

112TH CONGRESS
1ST SESSION

H. R. 2977

To improve the circulation of \$1 coins, to remove barrier to the circulation of such coins, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 20, 2011

Mr. SCHWEIKERT (for himself, Mr. HENSARLING, and Mr. LUETKEMEYER) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To improve the circulation of \$1 coins, to remove barrier to the circulation of such coins, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Currency Optimiza-
5 tion, Innovation, and National Savings Act”.

6 **SEC. 2. IMPROVING CIRCULATION AND REMOVING BAR-**
7 **RIERS TO CIRCULATION OF \$1 COINS.**

8 (a) DUTIES OF THE BOARD OF GOVERNORS OF THE
9 FEDERAL RESERVE SYSTEM.—

10 (1) COIN SEQUESTRATION.—

1 (A) IN GENERAL.—Within six months of
2 the date of enactment of this Act, the Board of
3 Governors of the Federal Reserve System shall
4 sequester all \$1 coins bearing the design com-
5 mon to those \$1 coins minted and issued from
6 1979–1981 and again in 1999.

7 (B) TREATMENT OF COINS.—Coins seques-
8 tered pursuant to subparagraph (A) shall not
9 be returned to ordinary circulation or otherwise
10 released from storage controlled by the Federal
11 Reserve System or an agent of the Federal Re-
12 serve System.

13 (C) EXCEPTION FOR CERTAIN USES.—Not-
14 withstanding subparagraph (B), coins seques-
15 tered pursuant to subparagraph (A) may be re-
16 leased, at face value and in bulk quantities—

17 (i) to dealers in collectible coins; and

18 (ii) to countries that have adopted the
19 United States dollar as their base unit of
20 exchange.

21 (D) OBSOLETE COINS.—At the end of the
22 1-year period beginning on the date of the en-
23 actment of this Act, the Secretary of the Treas-
24 ury shall declare all coins described under sub-
25 paragraph (A) to be obsolete, and such coins—

1 (i) shall be treated in the same man-
2 ner as all other obsolete United States
3 coins; and

4 (ii) to the extent such coins remain in
5 general circulation, shall remain legal ten-
6 der.

7 (2) QUARTERLY REPORT ON \$1 COINS.—The
8 Board of Governors of the Federal Reserve System
9 shall issue quarterly reports to the Committee on Fi-
10 nancial Services of the House of Representatives and
11 the Committee on Banking, Housing, and Urban Af-
12 fairs of the Senate on—

13 (A) the number of coins sequestered pursu-
14 ant to paragraph (1)(A);

15 (B) the number of coins described in para-
16 graph (1)(A) that remain in general circulation;
17 and

18 (C) efforts that have been made to reduce
19 the number of coins described in subparagraphs
20 (A) and (B) to zero.

21 (3) IMPROVEMENT OF CIRCULATION.—The
22 Board of Governors of the Federal Reserve System
23 shall—

24 (A) undertake efforts to improve the cir-
25 culation and remove barriers to the circulation

1 of the \$1 coin, other than those coins described
2 under paragraph (1)(A);

3 (B) issue a quarterly report to the Com-
4 mittee on Financial Services of the House of
5 Representatives and the Committee on Bank-
6 ing, Housing, and Urban Affairs of the Senate
7 on—

8 (i) what efforts have been made to im-
9 prove the circulation of \$1 coins and what
10 efforts are being planned to improve the
11 circulation of \$1 coins;

12 (ii) the success of such efforts, includ-
13 ing an analysis of such coins held in stor-
14 age owned or controlled by the Federal Re-
15 serve System and the number such coins in
16 circulation;

17 (iii) barriers to the circulation of such
18 coins, including the availability of such
19 coins in quantities unmixed with the \$1
20 coins described in paragraph (1)(A); and

21 (iv) the extent to which the Federal
22 Reserve System and any agents of the
23 Federal Reserve System are unable to
24 meet end-user requests for delivery of
25 unmixed quantities of such coins in what-

1 ever form such end user requires, including
2 rolls, disposable tubes, or volume bags of
3 such coins.

4 (4) OUTREACH AND EDUCATION.—The Board
5 of Governors of the Federal Reserve System shall
6 continuously conduct outreach and education pro-
7 grams aimed at helping each business using or ac-
8 cepting cash to choose the best mix of \$1 coins and
9 banknotes to facilitate transactions and reduce costs
10 of transactions and of “cashing out” at the end of
11 a transaction period.

12 (5) REPORT ON NATIVE AMERICAN COINS.—Not
13 later than the end of the 3-month period beginning
14 on the date of the enactment of this Act, and annu-
15 ally thereafter, the Board of Governors of the Fed-
16 eral Reserve System shall issue a report to the Com-
17 mittee on Financial Services of the House of Rep-
18 resentatives and the Committee on Banking, Hous-
19 ing, and Urban Affairs of the Senate on the Board’s
20 efforts to improve the circulation of, and remove
21 barriers to the circulation of, \$1 coins bearing the
22 so-called “Native American” designs, including any
23 efforts to institute an introductory period for each
24 new “Native American” design of the \$1 coin during

1 which quantities are available unmixed with other
2 designs.

3 (6) USE OF \$1 COINS BY FOREIGN COUN-
4 TRIES.—The Board of Governors of the Federal Re-
5 serve System shall work with the Departments of
6 State and Treasury to ensure that countries that
7 have adopted the dollar as a base unit of exchange
8 and which place orders with the Federal Reserve
9 System, or through any United States financial in-
10 stitution, for supplies of \$1 monetary units, are fully
11 briefed before placing each such order on the dura-
12 bility and longevity of \$1 coins in high-circulation
13 economies when used for transactions of a low dollar
14 value.

15 (b) PUBLICITY REQUIREMENT.—Section 5112(p)(2)
16 of title 31, United States Code, is amended by inserting
17 after “Mint” the following: “and the Board of Governors
18 of the Federal Reserve System”.

19 (c) REPORT ON IMPLEMENTATION.—Not later than
20 the end of the 1-year period beginning on the date of the
21 enactment of this Act, and annually thereafter, the Comp-
22 troller General of the United States and the Inspector
23 General of the Federal Reserve System and the Bureau
24 of Consumer Financial Protection shall each issue a report
25 to the Committee on Financial Services of the House of

1 Representatives and the Committee on Banking, Housing,
2 and Urban Affairs of the Senate on steps being taken by
3 the Board of Governors of the Federal Reserve System
4 to carry out this Act.

5 (d) CLARIFICATION WITH RESPECT TO SEIGNIOR-
6 AGE.—The ninth proviso of section 5136 of title 31,
7 United States Code, is amended, by inserting after “mis-
8 cellaneous receipts” the following: “and such amount shall
9 be included as an estimated receipt of the Government and
10 a receipt of the Government under paragraphs (6) and (7),
11 respectively, of section 1105(a) in any budget submitted
12 under such section”.

13 **SEC. 3. SAVING TAXPAYERS FUNDS BY TRANSITIONING TO**
14 **THE USE OF \$1 COINS.**

15 (a) IN GENERAL.—It is the policy of the United
16 States that after \$1 coins achieve sufficient market pene-
17 tration such that consumers and retailers are comfortable
18 using \$1 coins and are able to obtain adequate supplies
19 of \$1 coins, \$1 coins should replace \$1 Federal Reserve
20 notes as the only \$1 monetary unit issued and circulated
21 by the Federal Reserve System.

22 (b) DEADLINE FOR PLACING \$1 FEDERAL RESERVE
23 NOTES INTO CIRCULATION.—Federal Reserve banks may
24 continue to place into circulation \$1 Federal Reserve notes
25 until the earlier of—

1 (1) the date on which the number of \$1 coins
2 placed into circulation after the date of the enact-
3 ment of this Act exceeds 600,000,000 annually; and

4 (2) the date that is 4 years after the date of the
5 enactment of this Act.

6 (c) TRANSITION PERIOD.—After the date referred to
7 in subsection (b), a Federal Reserve bank may not order
8 additional \$1 Federal Reserve notes but may, for a period
9 of one year, continue to place into circulation \$1 Federal
10 Reserve notes on hand or those deposited with it, except
11 for notes described in subparagraph (d).

12 (d) REMOVAL OF UNFIT CURRENCY.—After the date
13 referred to in subparagraph (b), a Federal Reserve bank
14 shall continue to remove unfit currency from circulation,
15 and shall continue to destroy such currency.

16 (e) EXCEPTION.—Notwithstanding subsections (b)
17 and (c), the Board of Governors of the Federal Reserve
18 System shall produce such Federal Reserve notes of \$1
19 denomination as the Board determines from time to time
20 are appropriate solely to meet the needs of collectors of
21 that denomination. Such notes shall be issued by 1 or
22 more Federal Reserve banks in accordance with section
23 16 of the Federal Reserve Act and sold by the Board, in
24 whole or in part, under procedures prescribed by the
25 Board.

1 (f) NO EFFECT ON LEGAL TENDER.—Notwith-
2 standing any other subsection of this section, \$1 Federal
3 Reserve notes are legal tender in the United States for
4 all debts, public and private, public charges, taxes, and
5 duties, regardless of the date of printing or issue.

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