

# Residential Construction Tax Contribution Fund

## Fund 420

### PURPOSE OF THE FUND:

The Residential Construction Tax Contribution Fund accounts for taxes imposed upon the construction of single-family dwelling units or any mobile home lots in the City. The Residential Construction Tax is collected and placed in the Residential Construction Tax Contribution Fund and is used to reimburse developers who have constructed that portion of an arterial street that is wider than what is normally required in connection with residential development. The funds are also used to construct median island landscaping and other street improvements.

The San José Municipal Code regulates the expenditures and the reimbursement of revenues to individuals who incur expenditures to construct or maintain, at their own expense, city streets, highways, etc. If the taxes in the fund are insufficient to make a full reimbursement, available funding should be used, with the remainder of the reimbursement to be processed once additional taxes are received.

### AUTHORITY FOR THE FUND:

San José Municipal Code Sections 4.64.090 through 4.64.100. Revenue and expenditure estimates are budgeted via City Council funding sources resolution and appropriation ordinance, respectively.

### SOURCE OF FUNDS:

- Residential Construction Tax collections

### FUND RESTRICTIONS:

While the use of moneys within this fund is not subject to Proposition 218, certain moneys in this fund may be restricted, as described below.

The Municipal Code allows for short-term loans from this fund to any other fund, upon approval by the City Council. The City Council has approved the transfer of interest earnings in this fund to the General Fund, as the San José Municipal Code contains no restrictions on the disposition of interest earnings in this fund.

### LEAD RESPONSIBILITY:

Public Works Department

**Residential Construction Tax  
Contribution Fund**

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**FINANCIAL INFORMATION AND LOCATION:**

**Comprehensive Annual Financial Report (CAFR) Designation:**

Governmental Fund-Special Revenue

**Budget Location:**

Adopted Capital Budget and Capital Improvement Program (Developer Assisted Projects Capital Program)

**Funding Sources Resolution and Appropriation Ordinance Location:**

Section 6.04