

**SENATE CS FOR CS FOR HOUSE BILL NO. 3(STA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered: 4/24/24

Referred: Finance

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

SENATOR Bjorkman

**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 if the federal government  
16 considers the specie legal tender;

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

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

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

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

28 (3) the state government if

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

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

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

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

8 (d) In this section,

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

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

13 (A) coin; or

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

16 \* **Sec. 6.** Section 4, ch. 100, SLA 2002, as repealed and reenacted by sec. 9, ch. 117, SLA  
17 2003, and sec. 2, ch. 30, SLA 2005, is repealed and reenacted to read:

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

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