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JEDC Research Note: Analysis of Proposition B for October 2026 Juneau Municipal Election

September 14, 2026

Juneau Ballot Measures: Household and Revenue Implications

Two citizen ballot initiatives on the October 6, 2026, regular municipal election seek to restore revenue lost and give the municipality greater capacity to raise revenue in the future after the October 2025 election saw the food and utility sales-tax exemptions approved and the operational mill rate cap lowered to 9 mills.

This current analysis uses 2025 sales-tax data, an estimated 13,167 Juneau households, a 2026 cruise passenger estimate of 1.669 million, and an average assessed residential property value of $484,618[1]. It assumes Proposition A[2] passes, and Juneau retains a 5% base sales tax year-round, consistent with historical voting patterns.

This analysis focuses specifically on Proposition B, as stated: "the assembly shall not levy on real or personal property any tax exceeding the total of 12 mills plus that additional millage required to service general obligation indebtedness."[3] This proposal would reverse the operational cap set at 9 mills last year, though it would not automatically raise the operational mill rate to 12 mills.[4]

Proposition B: Property-tax capacity

Proposition B aims to effectively raise the upper limit of the operational mill rate to 12 mills, from the recently approved 9 mills.[5] At its current standing, the FY2027 mill rate at 9.00 mills, excluding general obligation indebtedness, corresponds to an estimated property-tax burden of about $3,982 for the average assessed home. The proposed 12 mill maximum could increase the property tax to $5,309, a $1,327 annual increase for the average property owner (if the Assembly would elect to

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[1] JEDC October 2026 Tax Proposal Analysis

[2] Proposition A states: "Shall the City and Borough of Juneau, Alaska, levy and collect a temporary 3% areawide sales tax on the price of all taxable sales of goods and delivered in the City and Borough, effective July 1, 2027, for a period of five years only, in addition to the 1% permanent areawide sales tax and the 1% temporary areawide sales tax?" Under the assumed Proposition A outcome, Juneau maintains a 5% sales tax in all four quarters. This tax structure generates approximately $58 million annually from taxable sales.

[3] CBJ. (2026). Official Ballot Regular Municipal Election.

[4] The mill rate expresses the dollar amount taxed per every $1,000 of valued property. For instance, a 10.5 mill rate means for every $1,000 of property value, the taxpayer pays $10.50 in tax.

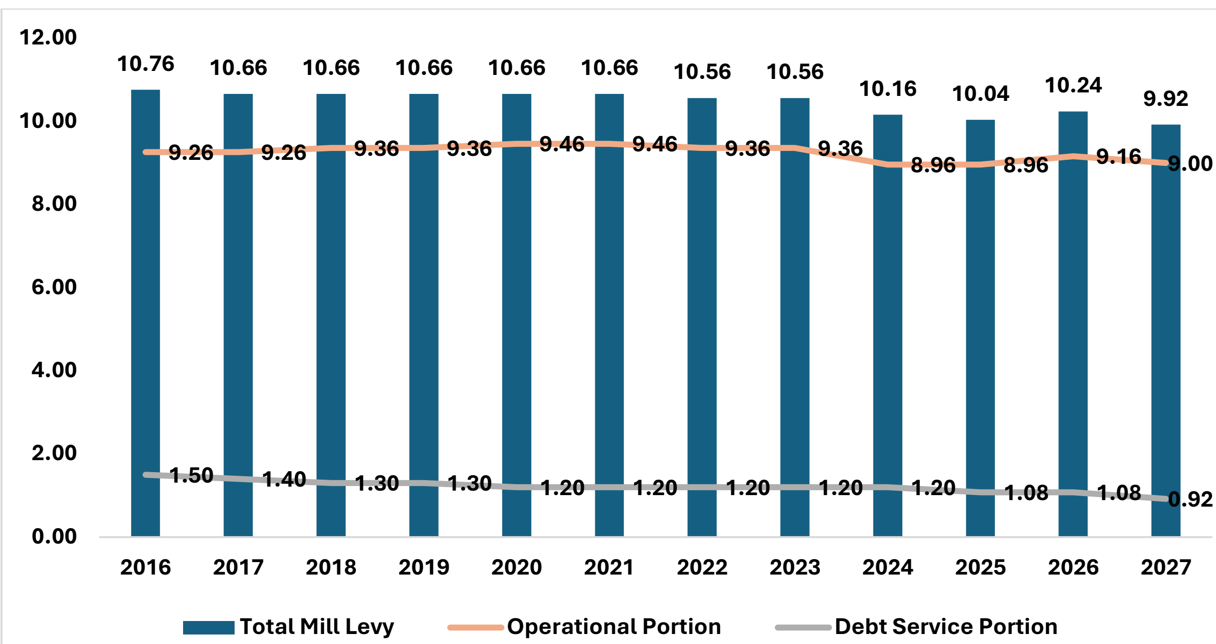
[5] The total mill rate in Juneau is comprised of the operational mill rate and the Debt Service mill levy. The operational mill rate obeys the mill rate cap and funds Areawide Services (like education), Roaded Services, and Fire Services. The Debt Service portion funds voter-approved debt, like General Obligation Bonds. The Debt Service levy is in addition to the operational mill rate, and not included in the mill rate cap. (CBJ Finance. (2025). Property Tax Information.)

raise the rate to the maximum allowable), though as history suggests, the maximum increase is unlikely to take effect.

The increase is dependent on the imposed rate, and authorizing a higher cap at 12 mills does not immediately raise the property tax. Instead, the actual taxpayer impact would depend on future budget decisions, assessed values, debt obligations, state and federal funding conditions, and the success of other revenue measures. Proposition B would return the maximum allowable operational mill rate to12 mills; it would not require the Assembly to levy the full 12 mills.

Despite the mill rate cap being set at 12 mills prior to October 2025, the operational mill rate in Juneau remained at 8.96 mills for the preceding two years. In fact, the operational mill rate had not exceeded 10 mills in the past two decades, as seen in Figure 1. Before the October 2025 election, the Assembly had passed a FY26 budget that included a 9.16 operational mill rate. The current FY27 projection reflects the voters' decision to lower the operational mill cap rate, and it has been set at 9 mills, with 0.92 debt service.

Figure 1: Historical Mill Rate for Juneau, Operational Plus Debt Obligations, by Fiscal Year[6]



[6] 2016 was chosen as the starting point in this graph because it represents the highest total mill levy since 2006, and the highest debt service portion since 2000.
CBJ Finance. (2026). Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025.

The mill rate cap last year was proposed in an effort to make the city more affordable, especially with the cost of housing a high concern among residents. Proponents of the initiative proposed:

> Whereas, the cost of living in the City and Borough of Juneau, Alaska is considerably higher than many other communities of a similar size in America; and, whereas, property taxes have a significant impact on the cost of living for renters and property owners in the City and Borough of Juneau, Alaska; and, Whereas reducing property taxes will constrain or reduce the cost of living for residents of the City and Borough of Juneau.[7]

Despite the possibility of a significant property tax increase with the operational mill rate raised back to 12 mills, based on historical practice, there is no evidence to suggest the maximum burden would occur. Instead, Proposition B restores the municipality's fiscal capacity at a time when recent sales-tax exemptions and a reduced operational mill rate cap have narrowed the revenue options for local government.

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[7] CBJ. (April 2025). Charter Petition Affidavit for Mill Rate Cap.