



H.R. 5512 – COIN MODERNIZATION AND TAXPAYER SAVINGS ACT OF 2008

FLOOR SITUATION

H.R. 5512 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Zach Space (D-OH) on February 28, 2008. The bill was referred to the House Committee on Financial Resources, but was never considered.

H.R. 5512 is expected to be considered on the floor of the House on May 6, 2008.

SUMMARY

H.R. 5512 removes the statutory requirements on the weights and physical composition of minted coins. The bill directs the Secretary of the Treasury to determine the weight and composition of the dollar coin, half dollar coin, quarter, dime, nickel, and penny. When making changes to the weight and composition of coinage the Secretary is required to enter into a formal rulemaking process and consider factors such as effects on coin production and acceptance in current vending machines.

Additionally, the legislation requires minted pennies to be composed primarily of steel and to meet the specifications of the Secretary. The bill requires the penny to retain the copper color and general appearance of all previously minted pennies.

The bill allows the Secretary to make necessary adjustments to the metal composition of circulating coins in response to the price of metals.

BACKGROUND

Under current law, the Secretary of the Treasury must mint coins in accordance with the specific standards prescribed by statute. The weight standard used in determining the weights of all U.S. minted coins is the standard pound as determined by the National Institute of Standards and Technology of the Department of Commerce. In their 2004 annual report, the U.S. Mint included a study on alternative metals to be used in circulating coins. The U.S. Mint produced zinc coated steel pennies in response to rising copper prices in 1982.

Coins have a life span of about 30 years. All coins that are no longer fit for circulation are redeemed by the Federal Reserve except for significantly damaged coins, which are only redeemable through the United States Philadelphia Mint facility. Unfit and mutilated coins are melted and reused in the production of new coins.

[Link to 2004 report by the U.S. Mint](#)

[U.S. Mint website](#)

COST

The Congressional Budget Office did not have a cost estimate for H.R. 5512 available as of May 5, 2008.

STAFF CONTACT

For questions or further information contact Justin Hanson at (202) 226-2302.