

**HOUSE BILL NO. 1**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

**BY REPRESENTATIVES MCCABE, Underwood, Johnson, Rauscher**

**Introduced: 1/22/25**

**Referred: State Affairs, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1   **"An Act relating to specie as legal tender in the state; and relating to borough and city**  
2   **sales and use taxes on specie."**

3   **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4    \* **Section 1.** AS 29.10.200(56) is amended to read:

5                               (56) AS 29.45.650(c), (d), (e), (f), (i), (j), (k), [AND] (l), and (m)  
6                               (sales and use tax);

7    \* **Sec. 2.** AS 29.10.200(57) is amended to read:

8                               (57) AS 29.45.700(d), (e), (g), [AND] (h), and (i) (sales and use tax);

9    \* **Sec. 3.** AS 29.45.650(a) is amended to read:

10                           (a) Except as provided in AS 04.21.010(c), AS 29.45.750, and in (f), (h), (i),  
11                           (j), (k), [AND] (l), and (m) of this section, a borough may levy and collect a sales tax  
12                           on sales, rents, and services provided in the borough. The sales tax may apply to any  
13                           or all of these sources. Notwithstanding other statutes, exemptions may be granted by  
14                           ordinance. A borough may wholly or partially exempt a source from a borough sales

1 tax that is taxed by a city in that borough under AS 29.45.700.

2 \* **Sec. 4.** AS 29.45.650 is amended by adding a new subsection to read:

3 (m) A borough may not levy or collect a sales or use tax on the sale or  
4 exchange of specie. This subsection applies to home rule and general law  
5 municipalities. In this subsection, "specie" has the meaning given in AS 44.12.400(d).

6 \* **Sec. 5.** AS 29.45.700(a) is amended to read:

7 (a) A city in a borough that levies and collects areawide sales and use taxes  
8 may levy sales and use taxes on all sources taxed by the borough in the manner  
9 provided for boroughs. Except as provided in (d), (e), (g), [AND] (h), and (i) of this  
10 section, the assembly may by ordinance authorize a city to levy and collect sales and  
11 use taxes on other sources.

12 \* **Sec. 6.** AS 29.45.700 is amended by adding a new subsection to read:

13 (i) A city may not levy or collect a sales or use tax on the sale or exchange of  
14 specie. This subsection applies to home rule and general law municipalities. In this  
15 subsection, "specie" has the meaning given in AS 44.12.400(d).

16 \* **Sec. 7.** AS 44.12 is amended by adding a new section to read:

#### 17 **Article 5. Legal Tender.**

18 **Sec. 44.12.400. Legal tender.** (a) To the fullest extent allowed by art. I, sec.  
19 10, clause 1, of the Constitution of the United States, legal tender in the state includes  
20 specie issued by

21 (1) the federal government at any time if the federal government  
22 considers the specie legal tender;

23 (2) a foreign government if, at the time of a sale or exchange, the  
24 foreign government considers the specie legal tender and the foreign government is

25 (A) recognized by the United States Department of State as  
26 being the legitimate government of a country whose existence is recognized by  
27 the United States and has not been designated as a foreign adversary under  
28 federal law or regulation;

29 (B) a subnational unit of a government described in (A) of this  
30 paragraph that is authorized by the laws of that government to issue its own  
31 currency; or

1 (C) an international currency union made up exclusively of  
 2 countries described in (A) of this paragraph; or

3 (3) the state government if

4 (A) a court of competent jurisdiction, by final and unappealable  
 5 order, ruled the specie to be within state authority to designate as legal tender;  
 6 and

7 (B) the state government considers the specie legal tender.

8 (b) A person is not required to accept gold or silver specie as tender.

9 (c) The Legislative Budget and Audit Committee shall study the possibility of  
 10 establishing additional forms of legal tender for the payment of debts, including public  
 11 charges, taxes, and other money owed to the state. If the committee determines that  
 12 additional forms of tender are practical and beneficial, the committee shall prepare  
 13 legislation establishing an additional form of legal tender for introduction.

14 (d) In this section,

15 (1) "legal tender" means a recognized medium of exchange for the  
 16 payment of debts;

17 (2) "specie" means gold or silver valued primarily based on its metal  
 18 content and in the form of

19 (A) coin; or

20 (B) bullion that is stamped or imprinted with its weight and  
 21 purity.