

MINUTE ITEM

This Calendar Item No. 34
 was approved as Minute Item
34 by the State Lands
 Commission by a vote of 3
 to 0 at its 8/26/82
 meeting.

CALENDAR ITEM

34

8/26/82
 Hayward

APPEAL OF THE LOS ANGELES COUNTY ASSESSOR'S 1982 ASSESSMENT OF THE LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY

The Los Angeles County Assessor's Office each year determines the fair market values that are to be used for property assessments by the various cities, taxing agencies and the County for the purpose of collecting ad valorem taxes. The assessor's 1982-1983 taxable value of the Long Beach Unit is \$1,722,076,000. This is in excess of the Commission staff's determination for 1982-1983.

Taxes are levied against the Field Contractor's portion of Tract 1 in the Long Beach Unit, as a possessory interest. All ad valorem taxes are allowable charges to the net profits account. Hence more than 95 percent of any such tax expense that is paid by the Contractor is borne by the State. This 95%, indirectly paid by the State, amounts to about 83%, of the total paid by all unit participants.

The Working Interest Owners' Ad Valorem Tax Committee of the Long Beach Unit has recommended that the Participants file an application for a reduction of the 1982-1983 assessment.

The net profits percentage of 95.56% of the tax expense paid by the Field Contractor reduces the State's tideland

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oil revenue. Therefore, the Commission must weigh the use of such funds for City of Long Beach and Los Angeles County purposes versus their use for statewide purposes as provided for in Chapter 138, Statutes of 1964, 1st E.S. The Commission staff would recommend that the Commission support necessary and appropriate action to effect the filing of an application for reduction in the 1982-1983 assessment.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER AND THE OFFICE OF THE ATTORNEY GENERAL TO TAKE THE NECESSARY AND APPROPRIATE ACTION TO EFFECT THE TIMELY FILING OF AN APPLICATION FOR REDUCTION IN THE 1982-1983 ASSESSMENT OF THE LONG BEACH UNIT WITH THE LOS ANGELES COUNTY ASSESSMENT APPEALS BOARD.