

# Missouri Court Declares that Cities Have Power to Enact Living Wage Laws

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## **Missouri court Declares that Cities Have Power to Enact Living Wage Laws**

*1998 Missouri Law Banning Local Minimum Wage Ordinances Found Unconstitutional; Poses No Obstacle to Living Wage Laws  
Ruling Is Victory for Growing National Movement for Family-Supporting Jobs*

A Missouri state court yesterday gave an important legal victory to supporters of the St. Louis "living wage" ordinance who are fighting to help low-wage workers secure decent, family-supporting jobs. Though the court set aside the version of the ordinance under review, the ruling makes clear that cities in Missouri have the power to enact living wage laws. The decision is the first concerning the growing number of living wage ordinances around the nation.

The ruling comes almost one year after 77% of St. Louis voters supported a living wage ballot initiative that gave rise to the ordinance reviewed by the court.

The St. Louis living wage ordinance requires employers with city service contracts and those that receive economic development subsidies from the city to pay their employees at least 30 percent more than the poverty level for a family of three. Currently that amounts to \$10.76 per hour for employees without health benefits, and \$8.84 per hour for workers with health benefits.

In a portion of the ruling that may be looked to by other states, the court struck down a 1998 Missouri law that prohibited cities from enacting their own local "minimum wage" ordinances. In Missouri, as in other states, business groups have lobbied for laws banning local wage legislation as a way to slow the advancing living wage movement. Yesterday's ruling is a rebuff to those business-led efforts.

St. Louis Circuit Court Judge Robert H. Dierker, Jr. also flatly rejected arguments by business groups that the core of the St. Louis ordinance was inconsistent with Missouri's state minimum wage law. Wrote Judge Dierker, "To the extent that [the living wage law] applies to contractors and direct recipients of City financial assistance, there surely is no conflict between the ordinance and the state minimum wage statute. [The City of St. Louis] indubitably has the authority to regulate the terms of its contracts."

The court's opinion recognized that the core of the St. Louis living wage law advances the City's legitimate interest in setting standards for taxpayer-funded contracts and subsidies, thereby distinguishing St. Louis's policy from the minimum wage floor established by state law for the private labor market. This crucial victory provides the legal foundation for living wage legislation sought by those fighting for family-supporting jobs.

"Judge Dierker's ruling draws a clear roadmap for Mayor Slay and the Board of Aldermen to press forward with a revised living wage

minimum wage. The decision solidifies the foundation for living wage laws around the country."

The Brennan Center serves as legal counsel to the national living wage movement and is active in helping to design, enact, and enforce living wage legislation across the country. The Brennan Center, together with St. Louis lawyer Lisa Van Amburg, represented ACORN and a coalition of living wage supporters that intervened in the lawsuit to defend the living wage law. The Center works nationally to promote grassroots and policy initiatives aimed at helping working families support themselves.

For more information, please contact Amanda Cooper at (212) 998-6736.