hereinafter set forth. The proposition shall read substantially in words and figures as follows:

Shall the use tax paid by businesses on out-of-state purchases and derived from the one half of one percent increased use tax, which corresponds to approval and levy of an Economic Development Sales Tax in the City of St. Louis, be used for the purposes of minority job training and business development programs, and a portion of construction costs, but not construction cost overruns, of a multipurpose stadium for soccer, local amateur sports, concerts and community events? A use tax is the equivalent of a sales tax on purchases from out-of-state sellers by in-state buyers and on certain taxable business transactions for which a sales tax is not levied. No taxpayer is subject to a sales tax and a use tax on the same transaction. The City shall be required to make available to the public an audited comprehensive financial report detailing the management and use of the portion of the funds each year.

SECTION FOUR. The foregoing proposition shall be submitted to qualified voters in the City at an election in said City to be held on Tuesday, April 4, 2017. If the proposition shall receive in its favor the votes of a majority of the qualified voters voting thereon, the use tax as set forth within said proposition shall be used exclusively for the purpose of funding minority job training and business development programs and a multipurpose stadium for soccer, local amateur sports, concerts, and community events. The qualified voters may, at such election, vote a ballot substantially in the following form:
OFFICIAL BALLOT

Instructions to voters:

To vote in favor of the proposition submitted upon this ballot, place a cross (X) mark in the square opposite the word “YES”; and, to vote against the said proposition, place a cross (X) mark in the square opposite the word “NO”.

PROPOSITION ___

Shall the use tax paid by businesses on out-of-state purchases and derived from the one half of one percent increased use tax, which corresponds to approval and levy of an Economic Development Sales Tax in the City of St. Louis, be used for the purposes of minority job training and business development programs, and a portion of construction costs, but not construction cost overruns, of a multipurpose stadium for soccer, local amateur sports, concerts and community events? A use tax is the equivalent of a sales tax on purchases from out-of-state sellers by in-state buyers and on certain taxable business transactions for which a sales tax is not levied. No taxpayer is subject to a sales tax and a use tax on the same transaction. The City shall be required to make available to the public an audited comprehensive financial report detailing the management and use of the portion of the funds each year.

YES ☐

NO ☐

SECTION FIVE. Notice of the election on such proposition shall be published and said election shall be conducted in the manner provided by law.

SECTION SIX. The Board of Election Commissioners for the City of St. Louis, Missouri shall provide notice of such election, shall provide the ballots or voting machines, or
both, shall conduct the election, and shall certify the results of said election, according to the
laws regulating such elections.

SECTION SEVEN. Immediately upon the passage and approval of this ordinance, the
Clerk of the Board of Aldermen shall certify a copy thereof to the Board of Election
Commissioners for the City of St. Louis, Missouri for action and proceedings by said Board in
accordance herewith and as required by law.

SECTION EIGHT. Subject to approval by the qualified voters of the City of the
proposition set forth herein, the Comptroller shall receive and collect all City use taxes
distributed by the Missouri Collector of Revenue under Section 144.759 RSMo. and shall deposit
and maintain the amount of such taxes derived from the one half of one percent increased use tax
described by this Ordinance and corresponding to approval and levy of the Economic
Development Sales Tax separate and apart from all other City use taxes received by the
Comptroller, and, subject to voter approval as provided herein, the Board of Aldermen hereby
authorize and direct that such use taxes so received by the Comptroller shall be used for the
purpose of providing funding for minority job training and business development programs and a
multipurpose stadium for soccer, local amateur sports, concerts, and community events.

SECTION NINE. It is hereby declared to be the intention of the Board of Aldermen
that each and every part, section and subsection of this Ordinance shall be separate and severable
from each and every other part, section and subsection hereof and that the Board of Aldermen
intends to adopt each said part, section and subsection separately and independently of any other
part, section and subsection. In the event that any part, section or subsection of this Ordinance
shall be determined to be or to have been unlawful or unconstitutional, the remaining parts,
sections and subsections shall be and remain in full force and effect, unless the court making

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such finding shall determine that the valid portions standing alone are incomplete and are incapable of being executed in accord with the legislative intent.

SECTION TEN. The Board of Aldermen hereby finds and determines that this Ordinance constitutes an “emergency measure” pursuant to Article IV, Section 20 of the City Charter, because this Ordinance calls and provides for an election and vote by the people, and as such, this Ordinance shall take effect immediately upon its approval by the Mayor as provided in Article IV, Section 20 of the City Charter.