

HOUSE BILL NO. 167

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES MCCABE, McKay, Vance, Gillham, Rauscher, Kurka, Tilton, Prax, Nelson, McCarty

Introduced: 4/9/21

Referred: Community and Regional Affairs, 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 29.45.650(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 all of
8 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.

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.

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, gold or silver legal tender in the
14 state includes specie

15 (1) issued by the federal government; or

16 (2) that a court of competent jurisdiction, by final and unappealable
17 order, rules to be within state authority to designate as legal tender.

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

19 (c) In this section,

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

22 (2) "specie" means

23 (A) a coin that has gold or silver content;

24 (B) a coin made of refined gold or silver bullion that is
25 imprinted with its weight and purity and is valued primarily based on its metal
26 content and not on its form.

27 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
28 read:

29 FINANCE COMMITTEE STUDY. The house finance committee shall study the
30 possibility of establishing an alternative form of legal tender for the payment of debts, public
31 charges, taxes, and other money owed to the state. If the committee determines that an

1 alternative form of tender is practical and beneficial, the committee shall prepare legislation
2 establishing an alternative form of legal tender for introduction during the Second Regular
3 Session of the Thirty-Second Alaska State Legislature. In this section, "legal tender" means a
4 recognized medium of exchange for the payment of debts.