



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Maria Öberg
Jill Bourne

SUBJECT: Approval to Increase the
Library Parcel Tax Rates
for Fiscal Year 2026-2027

DATE: May 18, 2026

Approved

Date:

5/26/26

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Adopt a resolution to increase the Library Parcel Tax rates for Fiscal Year 2026-2027 by 2.48% over the Fiscal Year 2025-2026 rates and approve the placement of the Library Parcel Tax on the Fiscal Year 2026-2027 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 FY 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 Rate | |
|--|----------------------------|
| Fiscal Year | Percentage Increase |
| 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% |
| 2026-2027 | 2.48% |

ANALYSIS

Following the methodology for the CPI adjustment to the Library Parcel Tax rate, staff recommend an increase of 2.48% for FY 2026-2027. 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 2.48% during the period from February 2025 to February 2026.

| | |
|--|---------|
| CPI February 2026 | 363.211 |
| Less: CPI February 2025 | 354.432 |
| Index Point Change | 8.779 |
| Divided by previous period CPI | 354.432 |
| Percent Change | 2.48% |
| Proposed 2026-2027 Library Parcel Tax Rate Increase | 2.48% |

The proposed 2.48% increase in the Library Parcel Tax rate will increase the Library Parcel Tax for a single-family or condominium/townhome parcel from \$41.11 for FY 2025-2026 to \$42.12 for FY 2026-2027, reflecting an increase of \$1.01 per parcel. The complete Library Parcel Tax schedule is attached to this memorandum (see Attachment– Library Parcel Tax Rates – FY 2025-2026 Actual and FY 2026-2027 Proposed Library Tax Rates). The exhibit shows the current tax schedule and the proposed tax schedule to be placed on the Santa Clara County Property Tax Roll for FY 2026-2027 for all types of parcels. Assuming the same land use classifications and number of parcels as in FY 2025-2026, the approximate tax collection for all land use classifications in FY 2026-2027 will be approximately \$11.6 million, reflecting an increase of approximately \$280,000 over the FY 2025-2026 collections of approximately \$11.3 million.

The collection of the Library Parcel Tax for FY 2026-2027 represents the 12th year of the extended 25-year term of the Library Parcel Tax scheduled to end on June 30, 2040. Currently, the Library Parcel Tax provides approximately 16.8% of the San José Public Library System’s 2025-2026 Adopted Operating Budget and 5.7% of the San José Public Library System’s 2025-2026 Adopted Capital Budget.

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EVALUATION AND FOLLOW-UP

The Library Parcel Tax is adjusted each year based on the CPI. No additional follow-up action with the City Council is expected at this time.

BUDGET REFERENCE

The 2026-2027 Proposed Operating Budget includes the estimated increase of 2.48% in revenue for Library Parcel Tax. Additional details can be found in the Library Parcel Tax Fund Statement of Source and Use of Funds on page 915 of the 2026-2027 Proposed Operating Budget.

COORDINATION

This memorandum 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 Council Agenda website for the June 9, 2026 City Council meeting.

BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT

No board, commission, or committee recommendation or input is associated with this action.

CEQA

Statutorily Exempt, File No. PP17-005, CEQA Guidelines Section 15273, Rates, Tolls, Fares, and Charges.

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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.


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 or (408) 535-7011. For library-related questions, please contact Jill Bourne, City Librarian at jill.bourne@sjlibrary.org.

ATTACHMENT:

Library Parcel Tax Rates – FY 2025-2026 Actual and FY 2026-2027 Proposed Library Tax Rates

**ATTACHMENT -
LIBRARY PARCEL TAX RATES
(FY 2025-2026 Actual and FY 2026-2027 Proposed Library Tax Rates)**

| Land Use Classification | FY 2025-2026 Parcel Tax Rate | Proposed FY 2026-2027 Parcel Tax Rate (2.48% Increase) |
|---|--|---|
| Single Family Parcels Condominium/Townhome Parcels | \$41.11/Parcel \$41.11/Parcel | \$42.12/Parcel \$42.12/Parcel |
| Other Residential Parcels (Fraternity, Sorority, Boarding, Rooming House, Farm Labor Camp) | | |
| Up to 20 Units | \$15.37/Unit | \$15.75/Unit |
| 21 to 50 Units | \$303.22 + \$10.26/Unit Greater than 20 Units | \$310.74 + \$10.51/Unit Greater than 20 Units |
| 51 to 100 Units | \$616.45 + \$5.12/Unit Greater than 50 Units | \$631.73 + \$5.24/Unit Greater than 50 Units |
| Over 100 Units | \$872.99 + \$2.05/Unit Greater than 100 Units | \$894.64 + \$2.10/Unit Greater than 100 Units |
| Multi-Family Residential Parcels | | |
| Up to 20 Units | \$20.67/Unit | \$21.18/Unit |
| 21 to 50 Units | \$413.03 + \$13.71/Unit Greater than 20 Units | \$423.27 + \$14.05/Unit Greater than 20 Units |
| 51 to 100 Units | \$825.96 + \$6.85/Unit Greater than 50 Units | \$846.44 + \$7.01/Unit Greater than 50 Units |
| Over 100 Units | \$1,169.64 + \$2.73/Unit Greater than 100 Units | \$1198.64 + \$2.79/Unit Greater than 100 Units |

**ATTACHMENT
LIBRARY PARCEL TAX RATES (Continued)
(FY 2025-2026 Actual and FY 2026-2027 Proposed Library Tax Rates)**

| Land Use Classification | FY 2025-2026 Parcel Tax Rate | Proposed FY 2026-2027 Parcel Tax Rate (2.48% Increase) |
|------------------------------------|--|---|
| Commercial Parcels | | |
| Less than or equal to 0.5 acre | \$123.31/Acre | \$126.36/Acre |
| Greater than 0.5 acre to 1.0 acre | \$61.62 + \$82.23/Acre Greater than 0.50 Acre | \$63.14 + \$84.26/Acre Greater than 0.50 Acre |
| Greater than 1.0 acre to 5.0 acres | \$102.74 + \$61.62/Acre Greater than 1.00 Acre | \$105.28 + \$63.14/Acre Greater than 1.00 Acre |
| Greater than 5.0 acres to 10 acres | \$349.38 + \$41.10/Acre Greater than 5.00 Acres | \$358.04 + \$42.11/Acre Greater than 5.00 Acres |
| Greater than 10 acres | \$554.96 + \$10.25/Acre Greater than 10 Acres | \$568.72 + \$10.50/Acre Greater than 10 Acres |
| Minimum Special Tax per Parcel | \$20.51/Acre | \$21.01/Acre |
| Professional Parcels | | |
| Less than or equal to 0.5 acre | \$184.97/Acre | \$189.55/Acre |
| Greater than 0.5 acre to 1.0 acre | \$92.49 + \$123.31/Acre Greater than 0.50 Acre | \$94.78 + \$126.36/Acre Greater than 0.50 Acre |
| Greater than 1.0 acre to 5.0 acres | \$154.13 + \$92.49/Acre Greater than 1.00 Acre | \$157.95 + \$94.78/Acre Greater than 1.00 Acre |
| Greater than 5.0 acres to 10 acres | \$524.10 + \$61.62/Acre Greater than 5.00 Acres | \$537.09 + \$63.14/Acre Greater than 5.00 Acres |
| Greater than 10 acres | \$832.44 + \$15.37/Acre Greater than 10 Acres | \$853.08 + \$15.75/Acre Greater than 10 Acres |
| Minimum Special Tax per Parcel | \$30.85/Acre | \$31.62/Acre |

ATTACHMENT - LIBRARY PARCEL TAX RATES (Concluded)
(FY 2025-2026 Actual and FY 2026-2027 Proposed Library Tax Rates)

| Land Use Classification | FY 2025-2026 Parcel Tax Rate | Proposed FY 2026-2027 Parcel Tax Rate (2.48% Increase) |
|------------------------------------|--|---|
| Industrial Parcels | | |
| Less than or equal to 0.5 acre | \$61.62/Acre | \$63.14/Acre |
| Greater than 0.5 acre to 1.0 acre | \$30.85 + \$41.10/Acre Greater than 0.50 Acre | \$31.61 + \$42.11/Acre Greater than 0.50 Acre |
| Greater than 1.0 acre to 5.0 acres | \$51.37 + \$30.85/Acre Greater than 1.00 Acre | \$52.64 + \$31.61/Acre Greater than 1.00 Acre |
| Greater than 5.0 acres to 10 acres | \$174.72 + \$20.51/Acre Greater than 5.00 Acres | \$179.05 + \$21.01/Acre Greater than 5.00 Acres |
| Greater than 10 acres | \$277.44 + \$5.12/Acre Greater than 10 Acres | \$284.32 + \$5.24/Acre Greater than 10 Acres |
| Minimum Special Tax per Parcel | \$10.25/Acre | \$10.50/Acre |
| Vacant Parcels | | |
| Less than or equal to 0.5 acre | \$15.36/Acre | \$15.74/Acre |
| Greater than 0.5 acre to 1.0 acre | \$7.68 + \$10.25/Acre Greater than 0.50 Acre | \$7.87 + \$10.50/Acre Greater than 0.50 Acre |
| Greater than 1.0 acre to 5.0 acres | \$12.80 + \$7.68/Acre Greater than 1.00 Acre | \$13.11 + \$7.87/Acre Greater than 1.00 Acre |
| Greater than 5.0 acres to 10 acres | \$43.60 + \$5.12/Acre Greater than 5.00 Acres | \$44.68 + \$5.24/Acre Greater than 5.00 Acres |
| Greater than 10 acres | \$69.23 + \$1.25/Acre Greater than 10 Acres | \$70.94 + \$1.28/Acre Greater than 10 Acres |
| Minimum Special Tax per Parcel | \$10.25/Acre | \$10.50/Acre |