



FOR IMMEDIATE RELEASE:

April 16, 2009

Senate Passes Sen. Pearce's "Invest in Missouri" Measure *Bill Expands Treasurer's Linked Deposit Program*

JEFFERSON CITY—The Missouri Senate today passed a measure sponsored by Sen. David Pearce (R-Warrensburg), which through the Missouri Linked Deposit Program, reinvests \$1 billion in Missouri communities, helps create and retain jobs, and comes at no expense to taxpayers. Senate Bill 542 now moves to the House for similar consideration.

[Senate Bill 542](#) expands the Missouri Linked Deposit Program, which is managed by the State Treasurer's office. This program allows the treasurer to place deposits with a community bank at a below-market rate. The bank then passes along this savings—typically 2 to 3 percent—to an eligible linked deposit loan applicant. Because only 30 percent of the money set aside for loans under the program is in use, Sen. Pearce's bill changes the law to increase eligibility for the program and streamline the application process.

"By making these loans more accessible to people, we can create jobs and energize our communities," Sen. Pearce said. "The linked deposit program isn't being used to its full potential; if this bill passes, we can directly help large businesses create jobs, small businesses expand, and Missouri farmers thrive. We will also be aiding our communities, through investing in local governments, community banks and alternative energy resources."

The measure also gradually removes the restrictive cap on the rate of return the state can receive when it invests taxpayers' dollars in Missouri community banks. Current law ties state deposits to U.S. Treasury notes, which are at historically low levels. Senate Bill 542 allows the state, and in turn, taxpayers, to receive a rate of return similar to the rates offered by banks to an individual, business or any other government entity in Missouri.

"This cap is costing Missouri taxpayers an estimated \$10 to \$15 million each year," Sen. Pearce said. "As one of only two states in the nation to cap investment returns, it is time to change the law to remove this artificial ceiling."

Senate Bill 542 is a bipartisan effort in conjunction with State Treasurer Clint Zweifel and has the support of community banks and credit unions.

###

Contact: Matt Michelson
(573) 751-2272