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**CITY OF HOMER  
HOMER, ALASKA**

Aderhold

**RESOLUTION 24-022**

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA  
OPPOSING ALASKA HOUSE BILL 3, TITLED "AN ACT RELATING TO  
SPECIE AS LEGAL TENDER IN THE STATE; AND RELATING TO  
BOROUGH AND CITY SALES AND USE TAXES ON SPECIE"

WHEREAS, The Alaska House of Representatives passed House Bill (HB) 3 in May 2023 and sent it to the Alaska Senate where it has been referred to Senate committees on State Affairs and Finance; and

WHEREAS, HB3 would amend Alaska Statute (AS) Title 29 in the following ways:

1. Define "specie" as gold or silver valued primarily on its metal content and in the form of coin or bullion stamped or imprinted with its weight and purity and
2. Not allow municipalities to tax specie; and

WHEREAS, Alaska's constitution, Article 10 – Local Government, begins by stating "The purpose of the article is to provide for maximum local self-government ... A liberal construction shall be given to the powers of local government units."; and

WHEREAS, Municipalities within Alaska currently receive tax revenues from the trade in gold and silver; and

WHEREAS, Removing a source of tax revenue from municipalities is not fair to municipalities, particularly at a time when state revenue sharing with municipalities is uncertain and the State is forcing municipalities to take on more and more funding burdens.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, opposes HB3.

PASSED AND ADOPTED BY THE CITY COUNCIL OF HOMER, ALASKA, THIS 12<sup>th</sup> day of February 2024.

CITY OF HOMER

\_\_\_\_\_  
KEN CASTNER, MAYOR

43 ATTEST:

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47 MELISSA JACOBSEN, MMC, CITY CLERK

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49 Fiscal Note: N/A

**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: 5/8/23

Referred: Rules

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

**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

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

3 \* **Sec. 6.** Section 4, ch. 100, SLA 2002, as repealed and reenacted by sec. 9, ch. 117, SLA  
4 2003, and sec. 2, ch. 30, SLA 2005, is repealed and reenacted to read:

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

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