



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 25, 2004

S. 976

Jamestown 400th Anniversary Commemorative Coin Act of 2003

*As ordered reported by the Senate Committee on Banking, Housing, and Urban Affairs
on June 17, 2004*

SUMMARY

S. 976 would direct the U.S. Mint to produce a \$5 gold coin and a \$1 silver coin in calendar year 2007 to commemorate the 400th anniversary of the founding of Jamestown, Virginia. The bill would specify a surcharge on the sales price of \$35 for the gold coin and \$10 for the silver coin and would designate the Jamestown-Yorktown Foundation (an educational institution of the Commonwealth of Virginia), the National Park Service, and the Association for the Preservation of Virginia Antiquities (a private nonprofit association), as recipients of the income from those surcharges.

CBO estimates that enacting S. 976 would have no significant net impact on direct spending over the 2004-2009 period. S. 976 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA), and would benefit the Commonwealth of Virginia.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

S. 976 could raise as much as \$8.5 million in surcharges if the Mint sells the maximum number of authorized coins. Recent commemorative coin sales by the Mint suggest, however, that receipts would be about \$3 million. The legislation would require the Mint to produce the \$1 silver coin from silver available in the National Defense Stockpile. Based on information provided by the Defense Logistics Agency and the Mint, no silver is available in the stockpile. Hence, CBO estimates that receipts from only the \$5 gold coin would be about \$1.25 million.

Under current law, only two commemorative coins may be minted and issued in any calendar year and the Mint must ensure that it will not lose money on a commemorative coin program before transferring any surcharges to a designated recipient organization. CBO expects that the Mint would collect most of those surcharges in fiscal year 2007 and would transfer collections to the designated recipients in fiscal year 2008.

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. 976 would provide the federal government with about \$3.5 million in additional cash (in exchange for gold) for financing the federal deficit in fiscal year 2007.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 976 contains no intergovernmental or private-sector mandates as defined in UMRA, and would benefit the Commonwealth of Virginia.

PREVIOUS CBO ESTIMATE

On March 22, 2004, CBO transmitted a cost estimate for H.R. 1914, the Jamestown 400th Anniversary Commemorative Coin Act of 2003, as ordered reported by the House Committee on Financial Services on March 17, 2004. The two pieces of legislation are similar and our cost estimates are the same; however, H.R. 1914 would not require the Mint to use silver from the National Defense Stockpile to produce the \$1 silver coin.

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