

113TH CONGRESS
1ST SESSION

H. R. 3305

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

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 22, 2013

Mr. FITZPATRICK (for himself, Mr. FRANKS of Arizona, Mr. GARCIA, Mr. BRADY of Pennsylvania, Mr. JONES, Mr. MEEKS, Mr. ENYART, Mr. TIBERI, and Mr. TONKO) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To improve the circulation of \$1 coins, to remove barriers 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.—

1 (1) COIN SEQUESTRATION.—

2 (A) IN GENERAL.—Within six months of
3 the date of enactment of this Act, the Board of
4 Governors of the Federal Reserve System shall
5 sequester all \$1 coins bearing the design com-
6 mon to those \$1 coins minted and issued from
7 1979–1981 and again in 1999.

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

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

18 (i) to dealers in collectible coins; and

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

22 (D) OBSOLETE COINS.—At the end of the
23 1-year period beginning on the date of the en-
24 actment of this Act, the Secretary of the Treas-

1 ury shall declare all coins described under sub-
2 paragraph (A) to be obsolete, and such coins—

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

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

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

15 (A) the number of coins sequestered pursu-
16 ant to paragraph (1)(A);

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

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

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

1 (A) undertake efforts to improve the cir-
2 culation and remove barriers to the circulation
3 of the \$1 coin, other than those coins described
4 under paragraph (1)(A);

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

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

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

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

23 (iv) the extent to which the Federal
24 Reserve System and any agents of the
25 Federal Reserve System are unable to

1 meet end-user requests for delivery of
2 unmixed quantities of such coins in what-
3 ever form such end user requires, including
4 rolls, disposable tubes, or volume bags of
5 such coins.

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

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

1 new “Native American” design of the \$1 coin during
2 which quantities are available unmixed with other
3 designs.

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

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

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

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

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

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

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

23 (b) DEADLINE FOR PLACING \$1 FEDERAL RESERVE
24 NOTES INTO CIRCULATION.—Federal Reserve banks may

1 continue to place into circulation \$1 Federal Reserve notes
2 until the earlier of—

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

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

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

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

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

1 whole or in part, under procedures prescribed by the
2 Board.

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

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