



STATE OF CALIFORNIA

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November 6, 1979

No. 79/196

TO COUNTY ASSESSORS:

**INFORMATION REGARDING ASSESSMENT  
OF MINERAL PROPERTIES**

We are frequently asked questions about the assessment of mineral properties. Enclosed are some frequently asked questions concerning the assessment of such properties.

Please refer any inquiries to Ray Rothermel of this division, (916) 445-4982.

Sincerely,

Verne Walton, Chief  
Assessment Standards Division

VW:ebv  
Enclosure

A. QUESTIONS & ANSWERS PERTAINING TO  
MINERAL PROPERTIES

1. QUESTION: May the assessor change the base year allocated values that make up the total property value as long as he does not change the total property value? For example, the 1975 roll shows \$5,000,000 as the assessed total property value. Of this amount, \$4,000,000 is for land and \$1,000,000 is for improvements. Assuming the allocated values were in error but the total property was correct, could the assessor change these values to, say, \$2,000,000 for land and \$3,000,000 for improvements?

ANSWER: Senate Bill 17 prevents this reallocation when the property was subject to a periodic appraisal in 1975, as most mineral properties are.

2. QUESTION: May county assessors legally require taxpayers to submit oil and gas reserve data?

ANSWER: Section 441(d) of the Revenue and Taxation Code provides that at any time, as required by the assessor for assessment purposes, every person shall make available for examination information or records regarding his property including details of property acquisition transactions, construction and development costs, and other data relevant to the determination of an estimate of value. In addition, Section 470 of the Code provides that upon request, a person owning or controlling property subject to local assessment shall make available to the assessor a true copy of business records relevant to the amount, cost, and value of all property that he owns or controls within the county.

3. QUESTION: Section 61(a) of Assembly Bill 1488 defines a change in ownership for mineral properties. Section 480 provides for taxpayer reporting for change in ownership. Because thousands of changes in ownership of mineral leases may have no bearing on value, is the reporting of such changes of ownership by the taxpayer mandatory or may the assessor set up guidelines whereby he can determine the situations where reporting is required?

ANSWER: Such reporting is mandatory and no exceptions to this requirement are provided for. A person's failure to file a change in ownership statement would leave him in violation of general law provisions calling for the performance of acts required by statute.