



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Maria Öberg
Jill Bourne

SUBJECT: Approval to Increase the
Library Parcel Tax Rates
for Fiscal Year 2025-2026

Date: May 19, 2025

Approved

Date

5/28/25

RECOMMENDATION

Adopt a resolution increasing the Library Parcel Tax rates for Fiscal Year 2025-2026 by 2.69% over the Fiscal Year 2024-2025 rates and approving the placement of the Library Parcel Tax on the Fiscal Year 2025-2026 Santa Clara County Property Tax Roll.

SUMMARY AND OUTCOME

The proposed increase in Library Parcel Tax rates will continue to provide funding to maintain and enhance Citywide library services and facilities through the acquisition of materials, the development and delivery of educational and digital literacy programs, and the repair, equipping, and staffing of libraries.

BACKGROUND

In August 2004, the City Council adopted Resolution No. 72268 placing a Library Parcel Tax, as provided in the San José Library and Reading Protection Ordinance, on the November 2004 General Municipal Election. The Library Parcel Tax was approved by the required two-thirds vote of the electorate. The Library Parcel Tax took effect on July 1, 2005, with an expiration date of June 30, 2015.

In August 2005, the City Council adopted Resolution No. 72844 approving the placement of the Library Parcel Tax on the Fiscal Year (FY) 2005-2006 Santa Clara County Property Tax Roll. Library Parcel Tax rates for FY 2005-2006 were set at the same rates that had been charged through the Library Benefit Assessment District: \$25 per single-family or condominium/townhome parcel, and varying rates for other residential, industrial, and vacant parcels.

In March 2014, the City Council adopted Resolution No. 76935 placing a 25-year extension of the existing Library Parcel Tax on the June 2014 Special Municipal Election ballot. The Library Parcel Tax was approved by the required two-thirds vote of the electorate. The passage of the measure extends the Library Parcel Tax for the period beginning July 1, 2015 through June 30, 2040.

Per the San José Library and Reading Protection Ordinance (Chapter 4.79 of the San José Municipal Code), commencing with FY 2006-2007 and by resolution of the City Council, 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, but in no event shall the increase exceed 3.00%. The base period for calculating the CPI adjustment is the February-to-February reporting period. The specific CPI required to be used for the calculation is the All-Urban Consumers for the San Francisco-Oakland-San José area with all items included as published by the U.S. Department of Labor, Bureau of Labor Statistics (BLS). BLS discontinued the San Francisco-Oakland-San José index in 2018. Starting in fiscal year 2019-2020, the Finance Department has used the BLS San Francisco-Oakland-Hayward CPI index to calculate the Library Parcel Tax cost of living adjustment as the geographical area covered by this index is comparable to San José.

The table below shows the last 10 years of annually approved percentage increases for the Library Parcel Tax per Chapter 4.79 of the Municipal Code.

Annual Increases in Library Parcel Tax Rates	
Fiscal Year	Percentage Increase
2016-2017	3.00%
2017-2018	3.00%
2018-2019	3.00%
2019-2020	3.00%
2020-2021	2.91%
2021-2022	1.57%
2022-2023	3.00%
2023-2024	3.00%
2024-2025	2.37%
2025-2026	2.69%

ANALYSIS

Following the methodology for the CPI adjustment to the Library Parcel Tax rate, staff recommends an increase of 2.69% for fiscal year 2025-2026. Specifically, as outlined in the table below, the CPI for All Urban Consumers for the San Francisco-Oakland-Hayward area, as published by the U.S. Department of Labor BLS, increased by 2.69% during the period from February 2024 to February 2025.

CPI February 2025	354.432
Less: CPI February 2024	345.151
Index Point change	9.281
Divided by previous period CPI	345.151
Percent change	2.69%
Proposed 2024-2025 Library Parcel Tax rate increase	2.69%

The proposed 2.69% increase in the Library Parcel Tax rate will increase the Library Parcel Tax for a single-family or condominium/townhome parcel from \$40.03 for FY 2024-2025 to \$41.11 for FY 2025-2026, reflecting an increase of \$1.08 per parcel. The complete Library Parcel Tax schedule is attached to this memorandum (see Attachment – Library Parcel Tax Rates – FY 2024-2025 Actual and FY 2025-2026 Proposed Library Tax Rates). The attachment shows the current tax schedule and the proposed tax schedule to be placed on the Santa Clara County Property Tax Roll for FY 2025-2026 for all types of parcels. Assuming the same land use classifications and number of parcels as in FY 2024-2025, the approximate tax collection for all land use classifications in FY 2025-2026 will be \$11.2 million, reflecting an increase of approximately \$250,000 over the FY 2024-2025 collections of approximately \$11.0 million.

The collection of the Library Parcel Tax for FY 2025-2026 represents the eleventh year of the extended twenty-five-year term of the Library Parcel Tax scheduled to end on June 30, 2040. Currently, the Library Parcel Tax provides approximately 18% of the San José Public Library System's 2024-2025 Operating Budget and 2% of the 2024-2025 Capital Budget.

EVALUATION AND FOLLOW-UP

The Library Parcel Tax is adjusted each year based on the CPI. No follow-up is required.

BUDGET REFERENCE

The FY 2025-2026 Proposed Operating Budget includes the estimated increase of 2.69% in revenue for Library Parcel Tax. Additional details can be found in the Library Parcel Tax Source and Use of Funds on page 905 of the 2025-2026 Proposed Operating Budget.

COORDINATION

This item has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the June 10, 2025 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Statutorily Exempt, Public Project File No. PP17-005 CEQA Guidelines Section 15273, adjustment to fees, rates and fares without changes to or expansion of services.

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PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code, or the City's Open Government Resolution.

/s/

Maria Öberg
Director of Finance

/s/

Jill Bourne
City Librarian

For finance-related questions, please contact Maria Öberg, Director of Finance, at maria.oberg@sanjoseca.gov. For library-related questions, please contact Jill Bourne, City Librarian at jill.bourne@sanjoseca.gov.

ATTACHMENT

Library Parcel Tax Rates – FY 2024-2025 Actual and FY 2025-2026 Proposed Library Tax Rates

ATTACHMENT
LIBRARY PARCEL TAX RATES
(FY 2024-2025 Actual and FY 2025-2026 Proposed Library Tax Rates)

Land Use Classification	FY 2024-2025 Parcel Tax Rate	Proposed FY 2025-2026 Parcel Tax Rate (2.69% Increase)
Single Family Parcels Condominium/Townhome Parcels	\$40.03/Parcel \$40.03/Parcel	\$41.11/Parcel \$41.11/Parcel
Other Residential Parcels (Fraternity, Sorority, Boarding, Rooming House, Farm Labor Camp)		
Up to 20 Units	\$14.97/Unit	\$15.37/Unit
21 to 50 Units	\$295.28 + \$9.99/Unit Greater than 20 Units	\$303.22 + \$10.26/Unit Greater than 20 Units
51 to 100 Units	\$600.31 + \$4.99/Unit Greater than 50 Units	\$616.45 + \$5.12/Unit Greater than 50 Units
Over 100 Units	\$850.13 + \$2.00/Unit Greater than 100 Units	\$875.99 + \$2.05/Unit Greater than 100 Units
Multi-Family Residential Parcels		
Up to 20 Units	\$20.13/Unit	\$20.67/Unit
21 to 50 Units	\$402.22 + \$13.36/Unit Greater than 20 Units	\$413.03 + \$13.71/Unit Greater than 20 Units
51 to 100 Units	\$804.33 + \$6.68/Unit Greater than 50 Units	\$825.96 + \$6.85/Unit Greater than 50 Units
Over 100 Units	\$1,139.01 + \$2.66/Unit Greater than 100 Units	\$1,169.64 + \$2.73/Unit Greater than 100 Units

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Land Use Classification	FY 2024-2025 Parcel Tax Rate	Proposed FY 2025-2026 Parcel Tax Rate (2.69% Increase)
Commercial Parcels		
Less than or equal to 0.5 acre	\$120.08/Acre	\$123.31/Acre
Greater than 0.5 acre to 1.0 acre	\$60.01 + \$80.08/Acre Greater than 0.50 Acre	\$61.62 + \$82.23/Acre Greater than 0.50 Acre
Greater than 1.0 acre to 5.0 acres	\$100.05 + \$60.01/Acre Greater than 1.00 Acre	\$102.74 + \$61.62/Acre Greater than 1.00 Acre
Greater than 5.0 acres to 10 acres	\$340.23 + \$40.03/Acre Greater than 5.00 Acres	\$349.38 + \$41.10/Acre Greater than 5.00 Acres
Greater than 10 acres	\$540.42 + \$9.99/Acre Greater than 10 Acres	\$554.96 + \$10.25/Acre Greater than 10 Acres
Minimum Special Tax per Parcel	\$19.98/Acre	\$20.51/Acre
Professional Parcels		
Less than or equal to 0.5 acre	\$180.13/Acre	\$184.97/Acre
Greater than 0.5 acre to 1.0 acre	\$90.07 + \$120.08/Acre Greater than 0.50 Acre	\$92.49 + \$123.31/Acre Greater than 0.50 Acre
Greater than 1.0 acre to 5.0 acres	\$150.10 + \$90.07/Acre Greater than 1.00 Acre	\$154.13 + \$92.49/Acre Greater than 1.00 Acre
Greater than 5.0 acres to 10 acres	\$510.38 + \$60.01/Acre Greater than 5.00 Acres	\$524.10 + \$61.62/Acre Greater than 5.00 Acres
Greater than 10 acres	\$810.64 + \$14.97/Acre Greater than 10 Acres	\$832.44 + \$15.37/Acre Greater than 10 Acres
Minimum Special Tax per Parcel	\$30.05/Acre	\$30.85/Acre

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Land Use Classification	FY 2024-2025 Parcel Tax Rate	Proposed FY 2025-2026 Parcel Tax Rate (2.69% Increase)
Industrial Parcels		
Less than or equal to 0.5 acre	\$60.01/Acre	\$61.62/Acre
Greater than 0.5 acre to 1.0 acre	\$30.05 + \$40.03/Acre Greater than 0.50 Acre	\$30.85 + \$41.10/Acre Greater than 0.50 Acre
Greater than 1.0 acre to 5.0 acres	\$50.03 + \$30.05/Acre Greater than 1.00 Acre	\$51.37 + \$30.85/Acre Greater than 1.00 Acre
Greater than 5.0 acres to 10 acres	\$170.15 + \$19.98/Acre Greater than 5.00 Acres	\$174.72 + \$20.51/Acre Greater than 5.00 Acres
Greater than 10 acres	\$270.18 + \$4.99/Acre Greater than 10 Acres	\$277.44 + \$5.12/Acre Greater than 10 Acres
Minimum Special Tax per Parcel	\$9.99/Acre	\$10.25/Acre
Vacant Parcels		
Less than or equal to 0.5 acre	\$14.96/Acre	\$15.36/Acre
Greater than 0.5 acre to 1.0 acre	\$7.48 + \$9.99/Acre Greater than 0.50 Acre	\$7.68 + \$10.25/Acre Greater than 0.50 Acre
Greater than 1.0 acre to 5.0 acres	\$12.47 + \$7.48/Acre Greater than 1.00 Acre	\$12.80 + \$7.68/Acre Greater than 1.00 Acre
Greater than 5.0 acres to 10 acres	\$42.46 + \$4.99/Acre Greater than 5.00 Acres	\$43.60 + \$5.12/Acre Greater than 5.00 Acres
Greater than 10 acres	\$67.42 + \$1.22/Acre Greater than 10 Acres	\$69.23 + \$1.25/Acre Greater than 10 Acres
Minimum Special Tax per Parcel	\$9.99/Acre	\$10.25/Acre