

# Cooperation Between Taxpayers and Municipalities for Valuation Purposes

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## SUMMARY

In The Netherlands all real estate is assessed annually for levying taxes and other government purposes. Real estate owners annually receive an official notification of the assessed value of all their real estate properties. The 408 municipalities in the Netherlands are responsible for these assessments and therefore also for the quality of the data used for the appraisals. The appraisals are performed by (tax) divisions of the municipalities, by partnerships of municipalities or are outsourced to mass appraisal companies. The Netherlands Council for Real Estate Assessment (in Dutch: Waarderingskamer) supervises the appraisal process and stimulates the cooperation between government and taxpayers. An convincing assessment of real estate is only possible when accurate, reliable, updated and accepted data is used. The system of base registers in the Netherlands helps, but for the assessments more data is needed and a higher level of reliability, topicality and acceptance is necessary. A growing number of municipalities systematically updates and verifies data by consulting the taxpayers by internet. Three important reasons for this approach are: 1. the current conditions of the real estate market, whereby maintenance conditions and a dated nature of the property have great influence on market value of houses; 2. a changing relationship between the government and inhabitants, whereby inhabitants prefer to be in the lead and distrust government information and; 3. the necessity for municipalities to work more efficiently and reduce their costs. The taxpayers in these municipalities have been given the opportunity to monitor the appraisal data by internet and to declare whether the data is (still) correct or to suggest alterations or improvements of the data. This proves to be an efficient method since owners can give the most accurate information on the maintenance condition or the technical state of the building. People turn out to be willing to check and improve the data, because they are curious to see the new appraisal of their property and want to influence this appraisal. Of course, municipalities check the data provided by the taxpayers and stay responsible for the correctness of the appraisal. The involvement of citizens in the appraisal process has already two important positive effects: 1. it improves the taxpayer's trust in the correctness of the valuation and this reduces the number of appeals against the assessed values; 2. it has a positive effect on the quality of the data for the appraisal, but also a positive effect on the quality of the data within the Dutch system of base registers. These effects have been reached without an increase of total costs. We hope that in future it will even contribute to a further decrease of costs. In this article we will describe different cases where the input of taxpayers play an important role in the appraisal process. This article will also describe the conditions provided by the Netherlands Council for Real Estate Assessment to stimulate this role for taxpayers to improve government data.