

Transient Occupancy Tax Fund**Fund 461****PURPOSE OF THE FUND:**

The Transient Occupancy Tax Fund accounts for all taxes collected from transient occupancy. The revenue in this fund is to be used to fund the cultural development program, a convention and visitors bureau, and to support the convention and cultural facilities of the City of San José.

The City's Transient Occupancy Tax ("TOT"), sometimes referred to as the "hotel tax," imposes a tax of 10% of the rent charged by the hotel operator to the transient for occupying a hotel room. A "transient" is defined as any person who exercises occupancy or is entitled to occupancy for a period of 30 consecutive calendar days or less.

The City's hotel tax consists of a General Fund and a special fund tax. Chapter 4.74 authorizes the collection of a 4% tax which is deposited into the City's General Fund. Chapter 4.72 of the San José Municipal Code authorizes the collection of a 6% tax which is deposited into this special fund for expenditure on specified art, cultural, and convention purposes.

AUTHORITY FOR THE FUND:

San José Municipal Code Sections 4.80.1900 through 4.80.1920 and 4.72.010 through 4.72.160. Revenue and expenditure estimates are budgeted via City Council funding sources resolution and appropriation ordinance, respectively.

SOURCE OF FUNDS:

- All revenues derived from the collection of transient occupancy tax
- Interest earnings

FUND RESTRICTIONS:

According to San José Municipal Code Sections 4.72.060 and 4.72.065, moneys from the special Transient Occupancy Tax shall be expended as follows:

- Funding of a convention and visitors bureau for the City of San José, including a rental subsidy of city facilities for convention purposes;
- Funding of the cultural grant program and the fine arts division;
- Funding of the City's operating subsidy to the convention and cultural facilities of the City of San José.

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LEAD RESPONSIBILITY:

City Manager's Office
Finance Department

FINANCIAL INFORMATION AND LOCATION:

Comprehensive Annual Financial Report (CAFR) Designation:

Government Fund-Special Revenue

Budget Location:

Adopted Operating Budget

Appropriation Ordinance Location:

19.01