

**From:** [Chelsea DeArmond](#)  
**To:** [\\*CI-StPaul>Contact-Council](#)  
**Subject:** ORD 23-64 SP350 Public Comment  
**Date:** Wednesday, December 20, 2023 2:51:00 PM

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Dear City Clerk and Council,

Saint Paul 350 is a grassroots organization committed to helping our neighbors transition to 100% clean, renewable energy. Many of our members participated in caucuses and GOTV efforts for the 2023 election. We encouraged people to vote for the 1% local sales tax increase, though some of our members expressed concern that not enough of the revenue would be directed toward parts of the city that are most in need of investment.

Council Member Nelsie Yang's office informed us today about the conversation over whether or not to exempt utility payments from the new sales tax year round, and invited us to submit a public comment.

We recognize that the voters have clearly spoken in support of the new sales tax, and that the need for investment in transit improvements is great, but we welcome this question about exempting utility payments from the tax for the following reasons:

- While we support the City's efforts to raise new revenue to fund transit, we also support the City's goal to reduce energy burdens for low income residents.
- Taxing utility sales on Saint Paul residents will have the opposite effect of the City's expressed intent: collecting money from predominantly non-residents to fund improvements that will primarily benefit residents.
- Are there opportunities to structure the tax that would exempt low income households?
- A possible compromise that would be in keeping with the City's goal to reduce emissions via electrification might be to tax gas utility sales, but exempt electric utility sales.
- Last but not least, we consider the Franchise Agreement to be a much more effective way for the City to raise revenue on utility sales that can be allocated toward sustainability measures that benefit households and communities where it is most needed.

Sincerely,  
Chelsea DeArmond  
Founder, SP350