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HB1\Ver. B (34-LS001\N) SPONSOR STATEMENT

“An Act relating to specie as legal tender in the state; and relating to borough and city sales and use taxes on specie.”

House Bill 1 strengthens Alaska’s economic resilience and affirms our state’s commitment to individual liberty and fiscal innovation. This bill recognizes gold and silver specie—defined as coins or stamped bullion valued for their metal content—as legal tender in Alaska, while ensuring that transactions involving specie remain free from municipal sales and use taxes.

Alaska’s unique position as a resource-rich state with a history of independence calls for forward-thinking policies that diversify our economic tools. By designating specie as legal tender, HB 1 aligns with the U.S. Constitution (Art. I, Sec. 10, Cl. 1) and expands the mediums of exchange available to Alaskans. The bill includes specie issued by the federal government, certain foreign governments recognized by the U.S. and not deemed adversaries, and potentially the state itself, if judicially approved. Importantly, it respects private choice by not mandating acceptance of specie, preserving freedom in transactions.

To encourage the use of specie, HB 1 prohibits boroughs and cities—both home rule and general law municipalities—from imposing sales or use taxes on its sale or exchange. This tax exemption eliminates a financial barrier, making specie a more viable option for Alaskans seeking alternatives to traditional currency in an era of economic uncertainty.

Additionally, the bill directs the Legislative Budget and Audit Committee to explore further forms of legal tender, ensuring Alaska remains proactive in adapting to evolving financial landscapes. If practical, the committee will propose legislation to expand these options, fostering long-term economic flexibility.

HB 1 is a practical step toward empowering Alaskans with greater control over their financial choices, protecting against inflation, and reinforcing our state’s sovereignty within the bounds of federal law. I urge my colleagues to support this bill, which positions Alaska as a leader in innovative monetary policy while safeguarding the interests of our citizens.