



## 2021 END OF SESSION REPORT

Hello friends,

We have officially completed the First Regular Session of the 101st General Assembly.

Despite the challenges of the ongoing COVID-19 pandemic, the Missouri Legislature passed many important bills this session designed to improve the lives of all Missourians.

This End-of-Session report highlights the Fiscal Year 2022 state operating budget, my legislative priorities and other important legislation that was passed in 2021.

Thank you for reading this report. I am grateful for your continued support and your trust in me to serve as your voice in the Missouri Senate.

Sincerely,

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## PROTECTING SMALL BUSINESSES FROM GOVERNMENT OVERREACH

During the COVID-19 pandemic, the St. Louis county executive imposed targeted restrictions on our community's restaurants, businesses and everyday citizens. Thankfully, with increased vaccine distribution and a decrease in COVID-19 cases, most local restrictions have been lifted. I spent this session fighting back against St. Louis County's restrictions and sponsored legislation to protect our small businesses and restaurants from this happening in the future. I'm proud to say we accomplished this goal.

[House Bill 271](#) declares that during a state of emergency, local government authorities, including local health departments, cannot institute a health order that shuts down businesses, churches, schools and other places of public or private gatherings for more than 30 days in a 180-day period. A simple majority of the county council is required for extensions past 30 days.

House Bill 271 also prohibits any county or city from requiring documentation of a COVID-19 vaccine in order to access transportation systems, services or any other public accommodations. In my opinion, these COVID-19 passports are nothing more than a means to restrict our freedom to travel, and I am proud to take a stand against this unnecessary type of mandate.

This year, I filed [Senate Bill 100](#), which I later added to [Senate Bill 226](#), which was passed by the Legislature. Senate Bill 100 gives taxpayers the opportunity to receive a credit for the property taxes they paid while their business was shut down for more than 15 days as a result of a city-wide or county-wide restrictive order.

If a restaurant or small business cannot be open due to a city or county restrictive order, those businesses owners should not be forced to pay property taxes. Businesses hit hard during the pandemic will now have the opportunity to receive that money back. I am hopeful the governor signs this important piece of legislation into law to reimburse our small businesses and help them recoup at least some of their losses due to the shutdowns.

# 2022 FISCAL YEAR BUDGET

The Legislature's only constitutionally required duty is to pass a balanced state budget during the legislative session. Last year, that proved to be a difficult task as the COVID-19 pandemic affected our state's revenue. This year, however, my colleagues and I created and passed a budget that will help Missourians recover from the past year and get back on their feet.

Once again, we fully funded the Foundation Formula for K-12 schools. After the difficulties Missouri families and students faced last year, adding increased funding for our schools is more important than ever.

As with every year, the budget we sent to the governor also includes funding for our state's public colleges and universities. Overall, we were able to provide a 3.7% increase in funding to all public higher education

institutions, with a \$10 million increase for community colleges. We also restored \$68 million in cuts to public higher education institutions' core funding. Other notable appropriation items for our community include funding for various state historic sites and state parks in St. Louis County. This funding is important to properly maintain our parks and historic sites so Missourians can enjoy them for years to come.

## AN IMPORTANT CHANGE TO THE FRESH START ACT OF 2020

After the Fresh Start Act of 2020 passed last year, I wanted to make a small change to the program this year to improve it. The Fresh Start Act of 2020 states that an individual cannot be disqualified from practicing in an occupation that requires a license solely or in part because of a previous conviction of a non-violent crime, unless that crime directly relates to the responsibilities and duties of that occupation.

[Senate Bill 308](#) removes a provision from the Fresh Start Act of 2020 requiring licensing authorities to list only criminal convictions directly related to the licensed occupation. It also requires licensing authorities to notify the petitioner in writing why they were denied an occupational license. The Fresh Start Act is about giving people a second chance, and helping talented individuals pursue a career they are passionate about and removing roadblocks to their success. I believe this will help alleviate a few of the issues with the program.

Senate Bill 308 was added to [House Bill 273](#) and [House Bill 476](#), which were both truly agreed to and finally passed by the Legislature this year.



*Senator Koenig discusses legislation on the floor of the Missouri Senate.*

# PRIORITIZING CHILDREN IN OUR STATE

## **Making Adoption and Fostering More Affordable for Missouri Families**

In April, the governor signed [House Bill 429](#) and [House Bill 430](#) into law on the north steps of the State Capitol. These bills included several provisions I originally filed as [Senate Bill 155](#), [Senate Bill 327](#) and [Senate Bill 461](#) this year. I was also the Senate handler of HB 429.

House Bill 429 establishes a clearer path to permanency for foster children by clarifying what constitutes an abandoned child, creates a definite timeline for courts in certain circumstances and removes barriers for adoptive families in consent adoption cases. Specifically, the legislation allows the Children's Division or a juvenile officer to seek termination of parental rights when a child less than two years old has been abandoned for 60 days or a child over two years old has been abandoned for six months. This legislation also gives foster parents the ability to receive a tax deduction for expenses related to caring for the foster child or children.

As a foster care and adoptive parent myself, I understand that foster care placements can happen quickly and prospective foster care parents may need to buy cribs and other supplies with little notice to accommodate the child. These parents should have the opportunity to receive a tax deduction for these expenses.

Both bills make several statutory changes to make the adoption process more accessible, including the expansion of an existing adoption tax credit to include the adoption of any child. HB 430 also extends tax credits for those who donate to domestic violence shelters and maternity homes.

At the end of the day, we need loving families to adopt and take care of children in foster care, regardless of their ability to pay extravagant foster care and adoption fees. I want to thank my colleagues for their dedication to protecting our state's children, and I was happy to watch the governor sign these bills into law earlier this year.

## **ESAs Provide a Path Forward for Missouri Students**

The Missouri Legislature also passed [House Bill 349](#), which allows Missouri families to receive scholarships to customize their children's individual educational needs. Empowerment Scholarship Accounts (ESAs) help parents afford the best educational opportunities for their children. Students throughout our state have educational needs that are not being met, and their parents don't have the financial resources needed to allow them to reach their true potential. This legislation changes that by empowering parents to have access to schools and educational resources that will best meet the needs of their children.

These scholarships will be funded by donations to nonprofits called Education Assistance Organizations (EAOs). Scholarships may be used to pay for tuition, tutoring, textbooks, virtual school, after school programs, educational therapies and curriculum. Each EAO will ensure that scholarships are prioritized for students with an approved individual education plan (IEP) and students living in a household whose annual income meets the income standard to receive free and reduced school lunches. Scholarships will be limited to students who live in cities with a population of 30,000 or more.

As a member of the Senate Education Committee, I championed this legislation because I wanted to give Missouri families the resources and support they need to give their children the best education possible. I want to thank my colleagues in both chambers for their diligent work on this legislation and their commitment to providing additional educational opportunities for the children of our state. While this legislation is now in the hands of the governor, I am hopeful he will sign it into law and empower parents with choices and alternatives that best fit the needs of their children.

## WAYFAIR ONLINE SALES TAX

[Senate Bill 153](#), more commonly known as the “Wayfair Bill,” finally passed the Missouri Legislature this year. This bill would require all online retailers to collect sales tax on internet purchases made by Missouri consumers. Under our current tax code, only online merchants with a physical presence in Missouri are required to collect sales tax on purchases made by Missourians.

Unfortunately, this incentivizes consumers to buy their products online or from out of state merchants instead of shopping locally or in Missouri. As the chairman of the Senate Ways and Means Committee, this issue is especially important to me. Even before the pandemic, our businesses were struggling to stay competitive with these online retailers — and local government shutdowns only made it worse. From a tax policy perspective, SB 153 will level the playing field for

our local businesses and vendors competing with online out-of-state businesses.

This legislation also creates the “Missouri Working Family Tax Credit Act,” a state-level earned income tax credit (EITC) that will provide tax relief to low-income workers. In addition, SB 153 calls for further cuts to the state’s income tax rate if state revenues continue to grow. Current law allows the state income tax rate to be cut by 0.5%, in increments of 0.1%, if certain revenue triggers are met. Senate Bill 153 allows for three additional 0.1% cuts, on top of the existing reductions, for a total possible income tax cut of 0.8%.

I am hopeful the governor will sign this bill into law to help our small, brick-and-mortar businesses remain competitive with online retailers, while also providing additional tax relief to Missourians.

## TAX INCREMENT FINANCING

This year, I continued with my efforts to reform the use of tax increment financing (TIF), which allows a developer to refund or divert a portion of their taxes to help finance a project. Normally, these taxes would have gone to local municipalities to help pay for schools, libraries and other essential city services. To qualify for TIF, the development project must be in an area that is considered “blighted.” Flood plains are considered blighted under current state law, so there is an incentive to develop in these areas despite the potential risks. [Senate Bill 22](#) changes the definition of “blighted” so flood plains will no longer fall under this designation. As a result, taxpayer funded projects in flood plains would not be eligible for TIF. Most people do not even realize their tax dollars are going to private developers that do not need public assistance in the first place. It is my belief if a developer wants to gamble and build in a flood plain, they should assume all of the risk — not taxpayers. I have been working on this legislation for several years now, and I thankful it was passed as a part of SB 153.

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