



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

November 5, 2007

H.R. 3703

A bill to amend section 5112(p)(1)(A) of title 31, United States Code, to allow an exemption from the \$1 coin dispensing capability requirement for certain vending machines

As ordered reported by the House Committee on Financial Services on October 31, 2007

H.R. 3703 would amend the Presidential Dollar Coin Act of 2005 (Public Law 109-145) to allow an exemption from the \$1 coin dispensing capability for certain vending machines. Under current law, vending machines located on federal property and those used by transit systems that receive federal funds must accept and dispense \$1 coins by January 2008. The legislation would exempt vending machines from the requirement to dispense \$1 coins if such machines do not receive currency denominations higher than \$1. CBO estimates that enacting this legislation would have no significant impact on the federal budget. Enacting the bill would not affect direct spending or revenues.

H.R. 3703 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act. The bill's provisions would reduce costs to state and local transit entities of complying with an existing condition of federal assistance. Public entities that have not already retrofitted or replaced their machines to dispense \$1 coins would no longer have to meet that condition of federal assistance. Based on information provided by governmental and industry sources, CBO estimates that any savings to public entities would be small.

The CBO staff contacts for this estimate are Matthew Pickford (for federal costs), and Elizabeth Cove (for the state and local impact). This estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.