



LINCOLN INSTITUTE
OF LAND POLICY

Workshop: Improving Value Based Taxation of Real Property in Latvia

Introduction, Overview of Lincoln Faculty, Goals, and Program Details

July 7, 2020 | SEMIDA MUNTEANU, JOAN YOUNGMAN | LINCOLN INSTITUTE OF LAND POLICY

Lincoln Institute of Land Policy

Mission

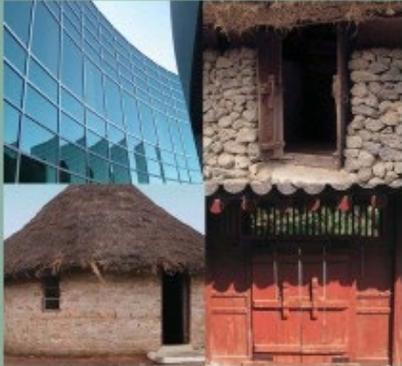
- The Lincoln Institute of Land Policy seeks to improve quality of life through the effective use, taxation, and stewardship of land. A nonprofit private operating foundation whose origins date to 1946, the Lincoln Institute researches and recommends creative approaches to land as a solution to economic, social, and environmental challenges. Through education, training, publications, and events, we integrate theory and practice to inform public policy decisions worldwide.

Lincoln Publications

Making the Property Tax Work

Experiences in
Developing and
Transitional Countries

Edited by
*Roy Bahl,
Jorge Martinez-Vazquez,
and Joan Youngman*



FINANCING METROPOLITAN GOVERNMENTS *in* DEVELOPING COUNTRIES

Edited by
ROY W. BAHL, JOHANNES F. LINN, AND DEBORAH L. WETZEL



RIEL FRANZSEN AND WILLIAM McCLUSKEY

Property Tax in Africa

STATUS, CHALLENGES, AND PROSPECTS



A TALE OF TWO TAXES

Property Tax Reform in Ontario

Richard M. Bird, Enid Slack, and Almos Tassonyi

Lincoln Databases

Key Issues Publications Research & Data Courses & Events News Endowment About

SIGNIFICANT FEATURES OF THE PROPERTY TAX®

Access Property Tax Database

State-by-State Property Tax at a Glance

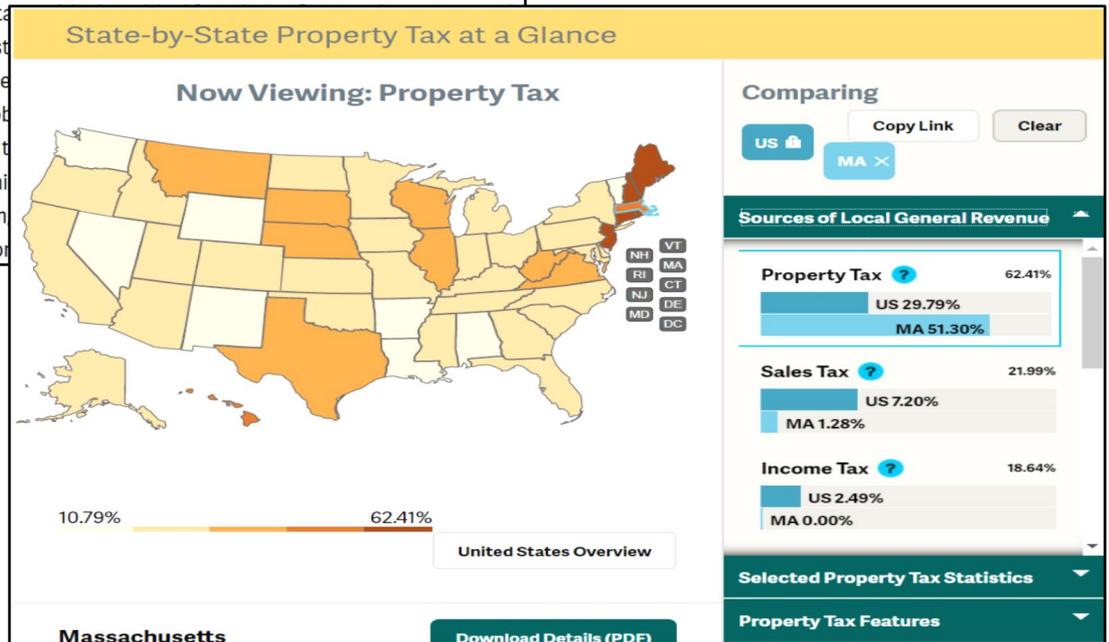
Government Finance Data

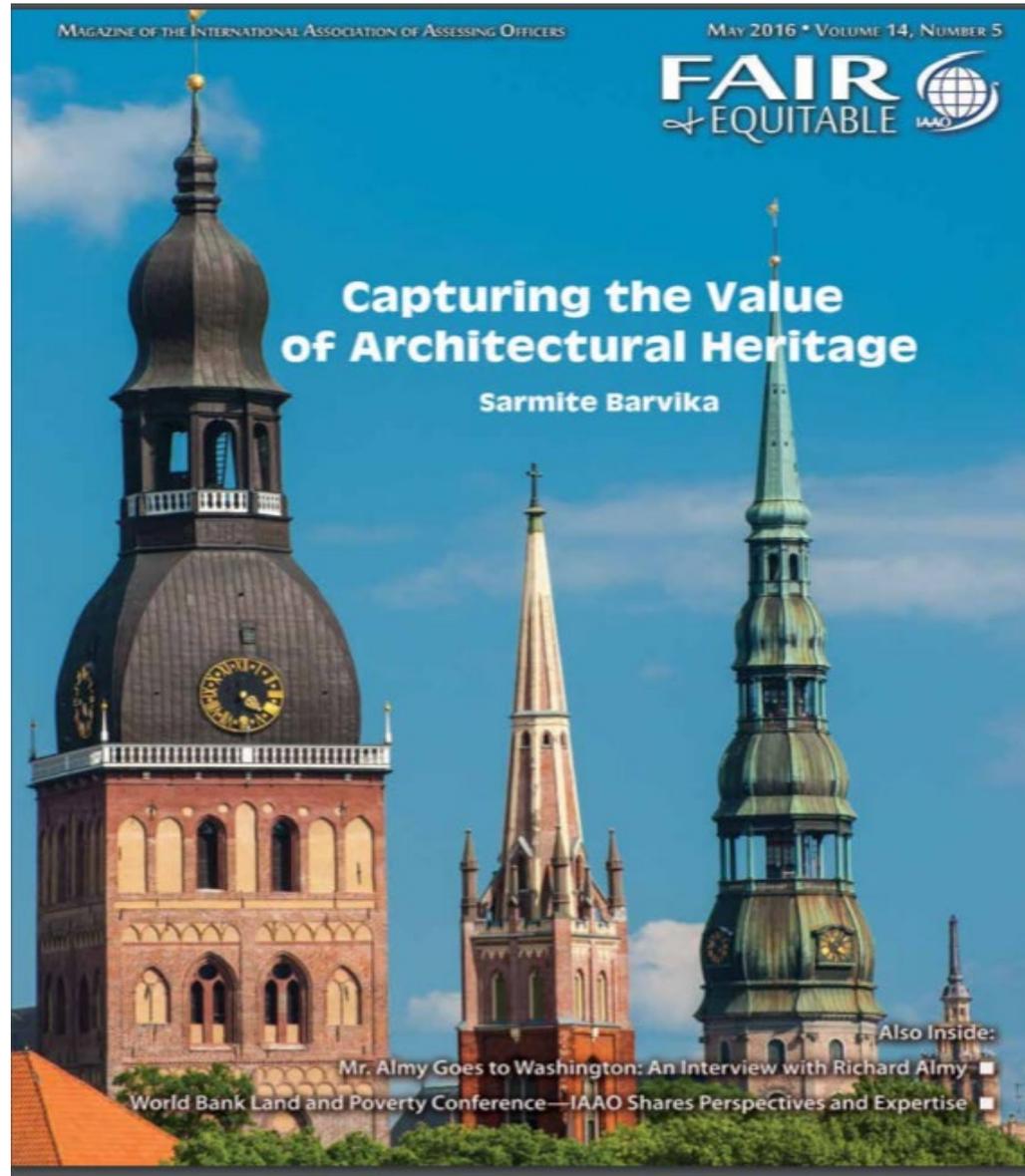
Resources

Research & Data / Data & Toolkits

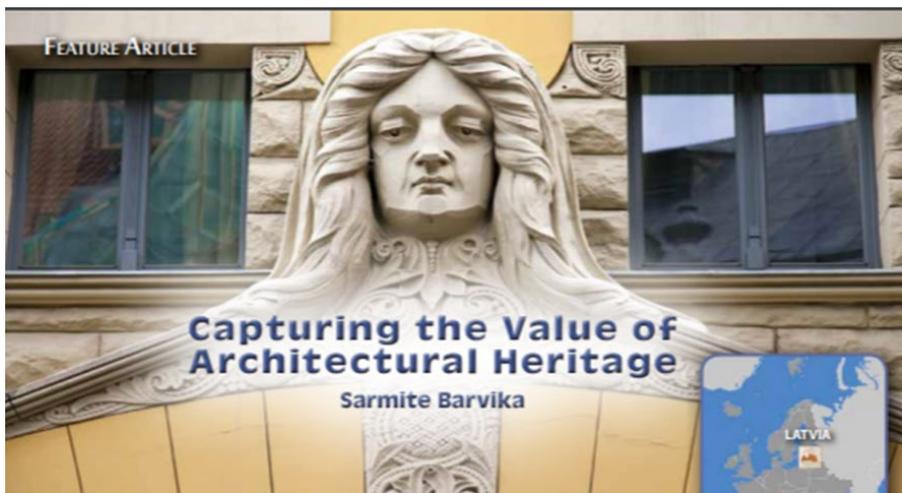
Significant Features of the Property Tax®

This online database presents data on the property tax in all 50 states and the District of Columbia. Because accurate data is essential for sound decision-making, the Lincoln Institute of Public Policy joined in a partnership with the Center for Intergovernmental Relations, which is functioning of the federal system. Features of Fiscal Federalism. For





FEATURE ARTICLE



Capturing the Value of Architectural Heritage

Sarmite Barvika



The statements made or opinions expressed by authors in *Fair & Equitable* do not necessarily represent a policy position of the International Association of Assessing Officers. Photo: Architectural detail in Medieval Old Town (Vecrīga), Riga, Latvia

In the valuation of properties with outstanding intangible (cultural) value, it is thought that *cultural value*, having unique (nonmaterial) features, cannot be assessed by the application of market valuation (e.g., in mass valuation). However, the 2012 *International Valuation Standards* (IVSC 2012) contain guidance (requirements for and considerations of valuation approaches) for valuing “the interests of historic real property.”

Nevertheless, disputable issues remain: What criteria should be used for reconciliation of the final opinion on value and to what degree? Does the assessed value represent the market value of older (unique) construction? Can special value (probably cultural value for buyers or owners) also be a valuation attribute (e.g., value reconsideration factor) and how (to what degree) can it be measured?

This theoretical study discusses two types (concepts) of values affecting architectural heritage buildings—cultural value and market value—and assess-

ment principles, in which the feature *cultural heritage* can be taken into account. The Historical Centre of Riga, (HCR), Latvia, and its protective zone (PZ) were selected for characterizing urban shrinkage and the loss of livability in historical cities.

Current Interest in Values of Cultural Heritage

A fundamental problem in heritage preservation is how to balance modern land administration, which urban design addresses, with cultural heritage. In the twenty-first century, the approach to the management of environmental resources has changed. In addition to the three classical dimensions (economic, environmental, and social), today there are also *good governance and the culture*, that is,

- Assurance of territorial sustainability
- Value-oriented interventions aimed at sustainable place-shaping
- A systemic approach
- A balancing of interests

- More public participation (bottom-up planning)
- Classified digital environment-related data.

Many cultural cities that are recognized

Policies for capturing the value of historical buildings are becoming increasingly important throughout

Europe, requiring new competencies, skills, education, and technologies.

worldwide (e.g., Rome, Milano, Porto, also Riga) dominate the list of the fastest shrinking cities in Europe; their historical vicinities continue to gradually lose residents (e.g., historical brownfields with deserted buildings whose value has decreased).

Historical buildings are the most visible part of cultural heritage. Policies for capturing the value of historical buildings are becoming increasingly



Developments in Value-Based Property

Since 1993, the Lincoln Institute of Land Policy has designed and presented courses for public officials in transitional countries on value-based taxation of land and buildings.

These courses address the political, legal, and administrative issues raised by implementation of a new tax, with particular attention to establishment of mass appraisal systems for property valuation

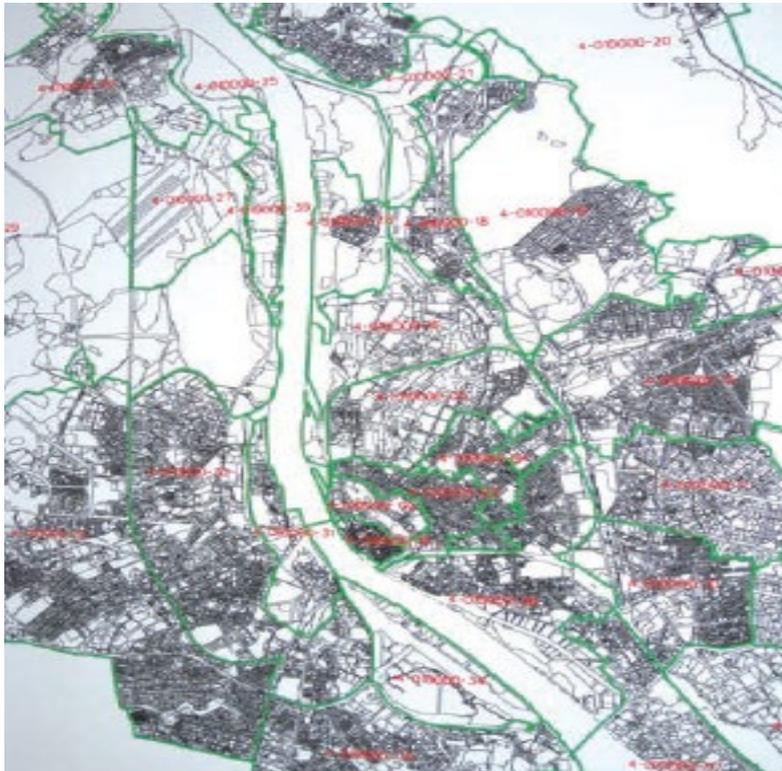
Photo: The unique Triple Bridge links Prešernov Square and Old Town in Ljubljana, Slovenia.



Jane Malme and Sally Powers

Taxation in Central and Eastern Europe

In 2008, the Institute sponsored a course in Riga, Latvia, in collaboration with the State Land Service of Latvia. The course included sessions on professional mass appraisal methods, model building, and performance measurement, as well as legal, political, and social issues related to taxation of property in the context of international experience.



Cadastral maps such as this one of the City of Riga, Latvia, are used in developing values for property taxes on land and buildings.



Renovated and unrenovated buildings exist side-by-side, posing challenges for mass assessment in Riga's historic district.

Workshop: July 7-8, 2020



Improving Value Based Taxation of Real Property in Latvia

Lincoln Institute of Land Policy (Cambridge, MA, USA)
in collaboration with
Riga Technical University and Ministry of Justice of Latvia
July 7 - July 8, 2020

The workshop will start at 14:00 / 2:00 p.m. (GMT + 3) on the Zoom platform
Workshop Language – English

Lincoln Faculty

- **Albina Aleksienė**, State Enterprise Centre of Registers of Lithuania (retired)
- **Paul Bidanset**, Lincoln Institute of Land Policy and International Association of Assessing Officers
- **Riël Franzsen**, African Tax Institute at the University of Pretoria, South Africa.
- **Ronald W. Rakow**, Lincoln Institute of Land Policy
- **Enid Slack**, Institute on Municipal Finance and Governance at the University of Toronto
- **Tambet Tiits**, Estonian National Land Board

Albina Aleksienė

- Albina Aleksienė was involved in the development of the property valuation profession in Lithuania, working as the executive secretary of the Lithuanian Association of Property Valuers
- She spent over 20 years as a valuation expert at the State Enterprise Centre of Registers in Lithuania where she coordinated the mass valuation of real estate
- Albina has spoken at international conferences and participated in training programs around the world
- She is an author of numerous articles concerning land and building valuation and taxation, including “Value-Based Property Taxes in Lithuania” in *Making the Property Tax Work: Experiences in Developing and Transitional Countries*



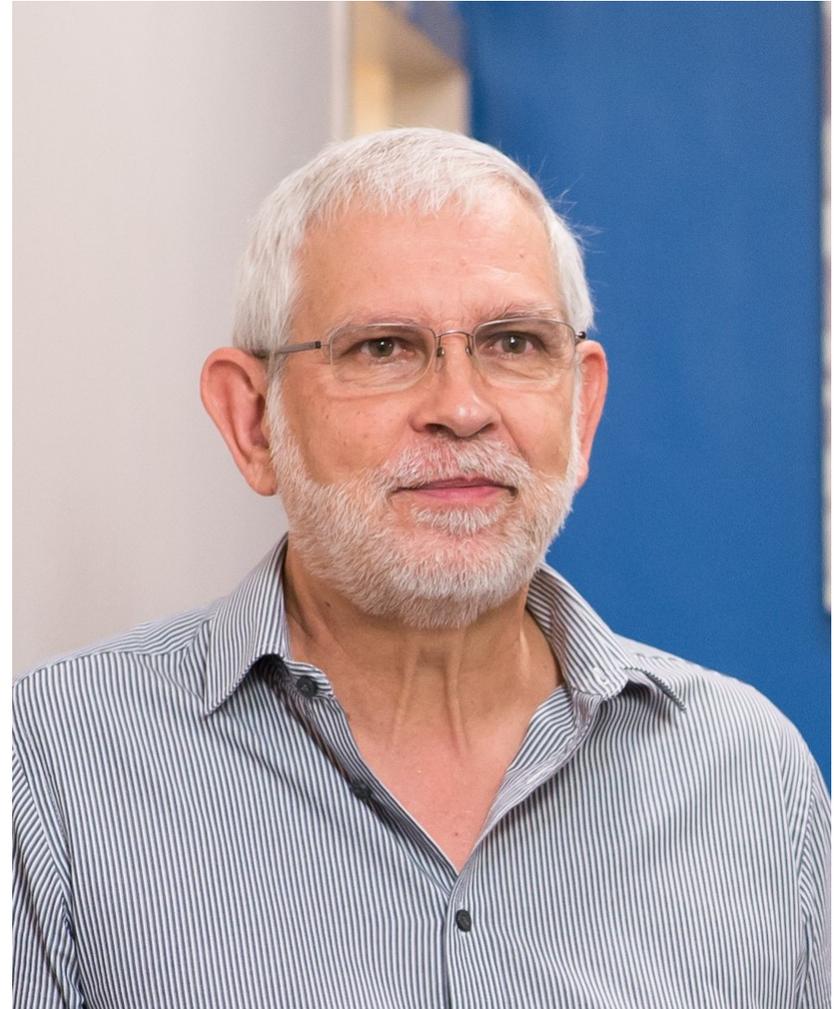
Paul Bidanset

- Paul Bidanset is a doctoral research fellow at the Lincoln Institute of Land Policy
- He serves as the valuation research project manager for the International Association of Assessing Officers (IAAO) and as an adjunct professor of economics at Regent University
- Paul's research focuses on spatial modeling, automated valuation models, and assessment equity
- He co-authored the book *GIS for Property Tax and Assessment Professionals*, published in 2018 by the IAAO



Riël Franzsen

- Riël Franzsen is Professor and Director of the African Tax Institute at the University of Pretoria, South Africa, where he also holds the South African Research Chair in Tax Policy.
- Riël specializes in land and property taxation, and serves as a policy advisor for the International Monetary Fund, United Nations, World Bank, and other entities around the world
- He has taught for many organizations, including the IMF, the Lincoln Institute of Land Policy, Network of Associations of Local Authorities of South East Europe, and the Hague Academy for Local Governance
- Riël has authored and co-authored numerous articles and book chapters on land and property taxation and is co-author and co-editor of *Property Tax in Africa: Status, Challenges and Prospects*, published by the Lincoln Institute of Land Policy



Ronald W. Rakow

- Ron is a Fellow at the Lincoln Institute of Land Policy, dealing with all aspects of property valuation and taxation
- He served as Commissioner of the City of Boston assessing department, where he was responsible for determining the fair market value of over 160,000 parcels annually
- He has chaired the research committee and Property Tax Policy Task Force of the International Association of Assessing Officers (IAAO)



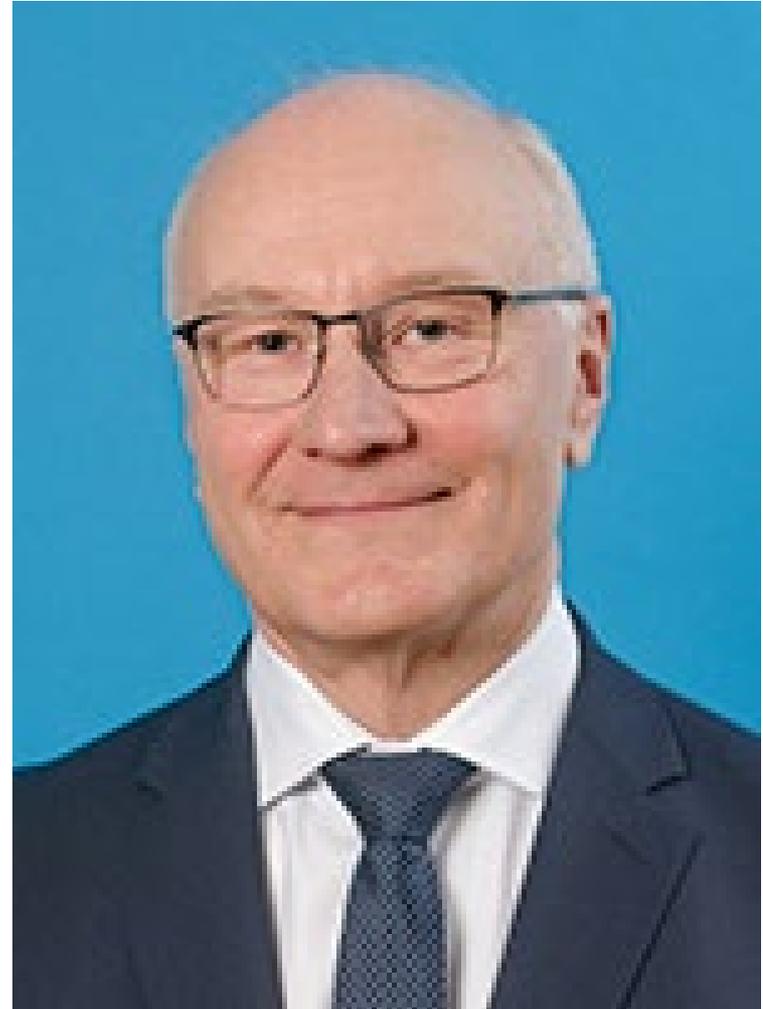
Enid Slack

- Enid Slack is Director of the Institute on Municipal Finance and Governance at the University of Toronto, which focuses on the fiscal health and governance challenges facing cities and city-regions in Canada and around the world
- She has deep international experience in municipal finance issues and has done research and training for many international agencies, such as the World Bank, IMF, CIDA, UN Habitat, Asian Development Bank, and Inter-American Development Bank
- She has written extensively on property taxes and municipal finance
- She is an adjunct professor at the Munk School of Global Affairs



Tambet Tiits

- Tambet Tiits is Director General of the Estonian National Land Board and has been a leader in land taxation and land policy in Estonia since the early 1990s
- He has served as Director of the DTZ Baltic, Chairman of the Estonian Association of Appraisers, and an elected member of the board of the European Group of Valuers Association (TEGoVA)
- He has lectured and taught at many international courses and conferences and has written widely on the Estonian experience with land taxation and policy, including book chapters in *Making the Property Tax Work: Experiences in Developing and Transitional Countries* and *The Development of Property Taxation in Economies in Transition*



Thank you

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