

Construction Tax and Property Conveyance	Fund 398
Tax Fund: Park Yards Purposes	

CONSTRUCTION TAX AND PROPERTY CONVEYANCE TAX FUND OVERVIEW:

San José Municipal Code Section 4.80.300 establishes a single fund, the “Construction Tax and Property Conveyance Tax Fund”, for the deposit and accounting of the Construction Tax and the Property Conveyance Tax (“C&C revenues”). The various “funds” to which C&C revenues are allocated are accounted for within the Construction Tax and Property Conveyance Tax Fund.

PURPOSE OF THE FUND:

Chapter 4.55 of the San José Municipal Code provides for the allocation and expenditure of C&C revenues. At least 64% of the revenues are allocated for the purposes of Park Improvements. For additional information on the collection and allocation of C&C revenues, please refer to the Construction Tax and Property Conveyance Tax Fund: Parks Purposes Central Fund. No more than 36% of the C&C revenues are allocated for other municipal improvements, including parks yards. Historically, the City Council has annually appropriated 1.2% of the C&C revenues for parks yards purposes.

Generally, the expenditures in this fund are limited to the purposes as provided in San José Municipal Code Sections 4.55.300A and 4.55.300B.4. These include the acquisition, construction, reconstruction, replacement, remodeling, modification, alteration, enlargement, renovation, furnishing and refurnishing and capital maintenance of City maintenance yards for park, playground and recreation facilities, including land and interests in land, buildings, streets and sidewalks adjacent to City maintenance yards for park playground and recreation facilities, and other structures or works necessary or convenient for the maintenance of the City park, playground and recreation facilities.

Additionally, the City Council may appropriate up to 15% of the allocation for parks yard purposes to the General Fund for park maintenance costs as defined in Chapter 4.54.

AUTHORITY FOR THE FUND:

San José Municipal Code Sections 4.80.300 through 4.80.320. Revenue and expenditure estimates are budgeted via City Council funding sources resolution and appropriation ordinance, respectively.

SOURCE OF FUNDS:

- Construction Tax (San José Municipal Code Chapter 4.54): An excise tax imposed at the rates set forth in San José Municipal Code Chapter 4.54 on every person who constructs, or causes to be constructed, any building, or portion thereof, or any mobile home lot in the City in which said person has an equity or title or other interest either as owner, leasee or otherwise.

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SOURCE OF FUNDS (CONT'D.):

- Real Property Conveyance Tax (San José Municipal Code Chapter 4.58): An excise tax imposed on each transfer, by deed, instrument or writing by which any lands, tenements, or other real property sold, located in the City, or is granted, assigned, transferred or otherwise conveyed to, or vested in, a purchaser or purchasers thereof, or any person or persons at or by the direction of said purchaser or purchasers, when the value of the consideration exceeds one hundred dollars. The tax is imposed at the rate of one dollar and sixty-five cents for each five hundred dollars, or fractional part of five hundred dollars, of the value of the consideration.
- Interest Earnings (see Fund Restrictions)
- Grants (by City Council practice, grants for park purposes are budgeted in this fund)

FUND RESTRICTIONS:

The fund is to be expended as outlined above. Per Section 4.55.310 of the San José Municipal Code, the City Council may transfer interest earnings in this fund into any special fund or the General Fund. Grant funds deposited in this fund are subject to the restrictions of the particular grant.

The sources of funding for this fund include special taxes. Increases to the tax rate or significant changes to the use of these taxes are subject to voter approval.

LEAD RESPONSIBILITY:

Parks, Recreation and Neighborhood Services Department

FINANCIAL INFORMATION AND LOCATION:

Comprehensive Annual Financial Report (CAFR) Designation:

Governmental Fund-Special Revenue

Budget Location:

Adopted Capital Budget and Capital Improvement Program (Parks and Community Facilities Development Capital Program)

Funding Sources Resolution and Appropriation Ordinance Location:

Section 12.20

NOTES:

When the Construction and Conveyance Tax revenues are received each month, they are deposited into the Construction and Conveyance Revenue Distribution Memo Fund (Fund 396). After the funds are deposited, they are distributed according to San José Municipal Code Chapter 4.55 and the Council approved distribution formula to the following C&C Tax Funds: Fire (8.40%); Park Yards (1.20%); Library (14.22%); Parks (64.0%); Service Yards (8.78%); and Communications (3.4%).

Updated as of: February 22, 2010