

CS FOR HOUSE BILL NO. 3(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES MCCABE, Rauscher, D. Johnson, Cronk, Tomaszewski, Carpenter, McKay, Vance, Allard, Wright, Prax, Stutes, C. Johnson, Sumner, Foster, Stapp, Coulombe, Shaw

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 29.45.650(a) is amended to read:

5 (a) Except as provided in AS 04.21.010(c), AS 29.45.750, and in (f), (h), (i),
6 [AND] (j), and (l) of this section, a borough may levy and collect a sales tax on sales,
7 rents, and [ON] services provided in the borough. The sales tax may apply to any or
8 all of these sources. Notwithstanding other statutes, exemptions may be granted by
9 ordinance. A borough may wholly or partially exempt a source from a borough sales
10 tax that is taxed by a city in that borough under AS 29.45.700.

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

12 (l) A borough may not levy or collect a sales or use tax on the sale or
13 exchange of specie. In this subsection, "specie" has the meaning given in
14 AS 44.12.400(d).

1 * **Sec. 3.** AS 29.45.700(a) is amended to read:

2 (a) A city in a borough that levies and collects areawide sales and use taxes
3 may levy sales and use taxes on all sources taxed by the borough in the manner
4 provided for boroughs. Except as provided in (d), [AND] (e), **and (h)** of this section,
5 the assembly may by ordinance authorize a city to levy and collect sales and use taxes
6 on other sources.

7 * **Sec. 4.** AS 29.45.700 is amended by adding a new subsection to read:

8 (h) A city may not levy or collect a sales or use tax on the sale or exchange of
9 specie. In this subsection, "specie" has the meaning given in AS 44.12.400(d).

10 * **Sec. 5.** AS 44.12 is amended by adding a new section to read:

11 **Article 5. Legal Tender.**

12 **Sec. 44.12.400. Legal tender.** (a) To the fullest extent allowed by art. I, sec.
13 10, clause 1, of the Constitution of the United States, legal tender in the state includes
14 specie issued by

15 (1) the federal government at any time;
16 (2) a foreign government at any time; or
17 (3) the state government if a court of competent jurisdiction, by final
18 and unappealable order, ruled the specie to be within state authority to designate as
19 legal tender.

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

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

26 (d) In this section,

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

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

31 (A) coin; or

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

* **Sec. 6.** Section 4, ch. 100, SLA 2002, as repealed and reenacted by sec. 9, ch. 117, SLA 2003, and sec. 2, ch. 30, SLA 2005, is repealed and reenacted to read:

Sec. 4. AS 29.45.650(a) is amended to read:

(a) Except as provided in AS 04.21.010(c) [, AS 29.45.750,] and in (f), (h), (i), (j), and (l) of this section, a borough may levy and collect a sales tax on sales, rents, and services provided in the borough. The sales tax may apply to any or all of these sources. Notwithstanding other statutes, exemptions may be granted by ordinance. A borough may wholly or partially exempt a source from a borough sales tax that is taxed by a city in that borough under AS 29.45.700.