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[H.R. 1698, Bullion and Collectible Coin Production Efficiency and Cost Savings Act, as amended](#)

FLOOR SITUATION

On Tuesday, June 23, 2015, the House will consider [H.R. 1698](#), the *Bullion and Collectible Coin Production Efficiency and Cost Savings Act*, under suspension of the rules. The bill was introduced on March 26, 2015, by Rep. Bill Huizenga (R-MI) and was referred to the Committee on Financial Services.

SUMMARY

H.R. 1698 amends design and content requirements for certain gold and silver coins produced by the United States Mint. The bill makes minor changes to four coin programs, allowing easier Mint handling and this minor cost savings. One change would eliminate the requirement that American Buffalo Gold Bullion coins have a specific protective covering. Another allows collector coins issued by the Mint to be made of a more-common “coinage” silver containing 91 percent silver, rather than the 90 percent silver alloy now specified by law that the Mint currently has to have custom-made. Additionally, the bill directs the Secretary of the Treasury to mint and issue palladium coins as necessary to meet demand, eliminating the requirement for an already-completed study on the program. The bill also requires that proof and uncirculated versions of the 2016 American Eagle silver coin be edge-lettered to denote the 30th anniversary of the coin’s first minting.

BACKGROUND

American Buffalo Gold Bullion Coins are the first .9999 fine 24-karat gold coins ever struck by the United States Mint. These \$50 gold coins are available to members of the public seeking a simple and tangible way to own and invest in 24-karat gold in the form of legal tender coins whose content and purity is guaranteed by the U.S. government. Production of 24-karat American Buffalo Gold Coins was authorized in 2005 by [Public Law 109-145](#), known as the Presidential \$1 Coin Act.¹

¹ See [“American Buffalo Gold Coin Program.”](#) United States Mint

The Mint issues a variety of collectible coins, including some commemoratives and also silver versions of circulating coins in annual “proof sets” that for years have been required by statute to be issued in an alloy of 90 percent silver and 10 percent copper. Because standard coinage silver is 91 percent pure, the Mint has to have its silver alloy custom-made at a higher cost than if it were able to buy blanks of the slightly more pure alloy. The change in the bill would standardize the alloys.

[Public Law 111-303](#) directed the United States Mint to produce investment-grade coins of palladium if the program could be conducted at no net cost to the taxpayer, and directed a study to analyze whether the market demand for palladium bullion coins would be adequate. The study, conducted by CPM Group LLC, determined that “It is unlikely that there will be sufficient demand for a U.S. Mint palladium numismatic (proof or uncirculated) coin, but such a program could be undertaken profitably.”² Since that study, the Mint has changed the way it acquires precious metals for the production of bullion coins, reducing the cost to produce, and market demand for palladium has increased, as had been predicted by the study.

COST

A cost estimate from the Congressional Budget Office (CBO) is currently unavailable.

STAFF CONTACT

For questions or further information please contact [John Huston](#) with the House Republican Policy Committee by email or at 6-5539.

² See [“Palladium Market Study.”](#) United States Mint