



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 22, 2006

S. 1881

San Francisco Old Mint Commemorative Coin Act

*As ordered reported by the Senate Committee on Banking, Housing, and Urban Affairs
on May 18, 2006*

SUMMARY

S. 1881 would authorize the U.S. Mint to produce a \$5 gold coin and a \$1 silver coin in calendar year 2006 to commemorate the San Francisco Old Mint, a national historic landmark. The legislation would specify a surcharge on the sales price of \$35 for the gold coin and \$10 for the silver coin and would designate the San Francisco Museum and Historical Society, a nonprofit entity, as the recipient of the income from those surcharges.

CBO estimates that enacting S. 1881 would have no significant net impact on direct spending over the 2006-2011 period. S. 1881 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

S. 1881 could raise as much as \$8.5 million in surcharges if the Mint sells the maximum number of authorized coins. However, recent commemorative coin sales suggest that receipts would be about \$5 million. Under current law, the Mint must ensure that it does not lose money producing commemorative coins before transferring any surcharges to a recipient organization. CBO expects that condition would be met and that those receipts from such surcharges would be transferred to the foundation in fiscal year 2007. Thus, we estimate that the act would reduce direct spending by \$5 million over the 2006-2007 period and would increase direct spending by \$5 million in 2007. Excluding surcharges, CBO expects that the Mint would retain and spend any additional net proceeds generated from such sales to fund other commercial activities and would have a negligible net budgetary impact over time.

In addition, CBO expects that the Mint would use gold obtained from the reserves held at the Treasury to produce the gold coin. Because the budget treats the sale of gold as a means of

financing governmental operations—that is, the Treasury’s receipts from such sales do not affect the size of the deficit—CBO has not included such receipts in this estimate. CBO estimates that S. 1881 would provide the federal government with about \$5.25 million in additional cash (in exchange for gold) for financing the federal deficit over the 2006-2007 period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1881 contains no intergovernmental or private-sector mandates as defined in the UMRA and would not affect the budgets of state, local, or tribal governments.

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