



FOR IMMEDIATE RELEASE:

Aug. 5, 2009

Sen. David Pearce and State Treasurer Clint Zweifel Tout “Invest in Missouri”

JEFFERSON CITY— Senator David Pearce (R-Warrensburg) and State Treasurer Clint Zweifel are holding informal briefings at three local banks today (8/5) to discuss the future impact of [House Bill 883](#), also coined the “Invest in Missouri Act.” Senator Pearce handled the economic development bill in the Senate, and worked with Rep. Tim Flook (R-Liberty) in conjunction with the state treasurer’s office to develop the measure.

Invest in Missouri expands and streamlines the Missouri Linked Deposit Program, which authorizes banks to offer discounted loans to eligible participants. The program works by allowing the state 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, House Bill 883 changes the law to expand eligibility for the program and streamline the application process.

“By making these loans more accessible to Missourians, we will open up more possibilities for economic development and growth for years to come,” Sen. Pearce said. “The linked deposit program isn’t being used to its full potential; with the changes made under the bill, we can now directly help Missouri businesses.”

The measure also gradually removes the restrictive cap on the rate of return the state can receive when it invests taxpayers’ dollars in Missouri banks. Prior to HB 883, state deposits were tied to U.S. Treasury notes, which are at historically low levels. House Bill 883 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.

“The cap cost 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 was time to change the law. Removing this artificial ceiling maximizes the taxpayers’ investments.”

House Bill 883 was signed by the governor in June and will take effect Aug. 28.

###

Contact: Matt Michelson
(573) 751-2272