

**Construction Excise Tax Fund****Fund 465****PURPOSE OF THE FUND:**

The Commercial-Residential-Mobile Home Park Building Tax was established on June 28, 1978. The Construction Excise Tax Fund was established to account for revenue collected from this excise tax, which is imposed on residential, commercial, or mobile home lot development in the City of San José. Mobile home, mobile home lot, and mobile home park are terms as defined in Chapter 4.54 of the San José Municipal Code.

The Construction Excise Tax Fund is a general purpose fund; however, some of the activities that have been expensed in this fund in recent years include street maintenance, traffic signal synchronization, and miscellaneous public improvements.

**AUTHORITY FOR THE FUND:**

San José Municipal Code sections 4.47.010 through 4.47.094. Revenue and expenditure estimates are budgeted via Council funding sources resolution and appropriation ordinance, respectively.

**SOURCE OF FUNDS:**

The Commercial-Residential-Mobile home Park Building Tax is imposed upon every person who constructs, erects, enlarges, alters, repairs, moves, improves, converts, or causes to be constructed any building, structure, or portion thereof or any mobile home lot in the City of San José where such construction requires the issuance of a building permit or the issuance of a permit for the construction and installation of electrical or plumbing equipment to service a mobile home lot (whichever permit is issued first).

- Interest earnings
- Grant revenues

**FUND RESTRICTIONS:**

Increases to the Commercial-Residential-Mobile Home Park Building Tax are subject to voter approval. The use of moneys within this fund is not subject to Proposition 218 requirements.

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
- Department of Transportation

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## FINANCIAL INFORMATION AND LOCATION:

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

Governmental Fund-Capital Project

**Budget Location:**

Adopted Capital Budget and Capital Improvement Program (Traffic Capital Program)

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

Section 2.40