

of the United States of America: Analysis and Interpretation, Appendix 1, Acts of Congress Held Unconstitutional in Whole or in Part by the Supreme Court of the United States.

AMENDMENTS

1997—Subsec. (d)(2). Pub. L. 105-61 struck out at end “This paragraph shall apply to any obligation issued on or before October 27, 1977, notwithstanding any assignment or novation of such obligation after October 27, 1977, unless all parties to the assignment or novation specifically agree to include a gold clause in the new agreement. Nothing in the preceding sentence shall be construed to affect the enforceability of a Gold Clause contained in any obligation issued after October 27, 1977 if the enforceability of that Gold Clause has been finally adjudicated before the date of enactment of the Economic Growth and Regulatory Paperwork Reduction Act of 1996.”

1996—Subsec. (d)(2). Pub. L. 104-208 inserted at end “This paragraph shall apply to any obligation issued on or before October 27, 1977, notwithstanding any assignment or novation of such obligation after October 27, 1977, unless all parties to the assignment or novation specifically agree to include a gold clause in the new agreement. Nothing in the preceding sentence shall be construed to affect the enforceability of a Gold Clause contained in any obligation issued after October 27, 1977 if the enforceability of that Gold Clause has been finally adjudicated before the date of enactment of the Economic Growth and Regulatory Paperwork Reduction Act of 1996.”

1985—Subsec.(b). Pub. L. 99-185 struck out “or deliver” after “pay out” and inserted “(other than gold and silver coins)” before “that may be lawfully held”.

EFFECTIVE DATE OF 1985 AMENDMENT

Amendment by Pub. L. 99-185 effective Oct. 1, 1985, except that no coins may be issued or sold under section 5112(i) of this title before Oct. 1, 1986, see section 3 of Pub. L. 99-185, set out as a note under section 5112 of this title.

§ 5119. Redemption and cancellation of currency

(a) Except to the extent authorized in regulations the Secretary of the Treasury prescribes with the approval of the President, the Secretary may not redeem United States currency (including Federal reserve notes and circulating notes of Federal reserve banks and national banks) in gold. However, the Secretary shall redeem gold certificates owned by the Federal reserve banks at times and in amounts the Secretary decides are necessary to maintain the equal purchasing power of each kind of United States currency. When redemption in gold is authorized, the redemption may be made only in gold bullion bearing the stamp of a United States mint or assay office in an amount equal at the time of redemption to the currency presented for redemption.

(b)(1) Except as provided in subsection (c)(1) of this section, the following are public debts bearing no interest:

(A) gold certificates issued before January 30, 1934.

(B) silver certificates.

(C) notes issued under the Act of July 14, 1890 (ch. 708, 26 Stat. 289).

(D) Federal Reserve notes for which payment was made under section 4 of the Old Series Currency Adjustment Act.

(E) United States currency notes, including those issued under section 1 of the Act of February 25, 1862 (ch. 33, 12 Stat. 345), the Act of

July 11, 1862 (ch. 142, 12 Stat. 532), the resolution of January 17, 1863 (P.R. 9; 12 Stat. 822), section 2 of the Act of March 3, 1863 (ch. 73, 12 Stat. 710), or section 5115 of this title.

(2) REDEMPTION, CANCELLATION, AND DESTRUCTION OF CURRENCY.—The Secretary shall—

(A) redeem any currency described in paragraph (1) from the general fund of the Treasury upon presentment to the Secretary; and

(B) cancel and destroy such currency upon redemption.

The Secretary shall not be required to reissue United States currency notes upon redemption.

(c)(1) The Secretary may determine the amount of the following United States currency that will not be presented for redemption because the currency has been destroyed or irretrievably lost:

(A) circulating notes of Federal reserve banks and national banks issued before July 1, 1929, for which the United States Government has assumed liability.

(B) outstanding currency referred to in subsection (b)(1) of this section.

(2) When the Secretary makes a determination under this subsection, the Secretary shall reduce the amount of that currency outstanding by the amount the Secretary determines will not be redeemed and credit the appropriate receipt account.

(d) To provide a historical collection of United States currency, the Secretary may withhold from cancellation and destruction and transfer to a special account one piece of each design, issue, or series of each denomination of each kind of currency (including circulating notes of Federal reserve banks and national banks) after redemption. The Secretary may make appropriate entries in Treasury accounts because of the transfers.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 985; Pub. L. 102-390, title II, § 226(b), Oct. 6, 1992, 106 Stat. 1630; Pub. L. 103-325, title VI, § 602(g)(14), Sept. 23, 1994, 108 Stat. 2294.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
5119(a)	31:408a(less last proviso). 31:444(1st sentence words between 2d and 3d semicolons). 31:822b.	Jan. 30, 1934, ch. 6, §§6(less last proviso), 11, 15(1st sentence words between 2d and 3d semicolons), 48 Stat. 340, 342, 344.
5119(b)(1)	31:405a-3. 31:911.	June 24, 1967, Pub. L. 90-29, §§1, 2, 81 Stat. 77. June 30, 1961, Pub. L. 87-66, §§2, 5, 6, 9, 10, 75 Stat. 146, 147.
5119(b)(2)	31:915(a), (b). 31:404. 31:420. 31:914. 31:916.	May 31, 1878, ch. 146, 20 Stat. 87; June 30, 1961, Pub. L. 87-66, §7, 75 Stat. 147. R.S. §3580.
5119(c)(1)	31:915(c)(words before last comma).	
5119(c)(2)	31:405a-2. 31:915(c)(words after last comma).	
5119(d)	31:917.	

In subsection (a), the words “Secretary may not redeem” are substituted for “no . . . shall be redeemed”

in 31:408a (less last proviso) because of the source provisions restated in section 321 of the revised title. The words “United States currency (including Federal reserve notes and circulating notes of Federal reserve banks and national banks)” are substituted for “currency of the United States” and the text of 31:444 (1st sentence words between 2d and 3d semicolons) for consistency with section 5103 of this title and to eliminate unnecessary words.

In subsection (b)(1), before clause (A), the words “upon completion of the transfers and credits authorized and directed by section 912 of this title” in 31:915 and “and the amount of the payment credited as a public debt receipt in accordance with such section” are omitted as executed. In clause (B), the text of 31:405a-3 (last sentence) and 31:915(a)(4) is consolidated. The text of 31:405a-3 (1st sentence) is omitted as executed. In clauses (C) and (E), the citations in parentheses are included only for information purposes.

In subsection (b)(2), the words “cancel and destroy” are substituted for “retired” in 31:914 for consistency in the revised section. The words “paragraph (1) of this subsection” are substituted for “Any currency the funds for the redemption or security of which have been transferred pursuant to the provisions of section 912 of this title, and any Federal Reserve notes as to which payment has been made under section 913 of this title” because of the restatement. The words “presented to the Secretary” are substituted for “presentation at the Treasury” because of the source provisions restated in section 321(c) of the revised title. The text of 31:916 is omitted as unnecessary because of the restatement. The text of 31:404 and 31:420 is omitted as superseded by the source provisions restated in this subsection and subsection (c). The words “All acts and parts of acts in conflict herewith are hereby repealed” in the Act of May 31, 1878 (ch. 146, 20 Stat. 87), are omitted as executed.

In subsection (c)(2), the words “When the Secretary makes a determination under this subsection” are added because of the restatement. The words “on the books of the Treasury” are omitted as surplus. The text of 31:405(e)(2) (1st sentence) is omitted as superseded by the source provisions restated in subsection (b).

In subsection (d), the word “paper” is omitted as surplus. The words “(including circulating notes of Federal Reserve banks and national banks)” are substituted for “including bank notes” for consistency in the section. The words “heretofore or hereafter issued” are omitted as surplus.

REFERENCES IN TEXT

Act of July 14, 1890, ch. 708, 26 Stat. 289, referred to in subsec. (b)(1)(C), which was known as the Sherman Purchase of Silver Act of July 14, 1890, was classified to sections 408, 410, 412, and 453 of former Title 31, and sections 122 and 145 of Title 12, Banks and Banking, and was repealed by Pub. L. 97-258, § 5(b), Sept. 13, 1982, 96 Stat. 1069.

Section 4 of the Old Series Currency Adjustment Act, referred to in subsec. (b)(1)(D), is section 4 of Pub. L. 87-66, June 30, 1961, 75 Stat. 146, which was classified to section 913 of former Title 31, and was repealed by Pub. L. 97-258, § 5(b), Sept. 13, 1982, 96 Stat. 1079.

Acts February 25, 1862, July 11, 1862, and March 3, 1863, and resolution January 17, 1863, referred to in subsec. (b)(1)(E), are acts Feb. 25, 1862, ch. 33, 12 Stat. 345, July 11, 1862, ch. 142, 12 Stat. 532, and Mar. 3, 1863, ch. 73, 12 Stat. 709, and resolution Jan. 17, 1863, 12 Stat. 822, respectively, which are not classified to the Code.

AMENDMENTS

1994—Subsec. (b)(2). Pub. L. 103-325 inserted concluding provisions.

1992—Subsec. (b)(2). Pub. L. 102-390 amended par. (2) generally. Prior to amendment, par. (2) read as follows: “The Secretary shall redeem from the general fund of the Treasury and cancel and destroy currency referred

to in paragraph (1) of this subsection when the currency is presented to the Secretary.”

§ 5120. Obsolete, mutilated, and worn coins and currency

(a)(1) The Secretary of the Treasury shall melt obsolete and worn United States coins withdrawn from circulation. The Secretary may use the metal from melting the coins for reminting or may sell the metal. The Secretary shall account for the following in the coinage metal fund under section 5111(b) of this title:

(A) obsolete and worn coins and the metal from melting the coins.

(B) proceeds from the sale of the metal.

(C) losses incurred in the sale of the metal.

(D) losses incurred because of the difference between the face value of the coins melted and the coins minted from the metal.

(2) The Secretary shall reimburse the coinage metal fund for losses under paragraph (1)(C) and (D) of this subsection out of amounts in the coinage profit fund under section 5111(b) of this title.

(b) The Secretary shall—

(1) cancel and destroy (by a secure process) obsolete, mutilated, and worn United States currency withdrawn from circulation; and

(2) dispose of the residue of the currency and notes.

(c) The Comptroller General shall audit the cancellation and destruction of United States currency and the accounting of the cancellation and destruction. Records the Comptroller General considers necessary to make an effective audit easier shall be made available to the Comptroller General.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 986.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
5120(a)	31:317c.	Dec. 18, 1942, ch. 767, § 3, 56 Stat. 1065; July 23, 1965, Pub. L. 89-81, § 203(a), 79 Stat. 256.
5120(b)	31:421. 31:422.	R.S. § 3581. June 23, 1874, ch. 455, § 1(3d par. under heading “National Currency”), 18 Stat. 206.
5120(c)	31:49a.	May 20, 1966, Pub. L. 89-427, § 5, 80 Stat. 161.

In subsection (a)(1), before clause (A), the word “obsolete” is substituted for “uncurrent” as being more precise. The words “withdrawn from circulation” are substituted for “received in the Treasury” for clarity. The words “heretofore or hereafter issued” are omitted as surplus. The words “metal from melting the coins” are substituted for “the resulting metal” because of the restatement. The word “reminting” is substituted for “coinage” for consistency in the revised title. The word “material” is omitted as being included in “metal”. The words “The Secretary shall account” are substituted for “shall be accounted for by entries” because of the source provisions restated in section 321 of the revised title. In clause (D), the word “face” is substituted for “nominal or face” to eliminate unnecessary words. The words “coins minted from the metal” are substituted for “the amount the same will produce in new coin” for clarity.

In subsection (a)(2), the words “The Secretary shall reimburse” are substituted for “fund shall be reimbursed” because of the source provisions restated in