

115TH CONGRESS
1ST SESSION

S. 759

To save taxpayers money by improving the manufacturing and distribution of coins and notes, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 29, 2017

Mr. MCCAIN (for himself and Mr. ENZI) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To save taxpayers money by improving the manufacturing and distribution of coins and notes, 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 of 2017”.

6 **SEC. 2. SAVING TAXPAYERS MONEY BY SUSPENDING PRO-**
7 **DUCTION OF THE PENNY.**

8 (a) POLICY OF THE UNITED STATES.—It is the pol-
9 icy of the United States that—

1 (1) sufficient one-cent coins have already been
2 minted to meet demand;

3 (2) taxpayers have been and would continue to
4 lose money producing the one-cent coin; and

5 (3) further production of the one-cent coin is
6 not necessary for the next decade.

7 (b) TEMPORARY SUSPENSION OF PRODUCTION OF
8 THE ONE-CENT COIN.—Except as provided in subsection
9 (c) and notwithstanding any other provision of law, the
10 Secretary of the Treasury shall cease production of any
11 new one-cent coins for the 10-year period beginning on
12 the date of enactment of this Act.

13 (c) EXCEPTION.—

14 (1) IN GENERAL.—The Secretary of the Treas-
15 ury shall continue to produce one-cent coins as ap-
16 propriate solely to meet the needs of numismatic col-
17 lectors of that denomination.

18 (2) SALE.—The one-cent coins produced under
19 paragraph (1) shall be sold in accordance with other
20 general provisions governing collectible coins (as op-
21 posed to circulating coins).

22 (3) NET RECEIPTS.—The net receipts from the
23 sale of one-cent coins produced under this exception
24 shall equal the total cost of production, including
25 variable costs and the appropriate share of fix costs

1 of production, as determined by the Secretary of the
2 Treasury.

3 (d) GAO STUDY.—Not later than 3 years after the
4 date of enactment of this Act, the Comptroller General
5 of the United States shall—

6 (1) study the effect of the suspension of produc-
7 tion of the one-cent coin; and

8 (2) submit to the Committee on the Budget and
9 the Committee on Banking, Housing, and Urban Af-
10 fairs of the Senate and the Committee on the Budg-
11 et and the Committee on Financial Services of the
12 House of Representatives a report—

13 (A) on whether production should remain
14 suspended or should be reinstated; and

15 (B) that considers—

16 (i) the net savings to taxpayers from
17 suspension of production;

18 (ii) whether public demand for one-
19 cent coins was able to be continuously met
20 during the period of suspension;

21 (iii) whether public demand for one-
22 cent coins would likely continue to be met
23 in the future without new production;

24 (iv) whether the one-cent denomina-
25 tion of coin should be permanently ended

1 as was the case with the one-half cent coin;
 2 and
 3 (v) any other factors that are rel-
 4 evant.

5 (e) NO EFFECT ON LEGAL TENDER.—Notwith-
 6 standing any other provision of this section, one-cent coins
 7 are legal tender in the United States for all debts, public
 8 and private, public charges, taxes, and duties, regardless
 9 of the date of minting or issue.

10 **SEC. 3. SAVING TAXPAYERS MONEY BY CHANGING THE**
 11 **COMPOSITION OF THE NICKEL.**

12 (a) NEW COMPOSITION REQUIRED.—Section 5112 of
 13 title 31, United States Code, is amended by adding at the
 14 end the following:

15 “(w) COMPOSITION OF CIRCULATING COINS.—

16 “(1) IN GENERAL.—Notwithstanding any other
 17 provision of law, the Director of the United States
 18 Mint shall modify the composition of the five-cent
 19 coin in accordance with a study and analysis con-
 20 ducted by the United States Mint to a variant of
 21 cupronickel composition equal to 80 percent copper
 22 and 20 percent nickel.

23 “(2) EFFECT.—This subsection shall remain in
 24 effect as long as the Director of the United States

1 Mint verifies that the modification described in para-
2 graph (1) will—

3 “(A) reduce costs to the taxpayer;

4 “(B) is found to be seamless through test
5 by most coin-acceptors; and

6 “(C) will have no impact on the public or
7 on stakeholders.

8 “(3) INCREASE IN COPPER CONTENT.—The Di-
9 rector of the United States Mint may increase the
10 percentage of copper and decrease the percentage of
11 nickel in the five-cent coin if—

12 “(A) the Director of the United States
13 Mint submits to Congress a study on such a
14 modification;

15 “(B) the Director of the United States
16 Mint makes the findings described in paragraph
17 (2); and

18 “(C) the 90-day period beginning on the
19 date on which the study is submitted under
20 subparagraph (A) has expired.”.

21 **SEC. 4. SAVING TAXPAYERS MONEY BY REPLACING \$1**

22 **NOTES WITH \$1 COINS.**

23 (a) IN GENERAL.—It is the policy of the United
24 States that \$1 coins should replace \$1 Federal Reserve

1 notes as the only \$1 monetary unit issued and circulated
2 by the Board of Governors of the Federal Reserve System.

3 (b) FINAL DATE FOR PLACING \$1 NOTES INTO CIR-
4 CULATION.—Beginning on the date that is 2 years after
5 the date of enactment of this Act, the Board of Governors
6 of the Federal Reserve System may not issue \$1 Federal
7 Reserve notes.

8 (c) TRANSITION PERIOD.—Before the date described
9 in subsection (b), the Board of Governors of the Federal
10 Reserve System shall ensure adequate supplies of \$1 coins
11 to meet the demand of such coins on and after such date.

12 (d) REMOVAL AND DESTRUCTION OF \$1 FEDERAL
13 RESERVE NOTES.—The Board of Governors of the Fed-
14 eral Reserve System shall ensure that all \$1 Federal Re-
15 serve notes removed from circulation in accordance with
16 the date described in subsection (b) have been destroyed.

17 (e) EXCEPTION.—Notwithstanding subsections (b)
18 and (c), the Board of Governors of the Federal Reserve
19 System shall produce such Federal Reserve notes of \$1
20 denomination as the Board of Governors determines from
21 time to time are appropriate solely to meet the needs of
22 numismatic collectors of that denomination. Such collect-
23 ible versions of \$1 Federal Reserve notes shall be sold in
24 accordance with other general provisions governing collect-
25 ible versions of notes.

1 (f) NO EFFECT ON LEGAL TENDER.—Notwith-
2 standing any other provision 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.

