Summary
Board Bill Number 55
Introduced by Alderwoman Alisha Sonnier
June 26, 2026

An ordinance that amends Chapter 3.160 of the City of St. Louis Revised Code of Ordinances to add definitions and a section prohibiting the award of tax incentives to data centers; containing a severability clause; and containing an emergency clause.

BOARD BILL NUMBER 55 INTRODUCED BY ALDERWOMAN ALISHA SONNIER CO-SPONSORS: PRESIDENT MEGAN E. GREEN/ALDERWOMAN SHAMEEM CLARK-HUBBARD/ALDERWOMAN ANNE SCHWEITZER

An ordinance amending Chapter 3.160 of the City of St. Louis Revised Code of Ordinances to add definitions and a section prohibiting the award of tax incentives to data centers; containing a severability clause; and containing an emergency clause.

WHEREAS, the growth of data centers throughout the region has sparked robust public discussion regarding their impacts on surrounding communities; and

WHEREAS, data centers typically generate relatively few permanent jobs while consuming substantial amounts of electricity and water, placing additional demands on local infrastructure and utility systems; and

WHEREAS, the City should use tax incentives strategically to support development that would not otherwise occur and that delivers meaningful economic and community benefits to City residents;

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

SECTION ONE. *Definitions.*

The following definitions shall be inserted into, or shall amend, Chapter 3.160.010 of the Revised Code of the City of St. Louis:

1. ***Data Center*** means a facility, or a discrete portion of a facility, used for the storage, management, processing, and transmission of digital data and that houses computer or network equipment, systems, servers, appliances, and other associated components related to digital data storage, processing, and related operations. Data Center uses include data storage facilities, server farms, artificial intelligence training or processing, image

processing, cloud computing, email servicing, and similar uses. A Data Center may be a primary or a secondary use of a facility.

2. ***Data Center, Major:*** Major Data Center means a Data Center with gross floor area of two hundred fifty thousand (250,000) square feet or more, or a Maximum Power Demand of thirty (30) megawatts or more.

3. ***Data Center, Standard:*** Standard Data Center means a Data Center with gross floor area of ten thousand (10,000) square feet or more but less than two hundred fifty thousand (250,000) square feet, and a Maximum Power Demand greater than five (5) megawatts but less than thirty (30) megawatts.

4. ***Data Center, Micro:*** Micro Data Center means a Data Center with gross floor area of less than ten thousand (10,000) square feet and a Maximum Power Demand of five (5) megawatts or less.

5. ***Tax Incentives:*** The term "Tax Incentives," as currently defined under Chapter 3.160.010(ab), shall be repealed and replaced with the following: Tax Incentives means any tax incentive, tax abatement, tax exemption, tax credit, payment in lieu of taxes, or financing benefit administered, approved, authorized, or granted by the City or any Decision-Making Body, including without limitation: (a) tax increment financing under the Real Property Tax Increment Allocation Redevelopment Act, §§ 99.800–99.865 RSMo; (b) real property tax abatement under the Urban Redevelopment Corporations Law (Chapter 353), §§ 353.010–353.190 RSMo; (c) tax abatement granted through the Land Clearance for Redevelopment Authority, §§ 99.300–99.660 RSMo; (d) tax abatement granted through the Planned Industrial Expansion Authority, §§ 100.300–100.620 RSMo;

(e) real or personal property tax abatement associated with the issuance of industrial development bonds under §§ 100.010–100.200 RSMo (Chapter 100); (f) local tax benefits under the Enhanced Enterprise Zone program, §§ 135.950–135.973 RSMo; and (g) any successor, substitute, or comparable tax incentive hereafter authorized by Missouri law and administered by the City or a Decision-Making Body.

SECTION TWO. *Prohibition of Tax Incentives for Data Centers.*

The following shall be inserted into Chapter 3.160 as a new Section 3.160.040, titled "Prohibition of Tax Incentives for Data Centers":

1. **Prohibition.** Notwithstanding any other provision of the Revised Code of the City of St. Louis, no Tax Incentive shall be approved, authorized, granted, recommended, or extended for any project that consists of, or includes as a principal component, the development, construction, expansion, or operation of a Data Center. No application for a Tax Incentive for such a project shall be accepted, processed, or approved by the City, the Board of Aldermen, or any Decision-Making Body. This prohibition applies regardless of the number of permanent jobs the Data Center creates, and regardless of whether the Data Center is a lawful, existing, or nonconforming use under the Zoning Code of the City.

2. **Scope; Mixed-Use Projects.** This prohibition applies to any project in which a Data Center is a principal use. Where a Data Center is a component of a larger mixed-use project, no Tax Incentive shall be applied to the portion of the project attributable to the Data Center, and the applicant shall bear the burden of demonstrating, to the satisfaction of the St. Louis Development Corporation (SLDC), that no prohibited benefit accrues to the Data Center component.

3. **No Recommendation or Cooperation.** No officer, employee, department, or Decision-Making Body shall propose, sponsor, negotiate, or execute any redevelopment agreement, financing agreement, or chapter plan that would confer a Tax Incentive prohibited by this Section.

4. **Effect of Violation.** Any Tax Incentive approved, authorized, granted, recommended, or extended in violation of this Section is void and unenforceable, and confers no right, benefit, or vested interest on any applicant, recipient, or successor. No officer, employee, department, or Decision-Making Body shall disburse funds, execute or perform any agreement, or issue any abatement, credit, exemption, or payment pursuant to a Tax Incentive prohibited by this Section, and any agreement purporting to do so shall be unenforceable against the City. The City may pursue any remedy available at law or in equity, including recovery of the value of any benefit conferred in violation of this Section.

5. **Prospective Application.** This Section applies to applications submitted, and approvals granted, on or after its effective date, and shall not impair any Tax Incentive lawfully approved, or any vested contractual right under an agreement executed, before that date.

6. **Limitation; State Incentives Unaffected.** This Section applies only to Tax Incentives administered, approved, or granted by the City or a Decision-Making Body. Nothing in this Section is intended to, or shall be construed to, repeal, limit, or affect any tax credit, exemption, or incentive granted or administered by the State of Missouri, including the state sales and use tax exemptions for data center projects under § 144.810 RSMo, except to the extent the City is separately authorized to limit the local portion thereof.

SECTION THREE. *Severability.*

The provisions of this chapter shall be severable. If any provision of this chapter is found by a court of competent jurisdiction to be invalid, preempted, or unconstitutional, the remaining provisions of this chapter are valid unless the court finds that the valid provisions of this chapter are so essentially and inseparably connected with, and so dependent upon, the void or preempted provision that it cannot be presumed that the Board of Aldermen would have enacted the valid provisions without the void or preempted ones, or unless the court finds that the valid provisions, standing alone, are incomplete and incapable of being executed in accordance with the legislative intent.

SECTION FOUR. *Emergency Clause.*

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

FISCAL NOTE
BOARD BILL NUMBER 55

Preparer's Name ____*Cheryl Campbell*________________

Phone Number or Email Address (will be available publicly) _____*campbellch@stlouis-mo.gov*__

Bill Sponsor _*Alderwoman Alisha Sonnier*______________

Bill Synopsis:	*The proposed ordinance amends Chapter 3.160 of the Revised Code of the City of St. Louis to define data centers and prohibit the approval, authorization, recommendation, extension, and granting of specified City-administered tax incentives for qualifying data center projects. The ordinance also establishes implementation requirements, severability, and an emergency clause.*
Type of Impact:	*Indeterminate Fiscal Impact*
Agencies Affected:	*Board of Aldermen;* *St. Louis Development Corporation (SLDC);* *Office of the Comptroller;* *Office of the Assessor;* *Office of the Collector of Revenue;* *All City departments, officers, employees, and decision-making bodies responsible for reviewing, administering, recommending, authorizing, approving, or implementing local tax incentive programs.*

SECTION A
Does this bill authorize:

- An expansion of services which entails additional costs beyond that approved in the current adopted city budget? ____Yes _____*X*No

- An undertaking of a new service for which no funding is provided in the current adopted city budget? ____Yes _____*X*No

- A commitment of city funding in the future under certain specified conditions? ____Yes _____*X*No

- An issuance of bonds, notes and lease-purchase agreements which may require additional funding beyond that approved in the current adopted city budget? ____Yes ____*X*No

- An execution or initiation of an activity as a result of federal or state mandates or requirements? ____Yes ____*X*No

- A capital improvement project that increases operating costs over the current adopted city budget? ____Yes ____*X*No

- A capital improvement project that requires funding not approved in the current adopted city budget or that will require funding in future years? ____Yes ____*X*No

If the answer is yes to any of the above questions, then a fiscal note must be attached to the board bill. Complete Section B of the form below.

SECTION B

- Does the bill require the construction of any new physical facilities? ____Yes __*X*__No

  - If yes, describe the facilities and provide the estimated cost:

    ____

    ____

- Is the bill estimated to have a direct fiscal impact on any city department or office? __*X*__Yes ____No

  - If yes, explain the impact and the estimated cost:

The ordinance prohibits specified City-administered tax incentives for qualifying data center projects and establishes administrative responsibilities for implementation and review of certain mixed-use projects. The legislative record does not provide sufficient quantitative information to estimate any resulting fiscal impact on City revenues, administrative costs, or future tax incentive activity. Therefore, the estimated fiscal impact is indeterminate.

- Does the bill create a program or administrative subdivision? ____Yes __*X*__No

  - If yes, then is there a similar existing program or administrative subdivision? ____Yes ____No
  - If yes, explain the how the proposed programs or administrative subdivisions may overlap:

    ____

- Describe the annual operating, equipment, and maintenance costs that would result from the proposed bill, as well as any funding sources:

The Board Bill identifies no annual operating, equipment, or maintenance costs associated with implementation of the ordinance. Any administrative costs associated with implementing or administering the ordinance cannot be determined from the legislative record.

Complete the chart below to list the total estimated expenditures required of the City resulting from the proposed board bill and any estimated savings or additional revenue.

Financial Estimate of Impact on General Fund			
Fiscal Impact	**Year 1 (current)**	**Year 2**	**Year 3**
Additional Expenditures	*Indeterminate*	*Indeterminate*	*Indeterminate*
Additional Revenue	*Indeterminate*	*Indeterminate*	*Indeterminate*
Net	*Indeterminate*	*Indeterminate*	*Indeterminate*
Financial Estimate of Impact on Special Funds			
Fiscal Impact	**Year 1 (current)**	**Year 2**	**Year 3**
Additional Expenditures	*Indeterminate*	*Indeterminate*	*Indeterminate*
Additional Revenue	*Indeterminate*	*Indeterminate*	*Indeterminate*
Net	*Indeterminate*	*Indeterminate*	*Indeterminate*

- Describe any assumptions used in preparing this fiscal note:

This fiscal note is based solely on the Board Bill and the legislative record submitted for introduction. The ordinance prohibits specified City-administered tax incentives for qualifying data center projects and establishes related administrative requirements. The Board Bill does not identify the number or value of projects that may be affected, the amount of tax incentives that would otherwise be awarded, potential changes in City revenues, or estimated implementation costs. Therefore, the fiscal impact cannot be reasonably quantified from the legislative record and is indeterminate.

- List any sources of information (including any City officials, agencies, or departments) used in preparing this fiscal note:

Board Bill Number 55, introduced June 26, 2026.

- Have the financial estimates of this bill been verified by the City Budget Division?

____Yes __*X*__No

    - If yes, by whom? ________________________________ .