

51. AD VALOREM TAX LITIGATION - W.O. 5200.400V.

After consideration of Calendar Item 49 attached, and upon motion duly made and carried, the following resolution was adopted:

THE ATTORNEY GENERAL IS AUTHORIZED TO SEEK TO INTERVENE IN ANY OF THOSE CASES PRESENTLY PENDING, OR TO BE FILED IN THE FUTURE, IN THE LOS ANGELES SUPERIOR COURT, INVOLVING THE AD VALOREM TAXATION OF MINING RIGHTS AND/OR POSSESSORY INTERESTS IN THE LONG BEACH TIDELANDS AND THE ALAMITOS BEACH PARK LANDS, WHERE THE ATTORNEY GENERAL CONSIDERS SUCH INTERVENTION TO BE APPROPRIATE AND NECESSARY TO PROTECT THE STATE'S INTEREST IN THE HYDROCARBON REVENUES FROM SUCH LANDS.

Attachment

Calendar Item 49 (1 page)

49.

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On January 26, 1968, and on February 29, 1968, the Commission authorized the Attorney General to file on its behalf an amicus curiae brief in the consolidated cases of Atlantic Oil Company, et al. v. County of Los Angeles, et al., and Humble Oil & Refining Company, et al. v. City of Long Beach, L.A. Number 29534 in the Supreme Court of the State of California, insofar as those cases involved certain drilling and operating contracts.

The reason for the Commission action was the Attorney General's advice that the decision in these cases might affect the ad valorem taxes assessed against hydrocarbon mining rights in the Long Beach tidelands and the Alamitos Beach Park Lands in the City of Long Beach. These ad valorem taxes are deductible in computing the net profits payable to the City and to the State under the contracts for the development of these lands, and the method of valuation adopted by the Court could affect State revenues by an estimated \$100 million. The Attorney General accordingly filed an amicus curiae brief in these cases, and the Supreme Court's decision was generally consistent with the Commission's contentions as to the drilling and operating contracts there involved. The Attorney General advises that this decision may constitute a useful precedent in certain ad valorem tax cases presently pending in the Los Angeles Superior Court involving the Long Beach tideland contracts.

It is the opinion of the staff that, since the economic interest of the State in these cases is much greater than that of the oil company litigants, the Attorney General should be asked to seek Court permission to intervene in these cases to help safeguard the State's interests.

IT IS RECOMMENDED THAT THE ATTORNEY GENERAL BE AUTHORIZED TO SEEK TO INTERVENE IN ANY OF THOSE CASES PRESENTLY PENDING, OR TO BE FILED IN THE FUTURE, IN THE LOS ANGELES SUPERIOR COURT, INVOLVING THE AD VALOREM TAXATION OF MINING RIGHTS AND/OR POSSESSORY INTERESTS IN THE LONG BEACH TIDELANDS AND THE ALAMITOS BEACH PARK LANDS, WHERE THE ATTORNEY GENERAL CONSIDERS SUCH INTERVENTION TO BE APPROPRIATE AND NECESSARY TO PROTECT THE STATE'S INTEREST IN THE HYDROCARBON REVENUES FROM SUCH LANDS.