

Introduced by Senator Russell

February 23, 1996

An act to add Section 107.8 to the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 2106, as introduced, Russell. Property taxation: intercounty pipeline rights-of-way.

Existing property tax law requires a county assessor, commencing with the 1995-96 fiscal year, in determining the full value of intercounty pipeline rights-of-way, to determine that value on a single, countywide parcel basis per taxpayer.

This bill would specify the valuation methods to be applied by county assessors in determining the full value of intercounty pipeline rights-of-way. This bill would authorize the parties to a property tax-related action or proceeding involving the county assessor and a taxpayer or taxpayers in which a value determined for intercounty pipeline rights-of-way, as specified, is applied retroactively in settlement of that action or proceeding, to apply any interest rate to certain amounts in settlement of that action or proceeding.

This bill would make legislative findings and declarations with respect to the assessment of intercounty pipeline rights-of-way, and would declare the intent of the Legislature in enacting this bill.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature hereby finds and
2 declares all of the following:

3 (a) As a result of a recent appellate court decision, the
4 jurisdiction for the assessment of assessable interests in
5 intercounty pipeline lands and rights-of-way has been
6 determined to rest with individual county assessors, and
7 not with the State Board of Equalization.

8 (b) There are no specific guidelines set forth in statute
9 for the local assessment of intercounty pipeline lands and
10 rights-of-way.

11 (c) This absence of statutory guidelines has caused
12 confusion on the part of both county assessors and
13 taxpayers with respect to the valuation of these
14 pipeline-related properties.

15 (d) Recent additions to the Revenue and Taxation
16 Code require, in the interest of efficiency, that county
17 assessors enroll values for intercounty pipeline
18 rights-of-way on a single parcel per taxpayer basis.
19 However, those additions do not establish any guidelines
20 for accomplishing this goal.

21 (e) Various provisions of law prescribe the rates at
22 which prejudgment and postjudgment interest, and
23 interest on property tax refunds, are to be paid.

24 SEC. 2. It is the intent of the Legislature in enacting
25 this act to do all of the following:

26 (a) Provide statutory clarification to ensure proper
27 and consistent assessment practices in the local
28 assessment of intercounty pipeline lands and
29 rights-of-way.

30 (b) Ensure efficiency and cost-effectiveness in the
31 local assessment of intercounty pipeline lands and
32 rights-of-way.

33 (c) Avoid administrative waste on behalf of both
34 county assessors and taxpayers.



1 (d) Provide statutory authority for interested parties
2 to mutually agree, in the best interests of all involved, to
3 prejudgment and postjudgment interest rates and
4 interest rates on property tax refunds that deviate from
5 otherwise required rates.

6 SEC. 3. Section 107.8 is added to the Revenue and
7 Taxation Code, to read:

8 107.8. (a) The county assessor, in valuing assessable
9 interests in rights-of-ways incident to intercounty
10 pipelines, shall establish the taxable value of those
11 interests by multiplying the number of intercounty
12 pipeline miles or portions thereof, within categories to be
13 defined by the county assessor, by a value per mile that
14 has been determined after considering cost, income, and
15 market approaches to value. The total value as so
16 determined of all intercounty pipeline rights-of-way held
17 per taxpayer within the county shall then be enrolled in
18 accordance with Section 401.8.

19 (b) Notwithstanding any other provision of law, if a
20 value determined pursuant to subdivision (a) is applied
21 retroactively in settlement of a property tax-related
22 action or proceeding involving the assessor and a
23 taxpayer or taxpayers, the parties to that action or
24 proceeding may, pursuant to mutual agreement, apply
25 any rate of interest to prejudgment or postjudgment
26 principal, or to any property tax refund that may be due.

27 SEC. 4. This act is an urgency statute necessary for the
28 immediate preservation of the public peace, health, or
29 safety within the meaning of Article IV of the
30 Constitution and shall go into immediate effect. The facts
31 constituting the necessity are:

32 Many lawsuits and thousands of assessment appeals
33 relating to intercounty pipeline right-of-way assessments
34 are already pending and are creating massive backlogs
35 before the courts and local boards of equalization. In
36 order to avoid the addition of another group of annual
37 assessments to this backlog, it is necessary that this statute
38 go into effect immediately.

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