Conference on **Property Valuation and Taxation**
for Fiscal Sustainability and Improved Local Governance
in Europe and Central Asia

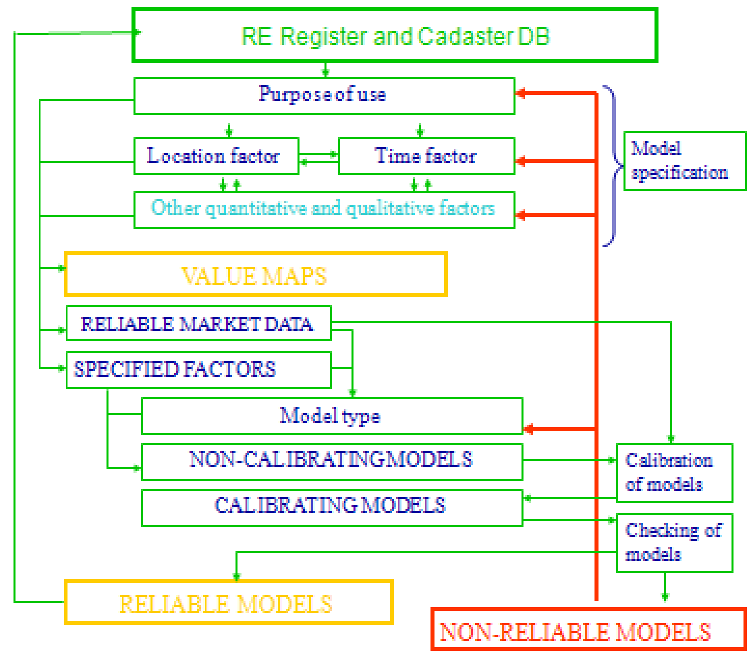
MASS VALUATION SYSTEM IN LITHUANIA

Arvydas Bagdonavičius
State Enterprise Centre of Registers
Arvydas.Bagdonavicius@registrucentras.lt

MASS VALUATION IN LITHUANIA

- Mass valuation system is built on the integrated **digital data** of real property cadastre and register.
- Mass valuation process is fully **automated.**
- Mass valuation **results are public** and published on the Internet.
- Mass valuation **results are easily applicable** for decision making on different issues.

Mass valuation model



LAND MASS VALUATION

- Started in 2002
- Annual revaluation
- Values (value maps and reports (61)) are approved by the National Land Service under the Ministry of Agriculture and are used for land taxation and other public needs
- In 2014, 2.2 million land parcels valued, 1.2 thousand value zones created and 288 valuation models developed

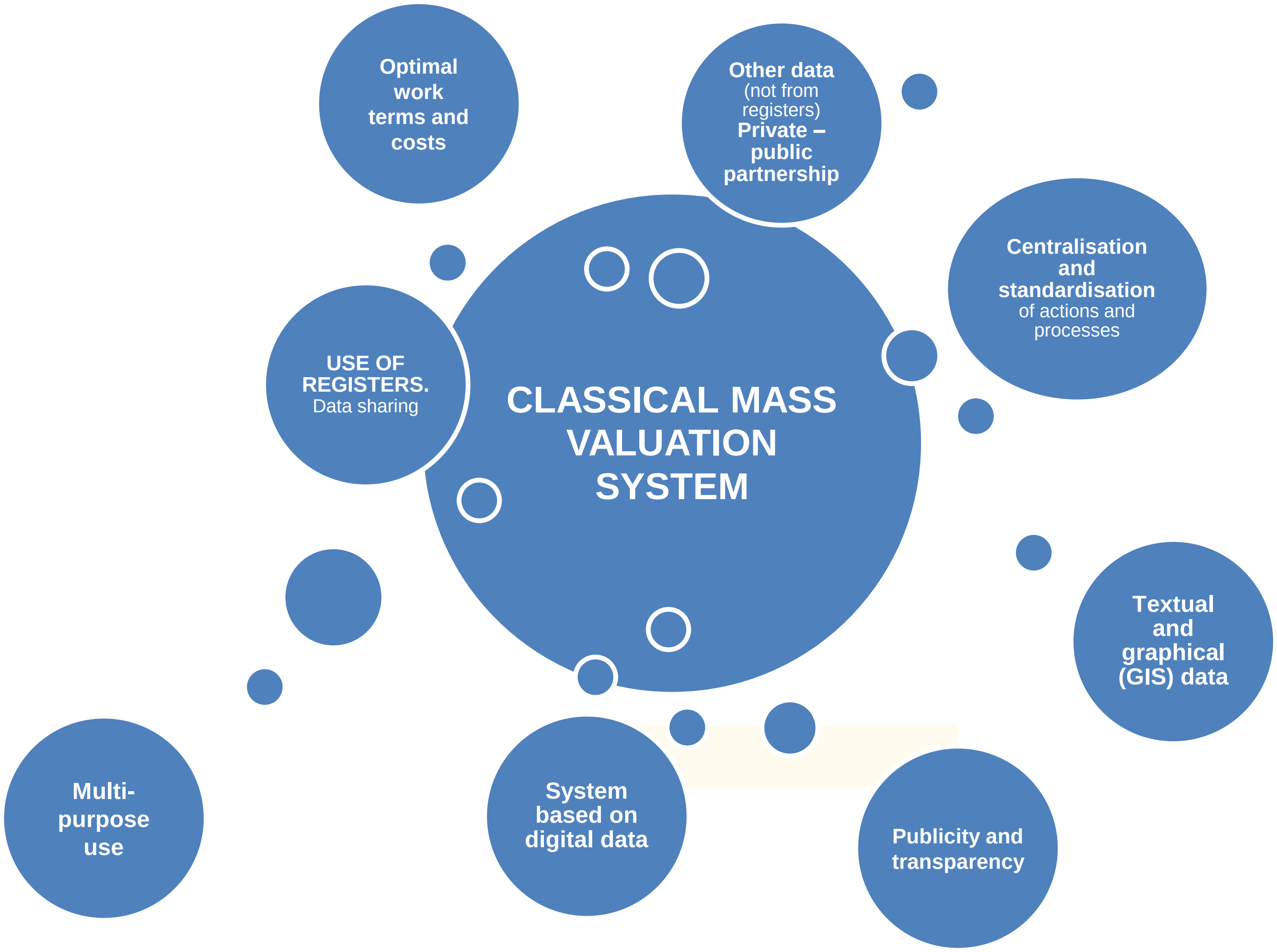
BUILDINGS MASS VALUATION

- Started in 2005 (pilot project in 2002)
- Values (value maps and reports (61)) are approved by the Ministry of Finance and are used for taxation of buildings and some other public needs
- Annual revaluation for different public needs; taxable values are valid for 5 years
- In 2014, 3.5 million buildings valued, 1.2 thousand value zones created and 625 valuation models developed

MASS VALUATION PRINCIPLES

1.Data collection and management system	2.Data analysis system	3.Value computation system	4.Methodical – administrative system
Collection of initial (raw) data	Grouping and systemising of data (classification)	Selection of methods	Budget, planning, making up of calendar plans
Data entering	Data review and selection	Selection of adjustment coefficients	Drafting of methodologies, procedures
Sorting of data	Estimation of relative and important parameters of value	Influence of time and location factors (zoning)	Connection of values with the Register data
Data storage and security	Estimation of adjustment coefficients	Formation and calibration of equation	Supply of data to tax administrator
			Appeals

LITHUANIAN APPROACH TO MASS VALUATION



REGISTRŲ CENTRAS

INSTITUTIONS PARTICIPATING IN MASS VALUATION PROCESS AND USING MASS VALUATION RESULTS

Ministry of Finance

Budget, planning, research, analysis
Approval of mass valuation results of buildings

Tax Inspectorate

Data on taxable property and taxpayers
Tax collection

Ministry of Agriculture

Approval of mass valuation results of land

Control of neglected lands and taxation

Lease and sale of the state-owned land

Land accounting (statistics)

SE Centre of Registers

Data management

Property valuation

Analytical data

Provision of information to the Tax Inspectorate, state institutions, public

Investigation of appeals

Municipalities

Decision on the tax rate within the limits set by laws

Reduction or setting of the tax rate

Receipt of property tax revenue

Review of preliminary results of mass valuation of land and buildings

Use of mass valuation results for social support issues.

Other institutions

- Land, real property tax payers
- Ministry of Justice
- Ministry of Environment
- Ministry of Social Security and Labour
- The Bank of Lithuania, Department of Statistics, notaries, etc.

REAL PROPERTY MASS VALUATION: USE OF RESULTS

USE OF REAL PROPERTY MASS VALUATION DATA AND RESULTS

- ESTIMATION OF TAXABLE VALUE OF LAND AND BUILDINGS
- Calculation of taxable value of inherited or gifted property
- Social support for low income families (people who live alone)
- For allocation of state guaranteed legal assistance
- Estimation of state-owned land initial sales and rental value
- Estimation of rents or state-owned fixed assets (constructions)
- Estimation of statistical indexes

- In the activities of insurance companies
- In the activities of bailiffs for estimation of initial audit price
- For calculation of fees for registration of real property and rights thereto
- For estimation of notary fees for real property transactions
- In banking activities
- Provision of market data to the society and professionals
- For other state economic needs (e.g. estimation of losses, compensations and similar)

VMI STATE TAX INSPECTORATE

PROPERTY VALUATION AND MARKET RESEARCH WEB SERVICES

Mass valuation

- Value zones and models
- Values established by mass valuation
- Real property construction cost tariffs
- Statistics of the dwellings' stock
- Mass valuation models for non-registered property
- Land Price Indexes
- Normatives for social support requirements
- Housing Price Indexes
- Data for the Department of Statistics

Provision of real property market data through the Internet

- Comparable objects of real property
- Dynamics of real property market transactions
- Value spreadsheet with time adjustment function
- Specialized query
- Number of real property transactions self-service
- Analysis of transaction prices self-service

Web service for Social Welfare Division of Municipalities

Third-party applications

Web service for taxation data (the system for information provision and sharing between the Centre of Registers, the State Tax Inspectorate, municipalities, complainant)

CONCLUSIONS

Fully automated mass valuation system is created at the Centre of Registers.

Valuation process and results are integrated with the real property cadastre, addresses, register data and their changes.

Estimated value reflects the current real property market and property conditions.

Mass valuation results are public and published on the Internet.

Mass valuation results are easily applicable for decision-making on different issues.

Need for and use of mass valuation data is expanding.

International Association of Assessing Officers

DISTINGUISHED ASSESSMENT JURISDICTION AWARD

State Enterprise Center of Registers, Republic of Lithuania

FOR THE YEAR 2003

Award of the International Association of Assessing Officers (IAAO)

Award of the Institute of Revenues Rating and Valuation - *Excellence in Valuation.*