



Memorandum

To: Mr. John Hagerty, MIC:63

Date: August 26, 1993

From: Ken McManigal

Subject: State Assessment of Kern River Pipeline

This is in response to your August 12, 1993, memorandum concerning assessment of Kern River Pipeline and request for analysis as to proper assessment (Article XIII, Section 19) as a company transmitting or selling gas or as a pipeline.

As Harold Hale indicated, such question was the subject of a September 23, 1992, memorandum from Jim Williams to Gene Mayer, copy attached. Jim concluded therein that companies assessable as companies transmitting or selling gas under Article XIII, Section 19 were limited to companies which were public utilities subject to regulation by the California Public Utilities Commission. A copy of the memorandum is attached for your review.

In support of his conclusion, Jim references a prior January 6, 1975, memorandum of his and 29 OAG 77, March 19, 1975, copies also attached. Per the memorandum and Opinion, in part:

- (1) Should the Board assess all property of companies engaged in the production and sale of petroleum and its products if such companies are also engaged in the transmission or sale of gas?

Your first and second questions are inter-related and should be answered concurrently. I would consolidate the questions in this manner: Should the Board assess all property owned or used by companies selling gas and electricity even though their primary business is in some other field? In 1957 State Senator Randolph Collier posed two similar questions to the Attorney General:

- (2) Should the Board assess all of the property of a company selling natural gas when such company is the wholly-owned subsidiary of a gas and electric utility and when all sales are made to the parent?

Mr. Edward P. Hollingshead, Deputy Attorney General, concluded that:

- (1) The Constitution does not require Board assessment of a company engaged in the transmission or sale of gas unless such transmission or sale causes them by law to be regarded as public utilities.
- (2) A wholly owned subsidiary need not be assessed by the Board unless the subsidiary is itself a public utility.

Mr. Hollingshead's analysis, 29 Ops.Cal.Atty.Gen. 77, is grounded on the prefatory discussion in paragraph one, above. He cites Story v. Richardson (1921) 186 Cal. 162, for the proposition that the constitutional provision was meant to apply only to public utilities. Furthermore, he relies on Cudahy Packing Co. v. Johnson (1939) 12 Cal.2d 583, in support of the rule that contemporaneous construction of a constitutional provision by the state agency charged with the duty of administering the law is entitled to great respect. For your future reference in regard to this section of the Constitution, I submit the following quote from Mr. Hollingshead's opinion:

"Although section 14 on its face would appear to require the assessment by the State Board of Equalization of all property owned or used by all companies engaged in the transmission or sale of gas or electricity regardless of whether they are public utilities, the history of the constitutional provision and the contemporaneous and long-continued administrative construction afforded it indicate that it should not be so construed."

If the Hollingshead's analysis is applied to your questions, then the response would be -- (a) continue past practice without change or (b) the Board should assess only those companies engaged in the sale of gas and electricity that operate under certificate of the Public Utilities Commission and the assessment should be limited only to the specific property that is so engaged. It should be noted that this conclusion takes into account the effect of Proposition 8 and its passage on November 5, 1974. In the

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argument submitted to the voters it was carefully pointed out that, "None of these transferred provisions, however, are of a substantive nature; . . . the essence of the present Article is retained".



JKM:jd
precednt/valuadiv/93006.jkm

Attachment

cc: Mr. Richard H. Ochsner
Mr. Jim Williams
Mr. Gene Mayer, MIC:61
Mr. Harold Hale, MIC:61
Mr. Octavio Lee, MIC:61
Mr. David Hendrick, MIC:61

M e m o r a n d u m

: Mr. Gene Mayer
Chief, Valuation Division


Date: September 23, 1992

From : James M. Williams

Subject: Assessment Jurisdiction Over Companies Transmitting Gas

In your memo of August 13, 1992 you requested our opinion on the interpretation and application of the first paragraph of section 19, article XIII of the state constitution. Under (2) property, owned or used by companies transmitting or selling gas, the past practice of the Valuation Division has been the assessment of only the typical public utilities who sell gas to end-users. Under (1) pipelines lying within 2 or more counties, the staff has been assessing only the pipeline portion of companies that transmit gas through the pipeline. For lien date 1992 there are eleven assessees in this latter category. Two of these are large interstate transporters of gas and are regulated by the Federal Energy Regulatory Commission (FERC), one is partially owned by PG & E and nominally regulated, and the regulatory status of the remaining eight is unknown at this time. You question the legality of asserting assessment jurisdiction over the latter category as type (2) companies and thus assessing all of their property, owned or used, rather than only the intercounty pipeline portion?

On January 6, 1975 in response to a similar question I pointed out that questions of this type do not involve any pure or inherent legal principles; therefore, there is almost no case law to provide a substantial degree of certainty in response. A court would be strongly influenced by two historical factors in deciding the issues that you have posed. First, it would look to the evolution of the constitutional provision as originally enacted and as subsequently amended. In so doing, it would look to the intent of the electorate at the time of enactment or amendment. Secondly, the court would tend to defer to past administrative practice since this usually results from a contemporaneous interpretation and application of the provisions under consideration. If, as you pose, the administrative agency is the proponent of change, then the court must balance how the new procedure will square with the evolved goals of the electorate in comparison to rights or privileges that may have become vested in third parties by the long-standing use of the old procedure. In this situation we must consider the constitutional mandate of uniform assessment




of designated assessees, and the associated policies of a more precise approach to value via unitary assessment along with administrative ease and convenience. On the other hand what objections can be anticipated from either the assessees or the county assessors? These considerations should be explored in detail prior to the initiation of any procedural change.

In 29 Ops. Cal. Atty. Gen. 77, March 19, 1957, the attorney general concluded that the constitution does not require Board assessment of a company engaged in the transmission of gas unless such transmission causes them by law to be regarded as public utilities and that a wholly owned subsidiary need not be assessed by the Board unless the subsidiary is itself a public utility. This conclusion was based on the prefatory analysis in the preceding paragraph. The attorney general cited *Story v. Richardson* (1921) 186 Cal. 162 for the proposition that the constitutional provision was meant to apply only to public utilities. He relied on *Cudahy Packing Co. v. Johnson* (1939) 12 Cal. 2d 583, in support of the rule that contemporaneous construction of a constitutional provision by the state agency charged with the duty of administering the law is entitled to great respect. He advised:

Although section 14 (amended to 19 in 1974) on its face would appear to require the assessment by the State Board of Equalization of all property owned or used by all companies engaged in the transmission or sale of gas or electricity regardless of whether they are public utilities, the history of the constitutional provision and the contemporaneous and long continued administrative construction afforded it indicate that it should not be so construed. (p78)

Since the eleven assessees in question are not public utilities subject to regulation by the California Public Utilities Commission, we must conclude that they cannot be assessed under provision (2) of section 19.

 JMW:jd/a92081

cc: Mr. Harold Hale
Mr. Octavio Lee
Mr. David Hendrick
Mr. Norman Davis

Memorandum

To : Mr. Richard Oschner

Date: August 13, 1992

From : Gene Mayer

Subject: Proper Assessment Jurisdiction Over Companies
Transmitting Gas

Article 13, Section 19 of the California Constitution gives the Board responsibility for assessing, for property tax purposes, the property owned by companies "transmitting gas". The past practice of the Valuation Division has been to include in this category only the typical public utilities who sell gas to end-users (i.e. Southern California Gas, Southwest Gas, etc.). This section of the constitution also gives the assessment responsibility for "intercounty" pipelines to the State Board of Equalization. It is in this latter category that the Division has placed the intercounty pipeline property of other companies whose business activities include transmitting gas (for some, their only business activity). The critical difference between the two categories is that the assessment jurisdiction is either asserted over all the property owned by the company or only over the intercounty pipeline portion of the company's property.

Prior to lien date 1989 there were only five companies assessed by the State Board of Equalization whose business activities include the transmission of gas and for whom the State Board of Equalization assessed only the intercounty pipeline property. For the 1992 lien date there are eleven of these companies, five of whom are first time assessees for 1992. The 1992 lien date is the first year the Division required pipeline assessees to identify the products being transported.

Two of these eleven assessees are large, interstate transporters of gas and are regulated by the Federal Energy Regulatory Commission (FERC) in much the same way the California Public Utilities Commission regulates other public utilities. Another of the eleven companies is partially owned by Pacific Gas & Electric Company and is nominally regulated by FERC. The regulatory status of the remaining eight companies is unknown at

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this time; however, the language of this section of the constitution does not require that companies transmitting gas be regulated in order to be under the State Board of Equalization's assessment jurisdiction.

Please provide me with a written opinion concerning the legality of the State Board of Equalization asserting assessment jurisdiction over all the property of a company if the business activities include the transmission of gas. The assertion of this jurisdiction would be as a gas utility instead of the jurisdiction over intercounty pipelines. Please furnish this opinion by September 15, 1992.

LEM:ism

cc: Mr. Harold Hale
Mr. Octavio Lee
Mr. David Hendrick
Mr. Norman Davis

VC-1201

Mr. Rowan E. Cecil

January 6, 1975

James M. Williams

State Assessment of Property

Your memo of December 13, 1974, raises three interesting questions concerning the interpretation of California Constitution, Article XIII, Section 19. In preface I should like to point out that questions of this type do not involve any pure or inherent legal principles; therefore, there is almost no case law to provide a substantial degree of certainty in response. A court would be strongly influenced by two historical factors in deciding the issues that you have posed. First, it would look to the evolution of the constitutional provision as originally enacted and as subsequently amended. In so doing, it would look to the intent of the electorate at the time of enactment or amendment. Secondly, the court would tend to defer to past administrative practice since this usually results from a contemporaneous interpretation and application of the provisions under consideration. If, as you pose, the administrative agency is the proponent of change, then the court must balance how the new procedure will square with the evolved goals of the electorate in comparison to rights or privileges that may have become vested in third parties by the long-standing use of the old procedure. In this situation we must consider the constitutional mandate of uniform assessment of designated assesses, and the associated policies of a more precise approach to value via unitary assessment along with administrative ease and convenience. On the other hand what objections can be anticipated from either the assesses or the county assessors? These considerations should be explored in detail prior to the initiation of any procedural change.

Your final question is the least difficult and can be answered quickly. Water companies are conspicuous by their absence from the constitutional scheme, whereas other companies are explicitly designated. Any attempt to read water companies into the "pipelines, flumes, canals, ditches, and aqueducts" clause would be a clear distortion of the intent of the electorate and a violation of the plain meaning rule.

Your first and second questions are inter-related and should be answered concurrently. I would consolidate the questions in this manner: Should the Board assess all property owned or used by companies selling gas and electricity even though their primary business is in some other field? In 1957 State Senator Randolph Collier posed two similar questions to the Attorney General:

- (1) Should the Board assess all property of companies engaged in the production and sale of petroleum and its products if such companies are also engaged in the transmission or sale of gas?
- (2) Should the Board assess all of the property of a company selling natural gas when such company is the wholly-owned subsidiary of a gas and electric utility and when all sales are made to the parent?

Mr. Edward P. Hollingshead, Deputy Attorney General, concluded that:

- (1) The Constitution does not require Board assessment of a company engaged in the transmission or sale of gas unless such transmission or sale causes them by law to be regarded as public utilities.
- (2) A wholly owned subsidiary need not be assessed by the Board unless the subsidiary is itself a public utility.

Mr. Hollingshead's analysis, 29 Ops.Cal.Atty.Gen. 77, is grounded on the prefatory discussion in paragraph one, above. He cites Story v. Richardson (1921) 186 Cal. 162, for the proposition that the constitutional provision was meant to apply only to public utilities. Furthermore, he relies on Cudahy Packing Co. v. Johnson (1939) 12 Cal.2d 583, in support of the rule that contemporaneous construction of a constitutional provision by the state agency charged with the duty of administering the law is entitled to great respect. For your future reference in regard to this section of the Constitution, I submit the following quote from Mr. Hollingshead's opinion:

"Although section 14 on its face would appear to require the assessment by the State Board of Equalization of all property owned or used by all companies engaged in the transmission or sale of gas or electricity regardless of whether they are public utilities, the history of the constitutional provision and the contemporaneous and long-continued administrative construction afforded it indicate that it should not be so construed."

If the Hollingshead's analysis is applied to your questions, then the response would be -- (a) continue past practice without change or (b) the Board should assess only those companies engaged in the sale of gas and electricity that operate under certificate of the Public Utilities Commission and the assessment should be limited only to the specific property that is so engaged. It should be noted that this conclusion takes into account the effect of Proposition 8 and its passage on November 5, 1974. In the

January 6, 1975

argument submitted to the voters it was carefully pointed out that, "None of these transferred provisions, however, are of a substantive nature; . . . the essence of the present Article is retained".

As a concluding note, I should point out that in my opinion the issues that you have raised should not be precluded by the ghosts of Boards Past. If you will note the underlined portions of Mr. Hollingshead's answers to Senator Collier, it may appear that he was hedging his bet ever so slightly. The language therein, "does not require" and "need not be", is not prohibitive. In other words, he has not stated that the Constitution prevents assessment by the Board in those specific cases. In my view with the exception of water companies, the Board could do exactly what your questions suggest, provided that, a sufficient case for change could be made that would be capable of withstanding the challenge of third-party attack and that would overcome the inertia of past practice.

JMW:el

cc Mr. Abram F. Goldman
Mr. Neilon Jennings
Mr. Jack F. Eissenlauer
Intercounty Equalization
Legal Section

Opinion No. 57-17—March 19, 1957

SUBJECT: PUBLIC UTILITIES—Constitutional provision providing for assessment of property of, by State Board of Equalization, does not require such assessment of property, other than franchises, owned or used by companies engaged in the production and sale of petroleum products where such companies also engage in transmission or sale of gas, unless latter activities would cause such companies to be classified as public utilities, nor such assessment of property of wholly owned subsidiary selling gas to parent utility, unless subsidiary is also classed as public utility.

Requested by: SENATOR, 2nd DISTRICT.

Opinion by: EDMUND G. BROWN, Attorney General.
Edward P. Hollingshead, Deputy.

Honorable Randolph Collier, Senator from the Second Senatorial District, has requested the opinion of this office on the following questions with reference to that portion of section 14, article XIII, of the California Constitution, which provides: "all property, other than franchises, owned or used by . . . (5) companies engaged in the transmission or sale of gas or electricity, shall be assessed annually by the State Board of Equalization, at the actual value of such property."

1. "In your opinion does this language require the State Board of Equalization to assess all of the property owned or used by companies engaged in the production and sale of petroleum and petroleum products if such companies are also engaged in the transmission or sale of gas?"

2. "Secondly, in your opinion does the Constitutional language require the State Board of Equalization to assess all of the property owned or used by a company selling natural gas when such company is the wholly-owned subsidiary of a gas and electric utility and when all sales are made to the parent company?"

Our conclusions may be summarized as follows:

1. Section 14, article XIII, of the California Constitution requires the State Board of Equalization to assess all property, other than franchises, owned or used by those companies engaged in the transmission of gas and electricity which are by law regarded as public utilities, but does not require it to assess the property of companies engaged in the production and sale of petroleum or petroleum products which also engage in the transmission or sale of gas, unless such transmission or sale of gas causes them to be regarded as public utilities.

2. In accordance with our answer to the first question, a wholly owned subsidiary which sells gas to its parent gas and electricity utility need not be assessed by the State Board of Equalization unless the subsidiary is itself a public utility.

ANALYSIS

The portion of section 14 of article XIII of the Constitution relating to assessment by the State Board of Equalization, sometimes hereinafter referred to as the Board, provides as follows:

"All pipe lines, flumes, canals, ditches and aqueducts not entirely within the limits of any one county, and all property, other than franchises, owned or used by (1) railroad companies including street railways, herein defined to include interurban electric railways, whether operating in one or more counties, (2) sleeping car, dining car, drawing-room car, and palace car companies, refrigerator, oil, stock, fruit and other car-loading and other car companies operating upon the railroads in the State, (3) companies doing express business on any railroad, steamboat, vessel or stage line in this State, (4) telegraph and telephone companies, (5) companies engaged in the transmission or sale of gas or electricity, shall be assessed annually by the State Board of Equalization, at the actual value of such property."

Although section 14 on its face would appear to require the assessment by the State Board of Equalization of all property owned or used by *all* companies engaged in the transmission or sale of gas or electricity regardless of whether they are public utilities, the history of the constitutional provision and the contemporaneous and long-continued administrative construction afforded it indicate that it should not be so construed.

Upon investigation, we have found that the State Board of Equalization has consistently over the years assessed the property only of those "companies engaged in the transmission of gas or electricity" under Certificates of Public Convenience and Necessity issued by the California Public Utilities Commission (see section 216 and sections 1001, *et seq.* of the Public Utilities Code). It has not attempted to assess the property of a company not so certificated, as it has construed the constitutional language in question as inapplicable to companies not public utilities. The reason for this interpretation stems from the fact that when the Board first began the assessment of property for purposes of *ad valorem* taxation under section 14 after its amendment on June 27, 1933, substituting this form of taxation for the system of "in lieu" gross receipts taxes theretofore imposed, it was guided by the fact that the language respecting "companies engaged in the transmission or sale of gas or electricity" remained unchanged. This language had been construed by the Supreme Court of California in *Story v. Richardson* (1921), 186 Cal. 162, to be applicable only to public utilities. Hence, the Board followed the same administrative practice after the 1933 amendment to section 14 as it had previously, in conformity with the ruling of the Supreme Court. (See Biennial Report of the State Board of Equalization, 1935-1936, pages 5-6.)

On the other hand, with respect to the assessment of "[a]ll pipe lines, flumes, canals, ditches and aqueducts not entirely within the limits of any one county," the Board has made its assessments under section 14 without regard to the nature of the taxpayer. Such assessments do not extend to all of the property of the owner

but are confined to the intercounty pipe line, flume, canal, ditch or aqueduct. This administrative construction was expressly approved by the Supreme Court of California in *General Pipe Line Co. v. State Bd. of Equalization* (1936), 5 Cal. 2d 253.

It is, of course, a rule of long standing that a contemporaneous construction of a constitutional provision by State authorities charged with the duty of administering the law, while not controlling, is entitled to great respect (see *Cudaby Packing Co. v. Johnson* (1939), 12 Cal. 2d 583, applying this rule to section 14 as it read prior to the 1933 amendment, *Carter v. Com. on Qualifications, etc.* (1939), 14 Cal. 2d 179).

The history of section 14¹ reveals that immediately prior to its addition to article XIII of the Constitution on November 8, 1910, general property taxes were imposed by the State, the counties and the cities. This general property tax was abandoned as a source of State revenue upon the addition of section 14 to article XIII, which provided, *inter alia*, for special "in lieu" gross receipts taxes for State purposes on the property used exclusively in the operation of designated public utilities, including the property of "companies engaged in the transmission or sale of gas or electricity." Local governments, on the other hand, were to derive their revenues from the *ad valorem* taxation of common property.

In *Story v. Richardson* (1921), 186 Cal. 162, *supra*, the Supreme Court of California construed section 14 as it then read, rejecting its application to the owner of a building who furnished occupants of another building with surplus electricity generated in the basement of his building in addition to the electricity and steam furnished primarily to his own tenants. After reciting the pertinent portions of section 14 and referring to the history of events leading up to its adoption, the Court, at page 166, stated: "Accordingly, a uniform scheme was proposed for the taxation of certain enumerated public utilities, including electrical companies, and that system was that the tax should equal a certain percentage of gross receipts; special methods were prescribed for the taxation of banks and insurance companies. Throughout the report electrical companies were classified and discussed as one group of 'public utilities' to be taxed upon gross receipts. In the printed arguments submitted to the voters in 1910, at the time the constitutional amendment was voted upon, the 'gross receipts' method of taxation was advocated solely for public utilities. *It is clear both from the report of the commission proposing the amendment and the arguments advanced to those voting upon the adoption of the amendment, as well as from the nature of the amendment, that the provision for taxation in proportion to gross receipts is applicable only to public utilities.*" (Italics added.)

The construction given section 14 in the *Story* case was subsequently approved and reaffirmed in *Cudaby Packing Co. v. Johnson, supra*.

¹For a history of the taxation of public utilities, see the reports of the Senate Interim Committee on State and Local Taxation, Part Three (1951), entitled "State and Local Taxes in California: A Comparative Analysis," pp. 264-273, and Part Four (1953), entitled "A Legal History of Property Taxation in California: Division III, Assessment and Equalization of Property," pages 11-12, 112-148.

As heretofore noted, section 14 of article XIII was amended on June 27, 1933, and, insofar as it relates to State assessment of public utility property, has since remained unchanged. In the argument to the voters in favor of the adoption of Senate Constitutional Amendment 30, which included the amendment in question and which was adopted as a part of the so-called "Riley-Stewart Tax Plan" (Calif. Stats. 1933, Res. ch. 63), it was stated that:

"Senate Constitutional Amendment Number 30 is a well considered revision of California's revenue system that is submitted to the voters of this State for the purpose of equalizing taxation and affording relief to taxpayers. Effective January 1, 1935, this plan provides for the repeal of the so-called Amendment No. 1 adopted in 1910. This will return \$1,900,000,000 actual value of *public utility property* to the tax rolls for the support of local government." (Italics added.)

In *General Pipe Line Co. v. State Bd. of Equalization* (1936), 5 Cal. 2d 253, at pages 255-256, the Supreme Court construed section 14, as amended in 1933, as follows:

"When we read the language of section 14 of article XIII, already quoted, we notice that the words 'All pipe lines, flumes, canals, ditches and aqueducts not entirely within the limits of any one county and' might have been omitted from the amendment had it been the intent to include within its scope only the property of public utilities. In other words, there are two classes of property enumerated in the section—first, pipe lines, flumes, etc., and, second, *all property, other than franchises, of public utilities*. We entertain no doubt that the clearly expressed intent of the amendment was to make the Board of Equalization, for the sake of uniformity and in order to avoid the temptation which might exist in one of the counties to assess at more than its just proportion, the assessor of the property described, whether the lines or ditches be extensive, as in the case of a water department of a municipality, which in legal parlance is more properly classified as a municipal utility than as a public utility, subject to the jurisdiction of the railroad commission [citing cases], or comparatively small as may be the case otherwise. One of the first rules of construction is that where the language is plain and unambiguous there exists no room for construction. We think such is the present case." (Italics added.)

Moreover, in *Southern Cal. Tel. Co. v. Los Angeles* (1941), 45 Cal. App. 2d 111, at page 114, the District Court of Appeal, Third Appellate District, stated:

"From 1911 to 1934, inclusive, the property of public utilities was taxed in California by the imposition of taxes proportionate to gross receipts. On June 27, 1933, a constitutional amendment was adopted, whereby the aforesaid 'gross receipts' system of taxation was superseded by the system now embraced in the Constitution, article XIII, sections 14 and 16 and the statutes implementing these constitutional provisions. This new system went into effect in 1935. *The chief features*

of the new system of taxing public utilities in California are as follows: The State Board of Equalization is required to assess, annually, all property, other than franchises, of such enterprises at its actual value. The owners of public utility property are offered opportunity to appear and apply to the board for correction of assessments made by it. Upon completion of the assessments, the board is required to transmit to the respective local taxing jurisdictions an assessment roll showing the assessments against public utility property located therein. The property so assessed is then subject to taxation locally at the rates fixed for taxation of property in the respective taxing jurisdictions." (Italics added.)

From the foregoing, we are of the view that the practice of the State Board of Equalization in assessing only the property of certified public utilities, save in the case of inter-country pipe lines, flumes, canals, ditches and aqueducts, is not unreasonable in the case of companies engaged in the transmission or sale of gas or electricity. While there is some language in *People v. Keith Railway Equipment Co.* (1945), 70 Cal. App. 2d 339, at page 349, which calls for the contrary result in the case of private car companies, we believe that the case is factually distinguishable and does not provide a rule to be applied to the companies in question. The *Keith Railway* case involved the application of the Private Car Tax Act (Calif. Stats. 1937, ch. 283, p. 621; now sections 11201-11752 of the Revenue and Taxation Code) to an owner of private railroad cars furnished to shippers for transportation of property on railroads in California. The tax there involved was a state tax levied on privately owned railroad cars not assessed and taxed as a part of the property of a railroad company operating in this State. There was not involved the question of state or local assessment for purposes of local *ad valorem* property taxation. The court, accordingly, held that section 14, article XIII, of the Constitution did not invalidate the private car tax but, on the contrary, supported it by virtue of the provisions therein which provide that "the Legislature shall have the power to provide for the assessment, levy and collection of taxes upon all forms of tangible personal property" and "may classify any and all kinds of personal property for the purposes of assessment and taxation in a manner and at a rate or rates in proportion to value different from any other property in the State subject to taxation" (*People v. Keith Railway Equipment Co., supra*, at p. 350).

It should, of course, be understood that the fact that property is not assessed by the State Board of Equalization does not mean that it will escape taxation. Any property, real or personal, not assessed by the Board and not exempt from taxation will be assessed by the local assessor and taxed on the local roll under section 1 of article XIII of the Constitution.

We conclude, therefore, that section 14 of article XIII of the California Constitution does not require the State Board of Equalization to assess all of the property owned or used by the companies in question, unless the respective companies are themselves public utilities.