



STATE BOARD OF EQUALIZATION

2020 N STREET, SACRAMENTO, CALIFORNIA
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October 1, 1992

TO COUNTY ASSESSORS:

CABLE TELEVISION LITIGATION: STANISLAUS II

In letter to assessors 92/47, we transmitted a copy of the recent Stanislaus County v. Assessment Appeals Board case (Fifth Appellate District). There have been two developments in the case since then.

1. The counties of San Diego, Los Angeles, and Sutter requested the decision be published. The court denied the request on July 27, 1992, stating:

"The opinion does not establish a new rule of law nor does it meet any of the other criteria set forth in California Rules of Court, rule 976(b)."

2. The court made one modification to its opinion. The last full paragraph on page 24, starting with "Our opinion" and ending with "taxed" was deleted and replaced with the following:

"Thus, our opinion in Stanislaus I makes it clear that even though the right to engage in business, or franchise value, is an intangible property right that is normally not taxable, to the extent that that intangible property right enhances a tangible property right such enhancement may be considered in valuing the tangible property right."

The original language stated that the "right to engage in business" can be taxed to the extent it enhances the tangible property rights. This could have been interpreted to suggest that a specific value for a business license or other right to engage in business could be calculated and added to the assessment of tangible property.

Sincerely,

Verne Walton, Chief
Assessment Standards Division

VW: sk

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No. 92/65