

ALASKA STATE LEGISLATURE
HOUSE STATE AFFAIRS STANDING COMMITTEE

April 29, 2025

3:17 p.m.

MEMBERS PRESENT

Representative Ashley Carrick, Chair
Representative Andi Story, Vice Chair
Representative Rebecca Himschoot
Representative Ky Holland
Representative Sarah Vance
Representative Kevin McCabe
Representative Elexie Moore

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE JOINT RESOLUTION NO. 10

Proposing amendments to the Constitution of the State of Alaska relating to the Alaska permanent fund and to appropriations from the Alaska permanent fund.

- HEARD & HELD

HOUSE CONCURRENT RESOLUTION NO. 2

Proposing an amendment to the Uniform Rules of the Alaska State Legislature relating to voting and abstention from voting.

- MOVED HCR 2 OUT OF COMMITTEE

HOUSE BILL NO. 170

"An Act relating to a failure to report a violent crime."

- HEARD & HELD

HOUSE BILL NO. 1

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

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HJR 10

SHORT TITLE: CONST AM: PERMANENT FUND; POMV; EARNINGS
SPONSOR(s): REPRESENTATIVE(s) SCHRAGE

02/21/25 (H) READ THE FIRST TIME - REFERRALS
02/21/25 (H) STA, JUD, FIN
03/20/25 (H) STA AT 3:15 PM GRUENBERG 120
03/20/25 (H) -- MEETING CANCELED --
04/24/25 (H) STA AT 3:15 PM GRUENBERG 120
04/24/25 (H) Heard & Held
04/24/25 (H) MINUTE(STA)
04/29/25 (H) STA AT 3:15 PM GRUENBERG 120

BILL: HCR 2

SHORT TITLE: AMEND UNIFORM RULES: ABSTAIN FROM VOTING
SPONSOR(s): REPRESENTATIVE(s) MEARS

02/14/25 (H) READ THE FIRST TIME - REFERRALS
02/14/25 (H) STA
04/15/25 (H) STA AT 3:15 PM GRUENBERG 120
04/15/25 (H) -- MEETING CANCELED --
04/22/25 (H) STA AT 3:15 PM GRUENBERG 120
04/22/25 (H) Heard & Held
04/22/25 (H) MINUTE(STA)
04/24/25 (H) STA AT 3:15 PM GRUENBERG 120
04/24/25 (H) Heard & Held
04/24/25 (H) MINUTE(STA)
04/29/25 (H) STA AT 3:15 PM GRUENBERG 120

BILL: HB 170

SHORT TITLE: REPORTING VIOLENT CRIMES
SPONSOR(s): REPRESENTATIVE(s) BURKE

04/02/25 (H) READ THE FIRST TIME - REFERRALS
04/02/25 (H) STA, JUD
04/29/25 (H) STA AT 3:15 PM GRUENBERG 120

BILL: HB 1

SHORT TITLE: SPECIE AS LEGAL TENDER
SPONSOR(s): REPRESENTATIVE(s) MCCABE

01/22/25 (H) PREFILE RELEASED 1/10/25
01/22/25 (H) READ THE FIRST TIME - REFERRALS
01/22/25 (H) STA, FIN
04/15/25 (H) STA AT 3:15 PM GRUENBERG 120
04/15/25 (H) -- MEETING CANCELED --
04/29/25 (H) STA AT 3:15 PM GRUENBERG 120

WITNESS REGISTER

VENIETIA BINGHAM, representing self
Juneau, Alaska

POSITION STATEMENT: Testified in opposition to HJR 10.

THERESA OBERMEYER, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to HJR 10.

REPRESENTATIVE ROBYN NIAYUK BURKE
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, introduced HB 170.

LA CRETIA WILSON, Staff
Representative Robyn Niayuk Burke
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 170 on behalf of Representative Burke, prime sponsor.

AMBER NICKERSON
Anchorage, Alaska

POSITION STATEMENT: Gave invited testimony during the hearing on HB 170.

ANTONIA COMMACK
No address provided

POSITION STATEMENT: Gave invited testimony during the hearing on HB 170.

JAMES COCKRELL, Commissioner
Department of Public Safety
Juneau, Alaska

POSITION STATEMENT: Responded to questions during the hearing on HB 170.

JOHN SKIDMORE, Deputy Attorney General
Office of the Attorney General
Criminal Division
Department of Law
Anchorage, Alaska

POSITION STATEMENT: Responded to questions during the hearing on HB 170.

JULIE MORRIS, Staff
Representative Kevin McCabe
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Gave the section analysis for HB 1 on behalf of Representative McCabe, prime sponsor.

JP CORTEZ, Executive Director
Sound Money Defense League
Charlotte, North Carolina

POSITION STATEMENT: Gave invited testimony during the hearing on HB 1.

SALLY COX, Local Government Specialist
Division of Community & Regional Affairs
Department of Commerce, Community & Economic Development
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing of HB 1.

ACTION NARRATIVE

[3:17:04 PM](#)

CHAIR ASHLEY CARRICK called the House State Affairs Standing Committee meeting to order at 3:17 p.m. Representatives Moore, McCabe, Vance, Holland, Himschoot, and Carrick were present at the call to order. Representative Story arrived as the meeting was in progress.

HJR 10-CONST AM: PERMANENT FUND; POMV;EARNINGS

[3:17:49 PM](#)

CHAIR CARRICK announced that the first order of business would be HOUSE JOINT RESOLUTION NO. 10, Proposing amendments to the Constitution of the State of Alaska relating to the Alaska permanent fund and to appropriations from the Alaska permanent fund.

[3:18:59 PM](#)

CHAIR CARRICK opened public testimony on HJR 10.

[3:19:19 PM](#)

VENIETIA BINGHAM, representing self, testified in opposition to HJR 10. She said that she has been a resident for 30 years and believed that there are other means for the legislature to come up with funding, and the current approach was unnecessary.

[3:20:01 PM](#)

THERESA OBERMEYER, representing self, testified in opposition to HJR 10. She said that the Alaska Permanent Fund Corporation (APFC) Board of Trustees is not elected by the legislature. She said that she spent 2001 to 2015 hosting an online website that illustrates investments pertaining to the board. She said that she got almost 44,000 hits and yet nobody has checked the APFC Board and what it does. She did not understand why operating measures had not been reviewed over the years. She stated opposition for HJR 10. She opined that the APFC Board of Trustees should be confirmed by those in public office. In conclusion, she raised concerns over the current stock investment dynamics of the board.

[3:22:58 PM](#)

CHAIR CARRICK, after ascertaining there was no one else who wished to testify, closed public testimony on HJR 10.

CHAIR CARRICK announced that HJR 10 was held over.

HCR 2-AMEND UNIFORM RULES: ABSTAIN FROM VOTING

[3:23:27 PM](#)

CHAIR CARRICK announced that the next order of business would be HOUSE CONCURRENT RESOLUTION NO. 2, Proposing an amendment to the Uniform Rules of the Alaska State Legislature relating to voting and abstention from voting.

[3:23:50 PM](#)

REPRESENTATIVE STORY moved to report HCR 2 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HCR 2 was reported out of the House State Affairs Standing Committee.

[3:24:17 PM](#)

The committee took an at-ease from 3:24 p.m. to 3:27 p.m.

HB 170-REPORTING VIOLENT CRIMES

[3:27:10 PM](#)

CHAIR CARRICK announced that the next order of business would be HOUSE BILL NO. 170, "An Act relating to a failure to report a violent crime."

[3:28:09 PM](#)

REPRESENTATIVE ROBYN NIAYUK BURKE, Alaska State Legislature, as prime sponsor, introduced HB 170. She said that HB 170 seeks to increase the penalty for not reporting a violent crime, from a Legal Violation to a Class B Misdemeanor.

[3:28:57 PM](#)

LA CRETIA WILSON, Staff, Representative Robyn Niayuk Burke, Alaska State Legislature, on behalf of Representative Burke, prime sponsor, presented the sectional analysis to HB 170 [including in the committee file], which read as follows [original punctuation provided]:

Section 1 amends AS 11.56.767 (d) changing failing to report a crime from a violation to a class B misdemeanor.

Section 2 adds an applicability clause as amended by section 1 of this act which applies to offenses committed on or after the effective date of this Act. This means the State cannot retroactively charge a defendant.

MS. WILSON proceeded to discuss crime rates in Alaska. She said that it has remained consistently above the national average for more than four decades, including rural areas of the state. She said that these violent crimes consist of murder, attempted murder, kidnapping, attempted kidnapping, sexual penetration, or attempted sexual penetration.

MS. WILSON noted that Kathleen Joe Henry joins a "long list" of women who have lost their lives due to a violent crime. She was sexually assaulted and murdered in 2019. Her killer showed her dead body to another individual who failed to report the crime. That individual remains free to this day. She stated that failing to report a violent crime is currently a legal violation that involves a fine of up to \$500. She said that HB 170 would

increase this penalty to a Class B Misdemeanor, punishable with a jail sentence to 90 days, and a maximum fine of up to \$2,000. She noted that a higher penalty for failure to report violent crimes could prevent the escalation of violent crime and help save victims being murdered.

MS. WILSON highlighted that the Urban Indian Health Institute collected data in 71 cities across 29 states in an attempt to highlight the crisis of "missing murdered indigenous women and girls." She said that there are challenges with appropriate data for this type of study due to underreporting, racial misclassification, and other reasons. She said that in 2024 the Alaska Criminal Justice Data Analysis Commission found that many victims felt that they were not taken seriously by people in the criminal justice system. She commented that early prevention, awareness measures, and financial compensation were available for victims. She said that the Alaska Native Public Safety Officers "don't wait" campaign has attempted to educate the public that someone doesn't need to wait 24 hours to report a missing person or a violent crime.

[3:31:51 PM](#)

CHAIR CARRICK announced that the committee would hear invited testimony on HB 170.

[3:32:23 PM](#)

AMBER NICKERSON gave invited testimony in support of HB 170. She remarked that under the current language of Alaska Statute (AS) 11.56.767, the failure to report a violent crime against an adult is not mandated. By strengthening the statute, police and investigators can have a meaningful tool to go after individuals who conceal serious crimes. She said that people that have already come forward and reported these crimes would not be affected by strengthening the law. She said the legal changes would target those who stay silent.

MS. NICKERSON explained that the weakness in the current statute was exposed in the case involving Ian Calhoun and Brian Steven Smith. She remarked that even Deputy Attorney General John Skidmore acknowledged in a commentary to the Alaska Beacon that under Alaska law there is no duty for citizens to report crime and aid enforcement. She remarked that this was not acceptable. She said that by changing the violation to a Class B Misdemeanor, law enforcement can treat these cases with the seriousness that they deserve. She said that alleviation for

the failure to report violent crimes was needed and Alaska needs to do better. She noted that when researching other state penal codes, Ohio and Texas had similar penalties for failure to report these types of crime.

[3:34:48 PM](#)

ANTONIA COMMACK gave invited testimony in support of HB 170. She said that her advocacy started in 2017 when her friend Robin was murdered by her partner in front of their young children. Her other friend Cristen Huntington was violently beaten, murdered, and stuffed into a vacant apartment closet by her partner in 2020. She said that this is the reality for many Alaska Natives today. She said that she was not there to exclusively advocate for Native Alaskans' safety but for safety for all. She said that Ian Calhoun's case illustrated that there are already people who are not being held accountable for failing to report a violent crime. She reiterated that Deputy Attorney General John Skidmore wrote about this topic in the Alaska Beacon, but only after protests were held to raise awareness. She said that not only have Ian Calhoun's actions been acknowledged by Mr. Skidmore, but the states prosecutor Brittany Dunlop revealed that Brian Smith, the killer, had bragged to Ian Calhoun about "having fun" regarding the murder and had likely showed Ian Calhoun the deceased body. She said that there was no remorse or regret, only amusement. She highlighted that Ian Calhoun's court view record was clean despite all these things. She remarked that Ian Calhoun later notified to the killer that her body was discovered by law enforcement and he clearly had intimate knowledge of the violent crime. She inquired about why others had been charged with failure to report but Ian Calhoun was not penalized. She said that the goal of the proposed legislation is to give police the tools they need to hold violent criminals accountable.

MS. COMMACK remarked on the positive character of Kathleen, her love for family, and her family wishes for this law to pass. She said that Kathleen's family has kept quiet and did not want to talk about her story because what happened was too painful to speak about. She asked the committee to imagine if it were their mother, sister, aunt, or friend subject to violence. She said that HB 170 seeks to address this gap in the justice system, and she encouraged quick bill passage.

[3:40:26 PM](#)

CHAIR CARRICK asked the committee whether there were questions regarding HB 170.

[3:40:34 PM](#)

REPRESENTATIVE HIMSCHOOT remarked that it is always difficult to hear these types of accounts. She asked Representative Burke, bill sponsor, whether the current penalty for failure to report was a legal violation with a \$500 fine and what would change by making it a Class B Misdemeanor.

REPRESENTATIVE BURKE responded that by increasing the penalty to a Class B Misdemeanor, it would be punishable with a jail sentence up to 90 days with a fine up to \$2,000.

REPRESENTATIVE HIMSCHOOT asked whether Representative Burke had an idea of how many cases were like this and if the intent of the proposed legislation were to put more effort into finding people who failed to report crimes by making penalties stronger.

REPRESENTATIVE BURKE responded increasing the penalty would put more energy into investigating these cases.

[3:42:34 PM](#)

CHAIR CARRICK remarked that this question regarding the frequency of these infractions might be best addressed by Commissioner Cockrell.

[3:43:11 PM](#)

JAMES COCKRELL, Commissioner, Department of Public Safety (DPS), responded that there had been a "deep dive" into the department's record system, and no recent cases could be found regarding convictions for failing to report violent crime.

CHAIR CARRICK asked whether he felt that this was because the penalty was a legal violation as opposed to a misdemeanor.

COMMISSIONER COCKRELL responded that it may be two-fold. He said that law enforcement may not spend a lot of time on it and some law enforcement officers may not know about the current law regarding violent crime reporting. He said that one of his recommendations regarding the bill is to ensure that the people of Alaska know that if they do not report a violent crime against an adult, there would be consequences. He indicated that a public outreach initiative may incentivize people to

"reach out." He said that DPS was not opposed to HB 170 and there was a zero fiscal note for the department; however, he raised concerns regarding the consequences of raising the penalty.

3:45:43 PM

REPRESENTATIVE MCCABE asked Commissioner Cockrell whether the proposed bill would help law enforcement with violent crime investigations.

COMMISSIONER COCKRELL responded that the bill would not hurt law enforcement efforts, but law enforcement and the public need to know what the bill is, what it would do, how it would protect the public, and how to make reports. He reiterated that Alaska has a high rate of violence, and this was one way to try to deter it.

REPRESENTATIVE MCCABE commented on a previous public initiative to raise awareness to slow down for officers on the road. He assumed that initiative funding may have come from a grant and asked if doing something similar could be done to raise awareness regarding reporting violent crimes.

COMMISSIONER COCKRELL responded that he did not see any negatives to this and there was specific funding for Missing and Murder Indigenous Peoples (MMIP) initiatives that could provide a place for raising awareness on reporting violent crimes. He reiterated that public awareness was important and if the public did not know that it was required to report, than realistically these reports would not occur. He suggested this may be the reason why DPS records could not illustrate many cases.

REPRESENTATIVE MCCABE commented that he knew there was a list of spreadsheets in a previous hearing that highlight the "Missing" part of MMIP and if a more intense law were in place, there would be a reason to report it. He talked about trying these things together.

COMMISSIONER COCKRELL said that the Village Public Safety Officer (VPSO) is imperative in supporting MMIP initiatives. He noted that there was the "don't wait 24-hour campaign" that had a couple TV spots to support public education efforts. He said that DPS has spoken about this in the Tribal Affairs Committee for several years. He said that DPS wants to stay in touch with victims of violent crimes and support for the Navigator Program was important. He said the program does a good job of keeping

engagement and connection with DPS, and the troopers like the program, especially the investigators.

[3:51:07 PM](#)

REPRESENTATIVE HOLLAND said that he was curious about the nature of a Class B Misdemeanor and that on the surface it seems like a modest criminal offense. He asked if there was any background to why a Class B Misdemeanor was chosen as the penalty and what the stipulations were to a higher penalty.

COMMISSIONER COCKRELL replied that Deputy Attorney General John Skidmore could address this issue better. He said that some advocacy groups cautioned against raising the penalties to a degree that would prevent reporting.

CHAIR CARRICK said that in a moment Deputy Attorney General John Skidmore could address these types of questions.

[3:52:24 PM](#)

REPRESENTATIVE HIMSCHOOT asked Commissioner Cockrell how someone would prove a case like this and what kind of evidence would be required.

COMMISSIONER COCKRELL answered that the purpose of this bill is to stop violence from happening and essentially these things would be investigative and involve interviews.

REPRESENTATIVE HIMSCHOOT said that the consequence to a non-reporting individual would be higher; therefore, someone would be more motivated to report it. She also said that some people may not realize it is already a crime to not report violent offenses.

COMMISSIONER COCKRELL said that most people won't understand whether it's a Class A or Class B Misdemeanor, or even a Class C felony, but simply that they are required by law to report it, regardless of the penal class of the crime. He reiterated that public understanding regarding reporting violent crimes was important.

[3:55:20 PM](#)

CHAIR CARRICK asked whether there were any additional questions for Commissioner Cockrell.

[3:55:27 PM](#)

REPRESENTATIVE STORY remarked that she thought that education is very important and there should be a campaign due to the severe nature of the topic. She said that some people can be shocked and afraid that reporting violent crime could have repercussions, and ensuring anonymity and protection is imperative. She said that a public awareness campaign should emphasize anonymity.

COMMISSIONER COCKRELL remarked that DPS receives anonymous tips frequently and there is a "safety net" in place for those fearful to report a crime. He said that Mr. Skidmore could further address this issue.

[3:57:29 PM](#)

REPRESENTATIVE HOLLAND reiterated his question regarding the selection of a Class B Misdemeanor as the appropriate penalty for crime class. He asked what would have been the higher or lower penalty classes for the offense.

REPRESENTATIVE BURKE responded that there were a few different iterations of the bill with different penalty levels for non-reporting. She remarked that as Commissioner Cockrell had mentioned, a level of crime needs to be established that would not hinder people from making reports. She noted that the purpose of HB 170 is to be an investigative tool for violent crimes. She also noted that several people and groups were consulted regarding an appropriate crime level. She noted that there was a companion bill in the Senate and given joint discussions, a Class B Misdemeanor was selected.

[3:59:40 PM](#)

REPRESENTATIVE VANCE said that she had questions about this and one area worth looking at was mandatory reporting for crimes against children. She asked whether this bill would make everybody a mandatory reporter regarding these high-level crimes.

[4:00:08 PM](#)

JOHN SKIDMORE, Deputy Attorney General, Office of the Attorney General, Criminal Division, Department of Law, advised that under current statute, a legal violation occurs if the person

witnesses what they should have known as a violent crime. He said that there are some challenges to this, and an example heard earlier was that someone saw a body in a vehicle. He said whether a murder was witnessed would be subject to litigation. If you come across someone and the act is in process, then it would require reporting. He said the bill would require reporting to law enforcement, ensuring that it was reported, or intervening and attempting to stop the act from occurring. If successful, no report would be necessary. He said that all HB 170 does is change the penalty from a Violation to a Class B Misdemeanor.

REPRESENTATIVE VANCE asked that given this specific statute, what kind of immunity is available to people who fail to report a violent crime offense.

MR. SKIDMORE responded that if someone has witnessed a crime and they have not reported it immediately and don't fall into one of the "exceptions" found in statute, then in order to have that person's testimony provided at trial, the state would be obligated to request the court to order immunity to that individual to compel them to testify. He said there is also the Fifth Amendment privilege that someone could not be compelled to testify. He said that in these instances immunity would be required.

MR. SKIDMORE in response to a previous question from Representative Holland, remarked that when the violent reporting statute was made in 2008, the original penal class that was proposed was a Class C felony. There were Senate discussions at this time that discussed this "immunity." He said that following these discussions, the determination was made that a violation was the appropriate level of crime for the offense to non-reporters.

REPRESENTATIVE VANCE asked what the legal timeframe was that someone had to report a violent crime and what would be considered reasonable.

MR. SKIDMORE answered that the statute speaks to a "reasonable" period; however, there is no set time in legal definition, and this would require evaluations on a case-by-case basis.

REPRESENTATIVE VANCE remarked that Mr. Skidmore has vast experience of this, and the goal is to get people to report these crimes. However, she noted that there may be people fearful that this would enact a "nanny state." She raised

concerns that prosecutions with possible jail time would be the result of failed reporting. She asked whether he could speak to these concerns and any public perception of "government overreach."

MR. SKIDMORE responded that this is a discussion that would be a policy decision for the legislature to make as to whether this is the type of conduct that should be criminalized or left as the current violation. He said that the two sides of the debate are that on "one hand," some would argue that the legislation would make a "nanny state"; and the "other hand," it is a moral social contract that society should report these types of violence. He said that he believed these are at the heart of this discussion and would require legislative deliberations.

REPRESENTATIVE VANCE thanked Mr. Skidmore for his perspectives and that in Alaska any crimes reported against children have serious implications and violent conduct against vulnerable adults also requires serious attention. She asked whether Mr. Skidmore had any insight into how this area of statute could help with prosecutions. She said that this area of statute is seemingly vague and inquired about what tools would be required to support what the communities are seeking.

MR. SKIDMORE said that he did not have any recommendations for how to amend or alter HB 170. He said that there are policy questions that the legislature would need to grapple with regarding criminality and reporting. He said that certainly the goal is to encourage everyone to report crime and whether the proposed bill would accomplish this is to the legislature's discretion.

[4:07:57 PM](#)

REPRESENTATIVE HIMSCHOOT asked what constitutes a violent crime that would require mandatory reporting.

REPRESENTATIVE BURKE responded that it would constitute murder or attempted murder, kidnapping or attempted kidnapping, sexual penetration or attempted sexual penetration by another. Particularly to those without consent or who are incapacitated.

REPRESENTATIVE HIMSCHOOT said that the statute also specifies an adult and asked whether there was a separate statute section addressing children.

REPRESENTATIVE BURKE responded that there was a separate section addressing children.

[4:09:38 PM](#)

CHAIR CARRICK asked for clarification on whether attempted murder constitutes a violent crime.

MR. SKIDMORE responded that it is a violent crime.

[4:09:54 PM](#)

CHAIR CARRICK announced that HB 170 was held over.

[4:10:16 PM](#)

The committee took an at-ease from 4:10 p.m. to 4:15 p.m.

HB 1-SPECIE AS LEGAL TENDER

[4:15:30 PM](#)

CHAIR CARRICK announced that the final order of business would be HOUSE BILL NO. 1, "An Act relating to specie as legal tender in the state; and relating to borough and city sales and use taxes on specie."

[4:15:54 PM](#)

REPRESENTATIVE MCCABE, Alaska State Legislature, as prime sponsor, presented HB 1. He remarked that HB 1 is a bill rooted in Alaska's constitutional authority and attempts to protect the financial freedom of everyday Alaskans. He noted that a sectional analysis was available and could be reviewed on record [included in the committee file]. He explained that HB 1 would recognize gold and silver specie as legal tender in Alaska under Article 1 Section 10 of the U.S. Constitution, as well as the Tenth Amendment. He explained that it would secure the rights of Alaskans with the Ninth and Tenth Amendments and allow tendering of gold and silver to pay debt where accepted. It would bring Alaska into full compliance with the U.S. Constitution by aligning state policy with the treatment of gold and silver specie as legal tender. The proposed bill would prohibit boroughs and municipalities from taxing precious metal exchanges when used as currency for transactions. He explained that currently this tax occurs. He said the proposed bill would protect Alaskans from double taxation, but one would still have

to pay any sales tax, if applicable. The bill addresses only sales tax on the purchase and use of the specie itself. The legislation clarifies that nobody is required to use specie, and it is about freedom of choice, not mandates. He also explained that the seller and the buyer must agree to this type of transaction. He said it would prepare Alaska for the future by granting the Legislative Budget and Audit Committees the power to explore tools like state held gold reserves or repositories. He said this bill matters because it asserts state sovereignty and reclaims the powers that have long gone unused. It would protect Alaskans from inflation, especially seniors, wage earners, and small savers - those hardest hit by a devaluating dollar. It would correct a fundamental unfairness; the state does not tax stock or bonds and the state shouldn't penalize those who wish to save in gold or silver. The proposed legislation would establish Alaska leadership in a growing national movement towards sound money policies.

REPRESENTATIVE MCCABE remarked that national momentum is moving quickly in this arena, and new updates have occurred. He said that HB 1 reaffirms gold and silver as legal tender and stops local level taxes on specie. It would keep Alaska at the forefront of the national "sound money movement." He said that Alaska would become the seventh state to reaffirm gold and silver as legal tender, joining Wyoming, Utah, Oklahoma, Louisiana, Arkansas and Alabama with similar policies. He said that 46 states had now eliminated sales taxes on gold and silver, and nine of these states had acted on this in the last four years. He said that 14 states have ended capital gains taxes on precious metals, including Idaho. He said this is a growing bipartisan national trend with legislative winds in five states that are working on similar legislation this year. He said bills on this issue are occurring in Alaska, Florida, Indiana, Missouri, and Tennessee. HB 1 would reaffirm gold and silver as legal tender in Alaska and ensure that cities, boroughs and municipalities cannot impose sales tax on these transactions. He said that this would close a loophole left by a lack of a state sales tax and aligns Alaska with the "sound money movement."

REPRESENTATIVE MCCABE remarked that the Alaska Municipal League has voiced concerns about the potential revenue loss, but it was important to keep in mind that Alaska does not track precious metal sales separately. The impact would be unknown but likely minimal given some research in other states such as New Hampshire. He said that given an estimation it would likely be less than \$27,000 in Alaska. He said that HB 1 would not fix

the Federal Reserve but give Alaskans a tool to "fight back," restore constitutional fidelity, provide financial resilience, and end unjust local taxation. The proposed legislation would protect small savers, empower choice, and establish Alaska leadership on this monetary policy. He said it would preserve, promote, and protect the state's economic security and the welfare of its people while affirming their right to use "sound money" in everyday transaction. In closing, he remarked that this would be a "portable" way to store value. He remarked on inflation with the U.S. dollar and discussed value storing approaches with land and real estate. He said that someone could not sell land or real estate for a loaf a bread, but with specie it would support "small savers." He remarked on gold maintaining value with regards to other goods in the United States. He gave an example of a small saver that could invest a couple hundred dollars in precious metals every month and gain the ability to store value.

[4:22:10 PM](#)

JULIE MORRIS, Staff, Representative Kevin McCabe, Alaska State Legislature, on behalf of Representative McCabe, prime sponsor, presented the sectional analysis on HB 1 [included in the committee file], which read as follows [original punctuation provided]:

Sections 1 & 2: Amend AS 29.10.200 to ensure boroughs and cities cannot impose sales or use taxes on specie by adding new subsections (m) and (i) to the list of protected tax exemptions.

Section 3: Updates AS 29.45.650(a) to reference the new prohibition on taxing specie, ensuring boroughs comply with the restriction.

Section 4: Adds AS 29.45.650(m), explicitly prohibiting boroughs from levying sales or use taxes on the sale or exchange of specie. This applies to both home rule and general law municipalities.

Section 5: Amends AS 29.45.700(a) to ensure city taxation policies align with the borough restrictions on taxing specie.

Section 6: Adds AS 29.45.700(i), prohibiting cities from imposing sales or use taxes on specie, applying to both home rule and general law municipalities.

Section 7: Creates AS 44.12.400, establishing specie as legal tender in Alaska, including:

- Specie issued by the U.S. government, recognized foreign governments, or the state (if legally authorized).
- No requirement for individuals or businesses to accept specie.
- A Legislative Budget and Audit Committee study on additional legal tender options for state debts, including taxes.
- Defines "specie" as gold or silver in coin or bullion form, valued by metal content.

[4:25:12 PM](#)

REPRESENTATIVE MCCABE clarified one point of confusion. This bill is only concerning the purchase of specie. He explained that specie is much like a gold coin and if used for a transaction then the tax would still be there. He said that really this legislation is for the initial purchase of these types of precious metals. He said that if someone took two \$50 bills and exchanged for a \$100 bill, there would be no tax. However, with specie there would be taxation, including in Wasilla. He said that the goal is to get equality when used as legal tender when the price is the same. He said that a sheet of \$2 bills is a collectible worth about fifty dollars, but cut up and used individually for purchase, those \$2 bills would be worth their face value. If these precious metals are sold as a collectible, then taxes would be owed. He said that these things are a little bit nuanced and confusing but clarified that HB 1 was focused on the tax on specie.

[4:27:05 PM](#)

CHAIR CARRICK announced the committee would hear invited testimony on HB 1.

[4:27:16 PM](#)

JP CORTEZ, Executive Director, Sound Money Defense League, gave invited testimony in support of HB 1. He said that removing sales tax from gold and silver from localities and municipalities is a trend nationwide. He reiterated that 46 states have now eliminated the sales tax on purchases of precious metals. He also reiterated that this process would involve exchanging one form of constitutional money for another.

He used the example of exchanging four quarters for a single dollar: one form of money to another. He said that HB 1 would align Alaska with the U.S. Constitution and enact parity between investments of precious metals and other financial instruments such as stocks.

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REPRESENTATIVE HOLLAND asked whether the proposed bill was two-part. One was the elimination of sales tax on the purchase of specie and the second, establishing specie as a legal tender for transaction. He asked whether other states were putting these changes in place simultaneously or whether they were addressing one part or another. He was curious about the structure of the bill and what has been occurring in other states.

MR. CORTEZ responded that these changes are not necessarily happening in tandem. He reiterated that 46 states had eliminated sales tax on precious metals and fewer states had constitutionalized precious metals as legal tender. However, more states are introducing legal tender issues as a stand-alone bill in many cases. He said that after eliminating the sales tax on previous metals, a bill that symbolically reaffirms gold and silver as legal tender has zero cost to the state and would not carry mandates on accepting this type of payment. He said many states are taking the opportunity now to pass legislation like this. He said that last week the governor of Alabama signed a bill that did not include the sales tax issue because Alabama had already exempted precious metals from state sales tax. He said that the State of Alabama had a symbolic legal tender bill much like what HB 1 proposes. He said that more states are doing this because it costs nothing to the state and comes with no mandates to businesses.

REPRESENTATIVE HOLLAND, in terms of the intent and purpose in Alaska, asked whether these two parts of the bill were of equal importance to people who support the bill.

REPRESENTATIVE MCCABE responded that there is interest in Alaska, he mentioned a shop in Wasilla that buys and sells specie. He said there is also interest in the prepper community and those that want to store value in safes as opposed to banking systems. He said that some of these people are prohibited by taking part in this form of storing value due to the sales tax. He said that generating support by having these tax changes in play is important for formalizing use of specie. He said that once the bill is established there are several

Alaskans that support changes. He said that when thinking of the "prepper mentality" and if there is a currency problem with the United States Dollar, then someone could still have some economic churning with gold and silver. He mentioned that Argentina had a large economic problem in 2000, and some people had used BIC Lighters as currency. He described super inflation in countries that eliminated the practical use of currency. He said that one half of the bill was symbolic and yes, the sales tax is important for folks that support the bill.

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CHAIR CARRICK asked whether the bill would specially authorize specie but inquired about individuals who just have gold and silver in other forms and want to use them as a currency.

REPRESENTATIVE MCCABE said that Mr. Cortez could address this, but he suspected that for use as currency it may require a certain purity level and the weight stamped on it. He illustrated the example of the specie that was brought to the committee.

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MR. CORTEZ responded that Representative McCabe was correct, and this was an IRS rule. To qualify as "tradable gold," the gold requires weight and purity stamping. He said this is to confirm validity.

CHAIR CARRICK asked whether the specie that Representative McCabe had before committee was not necessarily the only kind of acceptable specie. She explained that she had a personal collection of silver but in the form of coins. She asked whether the bill would recognize other gold and silver forms or whether it was focused on specie. She was unsure of the parameters of what would be included.

REPRESENTATIVE MCCABE responded that this could include gold and silver coins, specie (the bills presented before committee), and even Krugerrands. All these could be considered and reminded committee members that it does not apply to "collectible value." He gave an example of a Roman coin and its value exceeding the precious metal price.

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REPRESENTATIVE STORY said that given previous discussions of the bill concept, she had reached out to the Department of Revenue and reported that they explained that there was no way to measure the value due to changes. She inquired to the "voluntary" nature of the bill and who can use it and how one could visualize different groups using it.

REPRESENTATIVE MCCABE mentioned that a store in Wasilla buys and sells gold backs (specie). He said that if he brought a \$4 Goldback to the store, the store could evaluate the spot price for the gold prior to a transaction. He reiterated that he would be paying any taxes to Wasilla. He reiterated that it is nuanced; he did not envision that the average store would collect these but that some stores would use Goldbacks for trade. He thought that some stores would probably keep those Goldbacks and not put them into play until needed for purpose of storing value. He mentioned that in the Old West, a one-ounce piece of gold could buy a nice suit and vest; today it would be the same given spot prices. He said that gold has tracked commodity prices whereas the U.S. Dollar (USD) has not.

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CHAIR CARRICK said that in states with specie, it seems that the vision is that it would be something at a purely local level. Her example was that she could exchange on Venmo to another person, Venmo could charge a transfer fee. She said that this would not be the case for specie if the proposed bill passes. She said the vision is that it may only be implemented at a small local level. She said that Fred Meyer store likely wouldn't take Goldback for transactions.

REPRESENTATIVE MCCABE responded that Fred Meyer likely would not want to do this, but smaller businesses may be open to the idea. He agreed that Fred Meyer and larger organizations may not want to deal with the extra currency form for the same reasons as not wanting to deal with Canadian Dollars and other foreign currencies. He mentioned that he had spoken with former Senator Bishop about a state repository that could be interested in collecting and holding gold and silver as a storable value for the state. He said that Texas has a law for this and other states are considering it. He referred to them as the state's very own Fort Knox. He said that the Chinese were buying gold by the pallet to store value.

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REPRESENTATIVE HIMSCHOOT asked how someone would know that the specie is pure.

REPRESENTATIVE MCCABE said that Mr. Cortez could better address this issue. He noted that there is a website, Goldback.com, that talks about the military level encryption it uses. He said that if something was 1/1,000 of an ounce then 1,000 could theoretically be weighed. He said that the risk could be like counterfeit \$100 bills. He said that buying it from a quality buyer would foster trust.

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MR. CORTEZ added that as Representative McCabe had mentioned, it would be incumbent on the vendor to confirm that whatever money it is accepting, USDs or gold, is what it is purported to be. He said that today there are many ways testing can be done, including apps on phone and various testing apparatus. He said that several methods exist today to confirm the validity. He reminded the committee that this would not place a mandate on vendors but anyone who would accept this would take steps to ensure authenticity.

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REPRESENTATIVE HOLLAND discussed the rich history that gold had for the State of Alaska and historical gold rushes. He said he is intrigued by the idea that Alaska can endorse gold in different ways. He noted that currency has changed, especially given the advent of cryptocurrency. He said that many of these "virtual" cryptocurrencies have become accepted despite their shortcomings regarding tracking. He asked how Alaska deals with something virtual like Bitcoin and whether it is related to the argument regarding specie as currency. He noted that there is an intangible nature to Bitcoin as opposed to the tangible aspects of Gold. He inquired whether HB 1 would allow anything different from what has been allowed in other areas of currency.

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SALLY COX, Local Government Specialist, Division of Community & Regional Affairs, Department of Commerce, Community & Economic Development responded that she did not have a specific answer but could follow up with an answer.

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MR. CORTEZ added that the proposed bill would not impact current dynamics associated with Bitcoin and other forms of cryptocurrency. He said that one of the shortcomings of Bitcoin is the intangible nature of it which makes it riskier than other forms of currency. He said that gold and silver are the extinguishers of debt. He noted that the founding fathers knew the value of gold and silver and that's why they wrote about the perils of paper money. Many of these perils could be applied to cryptocurrency or "internet money." He said the reason the Federal Reserve note has shortcomings regarding cryptocurrency is due to its sort of "imagined" nature. He reiterated that gold and silver are mentioned in the U.S. Constitution. He reiterated that this movement was a national trend and earlier this year Wyoming created a gold and silver reserve with other states considering similar measures. He said that this is all speaking to a "reimagining" of money. He discussed that many groups are reconciling that many balance sheets are USD denominated debt that has worse rates of return than gold and silver. He said that there is a shaking confidence in the monetary policy of the USD and that countries across the world are stockpiling gold because it is an apolitical form of currency. He said that HB 1 is promoting gold and silver and allowing people to more easily adopt a gold standard.

REPRESENTATIVE MCCABE said that if someone studied history, the beginning of a demise of any dynasty is when it starts down the fiat currency, gold that is backed by nothing. He said that this proposed legislation would make the gold that used to back the USD into something that could be in someone's pockets rather than Fort Knox. He said that if someone went into the prepper mentality and the "sound money" defense mentality, the objective is to make money tangible again.

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CHAIR CARRICK said that while both gold and silver have over time maintained stable value, on a day-to-day basis they can fluctuate. She said that she was unsure how exactly a merchant could decide what the value is on a given day. She asked how other states have navigated this type of merchant discretion.

REPRESENTATIVE MCCABE responded that anybody who uses this understands the limitations. He said that he used to travel internationally and when going to China and staying at a hotel, the counter of the hotel would set the trading price for Chinese Yuan to USD for the day. He said that if changing to the local currency there is an exchange rate based on what the current

market conditions are. Someone using a Goldback or specie would be in the same boat and understand these fluctuations. He said that some apps assess spot prices for precious metals; it could be used to determine the spot price for gold or silver.

CHAIR CARRICK replied that it would be a domestic currency that would operate like a foreign currency and that most vendors probably would not accept it, and it would change on a regular basis.

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REPRESENTATIVE VANCE said that she went to a museum in Virginia that had the history of this debate. She noted that the danger of having a note is that the USD is not real but a promissory note. She said that the value of the dollar fluctuates all day long and this is a reason for inflation. She referred to inflation as a "thief in the night" and remarked that the public doesn't pay attention to these fluctuations. She said the value in gold and silver is not having this promissory note and gave her wedding bands as an example of gold and silver appreciation. She said that she supports the bill because people could feel that the money they earn is secure. She asked whether HB 1 could help the cannabis industry given its challenges depositing the USD, and whether the legislation support these types of industries.

REPRESENTATIVE MCCABE responded that the proposed legislation could support the cannabis industry because it would not require a bank. He noted that the cannabis industry has challenges depositing money and gold could be stored in a safe without any bank interventions. He said it could accrue the same or better return than placing \$10,000 in the bank given bank interest rates. He said the gold would maintain and accrue more value over time.

REPRESENTATIVE MCCABE, in response to a previous comment from Chair Carrick, noted that yes there are minor daily fluctuations; however, if he were a merchant and accepting Goldbacks, he would be stashing every single one into his safe to combat inflation because they store value exceptionally.

REPRESENTATIVE VANCE asked Representative McCabe why the proposed bill did not include the authority for the State of Alaska to make a repository so that gold could be used as a debit much like what the state of Texas is doing.

REPRESENTATIVE MCCABE responded that he felt the current bill was enough of a leap for the legislature and he wanted to start there first. He said the transactional bit is another "bunny trail." He described the dynamic of buying gold with U.S. dollars and putting physical gold in a repository with someone's name on it. He said that a credit card can be used relative to that stored gold and its value. He felt that this is a bit more complicated than what he wanted to do currently. He said that an amendment could always be put in place.

REPRESENTATIVE VANCE said that the transactional piece would be very practical because someone has a debit that is easily usable. She said it would be used for whatever and where a Goldback may not be accepted; it would encourage more participation due to merchant discretion. She opined that the fact that other states are doing it is incredible. She said that she was surprised that Alaska moved away from using gold and silver as legal tender due to the history of the state. She asked whether Representative McCabe had any insight into when Alaska stopped using gold.

REPRESENTATIVE MCCABE said that there are three presidents that impacted the gold standard and noted that Mr. Cortez could better address the history of the gold standard and the USD.

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MR. CORTEZ said that the USD was formerly convertible, and someone could go to a bank and convert Federal Reserve notes for ounces of gold. He remarked that in 1971, under the Nixon Administration, this practice stopped. He noted that since then, the U.S. has been on an entirely paper currency, which has caused issues. He said that the "paper money experiment" has trended like others in history. He said that this legislation would help address this issue. He opined that monetary dysfunction today comes from the Federal Reserve, and this would be a state approach to mitigate issues associated with no gold backing.

MR. CORTEZ said that further legislation could create state repositories, enable treasurers to change investment approaches, and allow other transactional vehicles to be considered. He said that many states start with this type of legislation before pursuing additional transactional approaches. He reiterated that the state should not penalize people for investing in gold or silver if they choose.

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CHAIR CARRICK asked whether only a private entity produces the specie or whether the state produce these as well.

REPRESENTATIVE MCCABE responded that Mr. Cortez could address this better, but he believed that a private entity usually produces it, but production is sponsored by the state. He explained that the specie example at the committee was sponsored by the State of Florida. He said that Florida was unique in the regard that it produced the example specie before the law was put in place. He said that specie was somewhat fluid at the moment.

MR. CORTEZ added that in the case of Goldbacks, it was a private company that produced the example. He said that it was not minted by the state. He said the State of Tennessee is currently considering legislation to actively mint things like Goldbacks. He said as far as what HB 1 pertains to, it would be more Internal Revenue Service (IRS) classification which would include things like Goldbacks, privately minted rounds, and even government minted coins. He said that the U.S. Mint releases a gold and silver eagle, buffalo, and other minted precious metals. He then discussed other countries that produce government minted items. He said that it would not exclusively pertain to privately minted items.

CHAIR CARRICK said that Alaska has a long history of bartering and exchanging goods for other goods. She said that there is nothing in state law that prohibits this to her understanding. Right now, gold and silver are treated as a good rather than tender. She inquired about why it is important to have this legislation rather than the current status quo. She said that she could go to a friend's house to buy a bike and then exchange it for silver troy ounces. She asked why it should be a recognized tender opposed to how people might exchange currently.

REPRESENTATIVE MCCABE replied that it was about portability and storability. He remarked on the physicality of the tender and the serial numbers and other recognizable features. He said many things that are bartered are in the safe and things like diamonds were even more difficult to evaluate. He said that the specific examples of specie before the committee were easy to store and easy to make determinations of authenticity. He suggested this might be a difference when it comes to bartering. He said that one of his dreams is to see an Alaska-specific

specie. He said that former Senator Revak wanted to send it to the Alaska Arts Council and have a contest for the artwork on potential Alaska Goldbacks.

MR. CORTEZ added that the legislation was symbolic in nature as Alaska would embrace gold and silver as legal tender, but it would offer contractual protection in the case of a contract denominated in gold and silver. He said by not taxing this, if someone went into a contract and the payment was in gold and silver and there was a dispute in court, the courts currently would not recognize gold or silver as legal transactional tender. He said that the proposed legislation would try to address this. He concluded that having these legal tender classifications in place was important.

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CHAIR CARRICK announced that HB 1 was held over.

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ADJOURNMENT

There being no further business before the committee, the House State Affairs committee meeting was adjourned at 5:10 p.m.