California State Board of Equalization

BOARD WORK GROUP:
Further Uniformity in Methods of Valuing Intangible Assets and Rights Meeting

May Lee State Office Complex Auditorium
651 Bannon Street, Sacramento

Thursday, September 24, 2026

AGENDA

10:00 a.m. Board Work Group Meeting Convenes

Call to Order

Roll Call, Pledge of Allegiance and Board Members' Opening Remarks

1. Greetings and Review of the June 25, 2026 Meeting .... Ms. Cohen / Mr. Emran

   Welcome from the California State Controller and the Board Work Group Chair. Opening remarks from each Board Member, including a brief review of the testimony and discussion received at the June 25, 2026 meeting, and an overview of today's agenda.

   Speakers: Hon. Malia Cohen, California State Controller
   Hasib Emran, Deputy State Controller
   Hon. Sally Lieber, Chair, Second District
   Hon. Ted Gaines, Vice Chair, First District
   Hon. Antonio Vasquez, Third District
   Hon. Michael Schaefer, Fourth District

2. Front-End Reporting: Updates to PCOR, Change in Ownership Statement, and 441(d) Questionnaire .... Ms. Cohen / Mr. Emran

   Discussion and proposed adoption of updates to standard reporting forms to include a dedicated intangibles disclosure section, so assessors and taxpayers have a consistent, complete picture of intangible components at the time of transfer or annual filing.

Topics for discussion:

- Adding a dedicated intangibles section, value-allocation detail, and transactional/cash-flow information to PCOR, COS, and 441(d) forms
- Consideration of adapting elements of existing BOE-529-I as a starting point for updated form language
- Development of a standard statewide information-request template and reporting structure, to promote consistency and efficiency across all 58 counties
- Proposed form language and implementation/coordination timeline with the Property Tax Committee

a. Presentation

b. Board Questions and Discussion

c. Public Comment

3. Preliminary Framework for Identifying Non-Taxable Intangible Assets and Rights.. Ms. Cohen / Mr. Emran

Discussion and proposed adoption of a preliminary, standardized statewide framework and screening checklist for identifying when intangible review is warranted, consistent with existing AH 502 guidance and established appraisal literature. This framework is preliminary and intended to supplement, not supersede, Assessors' Handbook Section 502, subject to further refinement as part of future development.

Topics for discussion:

- Standardized definition and screening checklist for intangible review
- Preliminary identification rules distinguishing intangibles necessary for productive use of taxable property from separately identifiable, non-taxable enterprise intangibles
- An initial, non-exhaustive list of recurring intangible categories to ground the framework (e.g., management and franchise agreements, assembled workforce, food and beverage operations)

- Continued acceptance of management- and franchise-fee-based income streams as a valid analytical starting point for identifying intangible value, subject to case-specific evidentiary support
- Coordination with statewide training materials (Item 5)

a. Presentation

b. Board Questions and Discussion

c. Public Comment

4. Compilation of Relevant Case Law and Historical Legal Overview...........Ms. Cohen / Mr. Emran

Discussion of a BOE staff-developed compilation of California appellate and Supreme Court decisions addressing non-taxable intangible assets and rights, building on the historical and legal overview presented by BOE staff at the June 25, 2026 meeting, to serve as a shared, neutral reference for assessors, taxpayers, and Assessment Appeals Boards. Like the framework in Item 3, this compilation is intended to supplement, not supersede, Assessors' Handbook Section 502.

Topics for discussion:

- Scope and sourcing of the compilation (case summaries only; no advocacy or recommended outcomes)
- Consideration of the Board's prior amicus brief in EHP Glendale LLC and Eagle Hospitality Properties Trust, Inc. v. County of Los Angeles (Cal. Ct. App., 2d Dist., Div. 8, Case No. B244494, filed May 13, 2013) as part of the Board's own prior legal analysis in this area
- Process for review and sign-off, drawing on BOE Legal Division and Property Tax Department expertise
- Publication and broad availability of the compilation to all stakeholders, not solely county assessors
- Development of an accompanying issues list identifying open questions for future discussion
- A neutral, descriptive summary of how courts have historically addressed burden-of-proof considerations in intangible valuation cases, without resolving or proposing any evidentiary standard

a. Presentation

b. Board Questions and Discussion

c. Public Comment

5. Statewide Training and Educational Resources .... Ms. Cohen / Mr. Emran

Discussion of the development of a statewide training and resource plan for assessors, Assessment Appeals Board members, and taxpayers, to support consistent application of the identification framework and general valuation principles.

Topics for discussion:

- Specialized training curriculum for assessor staff and Assessment Appeals Board members
- Standardized templates and checklists tied to the identification framework adopted under Item 3
- Statewide market-data resource library (comparable sales, capitalization rates, replacement-cost data)
- Illustrations of accepted valuation methodologies across all three approaches to value, with a candid discussion of the strengths and weaknesses of each
- Broad publication of updated guidance and training materials to all stakeholders, not solely county assessors
- Preliminary identification of specific AH 502 sections (e.g., identification methods, valuation approaches, and case law summary) that may benefit from future development as part of this initiative

a. Presentation

b. Board Questions and Discussion

c. Public Comment

6. Wrap-Up and Next Steps .... Ms. Cohen / Mr. Emran

Summary of items adopted or advanced at today's meeting.
Confirmation of the next full Board Work Group meeting date.
General closing remarks from the Controller and Board Members.

Adjourn Board Work Group