State of California

Memorandum

To : Mr. Gene Mayer

Date : October 22, 1984

From : Robert R. Keeling

Subject: Water Reservations

This is in response to your memorandum dated October 9, 1984 in which you ask if certain water rights owned by the City of Riverside, Riverside County, and located in San Bernardino County, are within the assessment jurisdiction of the Board; and if so, are they assessable under the provisions of California Constitution Article XIII, Section 11.

The water reservations you speak of are subsurface water rights originally purchased about 1905 by the Riverside Trust Company, Limited, a corporation then organized and existing under the United Kingdom of Great Britain and Ireland. You tell us that subsequently the City of Riverside acquired these properties in 1974 from the Gage Canal Company, the successor to the Riverside Trust Company. At that time you say you enrolled all these land parcels which the County of San Bernardino had previously assessed using the factored values prescribed by Section 11, Article XIII of the California Constitution.

California Constitution Article XIII, Section 19 provides the Board of Equalization shall annually assess pipelines, flumes, canals, ditches, and acqueducts lying within two or more counties. The scope of property to be assessed under these provisions is reasonably defined in the Supreme Court case General Pipe Line Company of California v. State Board of Equalization, 5 Cal. 2d 253. As to pipelines, the property to be assessed is pumps, boilers, engines, etc., which are a part of the system and necessary to its operation. Likewise, the scope of the property to be assessed under flumes, canals, ditches, and acqueducts would be all that system necessary to the operation of the flume, canal, ditches, acqueducts. In my view, a water right is no more necessary to the operation of a flume, canal, ditch, or acqueduct than is an oil field necessary to the operation of an oil pipeline. Therefore, the property of a flume, canal, ditch, or acqueduct falling within the Board of Equalization assessment jurisdiction is restricted to that

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physical property necessary to the actual operation of the flume, canal, ditch, or acqueduct. Any subsurface water right does not appear to be essentially necessary to the operation of the flume, canal, ditch, or acqueduct and, therefore, does not fall within the Board of Equalization's assessment jurisdiction.

I suggest you proceed to return assessment jurisdiction of these water rights to the local assessor. Since the rights you speak of here are government-owned property outside its jurisdictional boundaries, then the property should be assessed according to the provisions of Article XIII, Section 11.

RRK:fr Robert R Keeling

cc: Mr. J. J. Delaney
Mr. Robert H. Gustafson
Mr. Gordon P. Adelman
Mr. Verne Walton
Mr. Gene DuPaul
Mr. Jerry Del Agostino