

Library Parcel Tax Fund**Fund 418****PURPOSE OF THE FUND:**

The Library Parcel Tax Fund accounts for the annual parcel tax revenues to be used for enhancing the City's library services and facilities. Under the authority of Chapter 4.79 of the Municipal Code, parcel tax on real property in San José is collected by the County of Santa Clara in two approximately equal installments in the same manner and on the same applicable dates as established by applicable law for the collection of ad valorem property taxes by the County. The proceeds of the parcel tax are deposited twice per year into the Library Parcel Tax Fund. These proceeds may only be expended for Library purposes, including the following:

- the acquisition of library books and materials and related costs to maintain Library collections at all Libraries;
- the development and delivery of homework and educational programs for all age groups to support literacy and lifelong learning;
- the repair, equipping and staffing of Libraries; and
- the cost of collection and administration of the Library Parcel Tax.

AUTHORITY FOR THE FUND:

In November 2004, the voters of San José approved the imposition of a library parcel tax (Measure S) which enacted Chapter 4.79 of the Municipal Code. This fund was established pursuant to San Jose Municipal Code Section 4.79.020 as part of the 2005-2006 budget process. Revenue and expenditure estimates are budgeted via City Council funding sources resolution and appropriation ordinance, respectively.

SOURCE OF FUNDS:

- Parcel Tax funds
- Interest earnings

FUND RESTRICTIONS:

All revenues, including interest earned on tax proceeds, must be used on appropriate library expenditures as specified in Chapter 4.79 of the Municipal Code.

Any increase in the parcel tax, other than described below, is subject to the limitations in Proposition 218.

LEAD RESPONSIBILITY:

Library Department

Library Parcel Tax Fund**Fund 418****FINANCIAL INFORMATION AND LOCATION:****Comprehensive Annual Financial Report (CAFR) Designation:**

Governmental Fund-Special Revenue

Budget Location:

Adopted Capital and Operating Budget and Capital Improvement Program (Library Program)

Funding Sources Resolution and Appropriation Ordinance Location:

Section 15.02

NOTES:

City Council Resolution Number 72269 (A Resolution of the Council of the City of San José Stating Its Intent to Maintain Funding Support for the Library) was adopted by the City Council on August 3, 2004. This resolution stated the City Council's intention that the base General Fund contribution to the Library Department annual operating budget be not less than 3.79% of the total Departmental City General Fund annual operating budget. The intent of this resolution is to ensure the Library Parcel Tax Fund does not absorb costs previously funded by the General Fund.

Beginning in 2006-2007, the City Council may increase the Library Parcel Tax rates if the City Council finds that the cost of living in the City of San José as shown on the Consumer Price Index (CPI) has increased over the preceding base period (which starting in 2007-2008, the base period is April 1 through March 31). The increase in the Library Parcel Tax rate may not exceed the increase in the CPI Index, and may never exceed 3%.