

OPEN GOVERNMENT – BUILDING TRUST AND STRENGTHENING THE DELIVERY OF VALUATION SERVICES

*An Irish and Dutch Perspective on taxpayer engagement in
property tax*

Ben P.P. Bervoets, Terence Fahey, Ruud M. Kathmann & Marco Kuijper

Key words: ad valorem property tax, transparency, tax payer trust, citizen participation.

1. INTRODUCTION

Both Ireland and the Netherlands are members of the Open Government Partnership (OGP). The four key principles underlying OGP are Transparency, Citizen Participation, Accountability and Technology & Innovation. In our paper we will focus on how the OGP principles can help improve the quality of property valuation for taxation purposes, and at the same time improve public trust in equitable taxation. Based on the experiences of the Valuation Office in Ireland and the Netherlands Council for Real Estate Assessment different methods to achieve transparency and to improve citizen participation are explained.

In **Ireland** valuation for taxation purposes is centralised and carried out by the Valuation Office. A key objective of Ireland's State Valuation service, the Valuation Office of Ireland (VOI), is to deploy innovative approaches to its assessment services in order to accelerate a National Programme of Revaluation which is currently underway. This paper describes how the Valuation Office, through a pilot approach known as Occupier Assisted Valuation (OAV), utilized a variety of taxpayer supports to encourage taxpayer participation while leveraging an extensive information and engagement campaign with all stakeholders. The outcome of this enhanced interaction between the VO and taxpayer is a more open, transparent and responsive valuation service with a better understanding by taxpayers of what the VO is trying to achieve through revaluation. This paper also provides an overview of the pilot objectives and outlines whether those objectives were met. The project's success will be measured by the level understanding and acceptance displayed by the taxpayer which can be measured by the number of initial statutory challenges to the assessments (known as "representations") received and the level of appeals made subsequently to the independent Valuation Tribunal in comparison to revaluations undertaken using the traditional approach of direct assessment. The results to date with regard to both of these performance indicators have been positive; the number of representations or challenges to the valuations reducing by 50% and the number of appeals to the independent Valuation Tribunal reducing by over 75%.

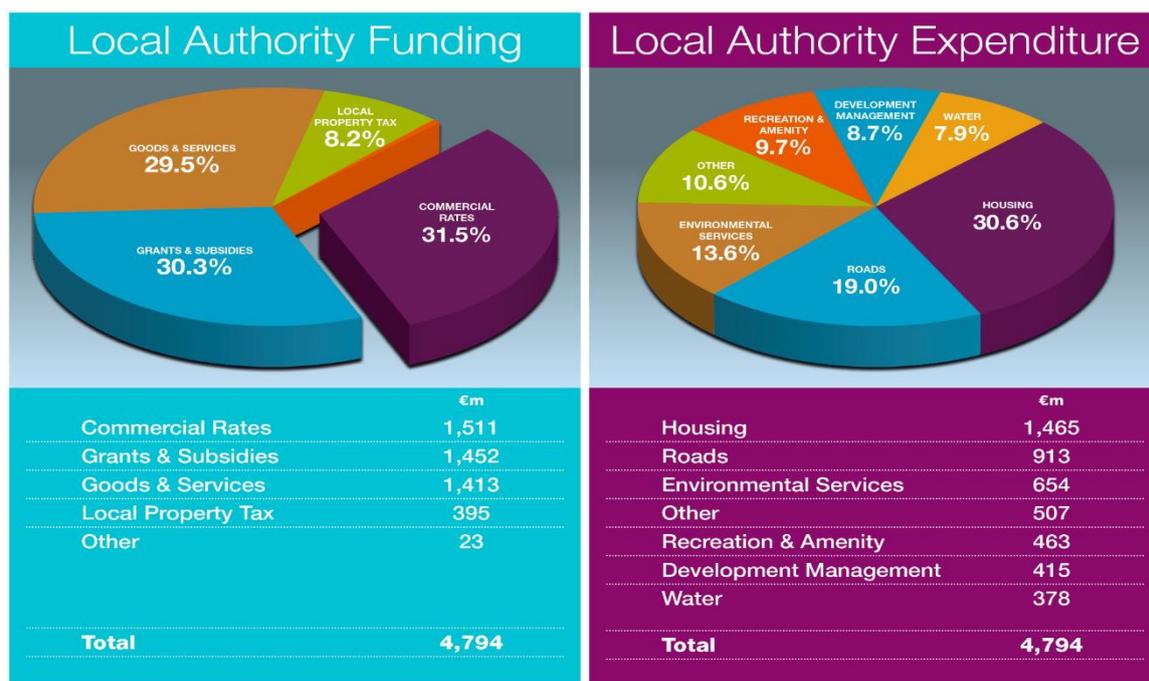
In **the Netherlands** the responsibility for property valuation for taxation purposes lies with the municipalities, which are the most local government. On a national level, the quality of local valuations is supervised by the Netherlands Council for Real Estate Assessment (NCREA). Forthcoming its mission statement, the main aim of the NCREA is to enhance trust in the adequate execution the Act for Real Estate Assessment. Whereas the main responsibility of the NCREA is to carry out quality assessments at municipalities, its tasks also includes the promotion of transparency with the ultimate goal to advance the public trust in the property valuation for taxation purposes. To do so, the NCREA mainly stimulates municipal initiatives and innovations. In this

paper we will explain the most relevant developments that have improved transparency and taxpayer participation in the valuation process. Also we will present results from these methods.

2. THE IRISH EXPERIENCE - OCCUPIER ASSISTED VALUATION (OAV)

2.1 Context

The core function of the VOI is the establishment and maintenance of a uniform and equitable valuation base on which an annual charge known as “Rates” on non-domestic properties is levied by the thirty one Local Authorities across Ireland. These independent valuations are based on open market annual rental values and form the basis for over €1.5 billion of Local Government funding each year. This equates to approximately 3% of Net Revenue (€50 Billion) collected by the Irish State in 2017. Rates account for almost one third of all Local Authority funding and is an extremely important source of revenue allowing Local Authorities fund a wide range of services as outlined below.



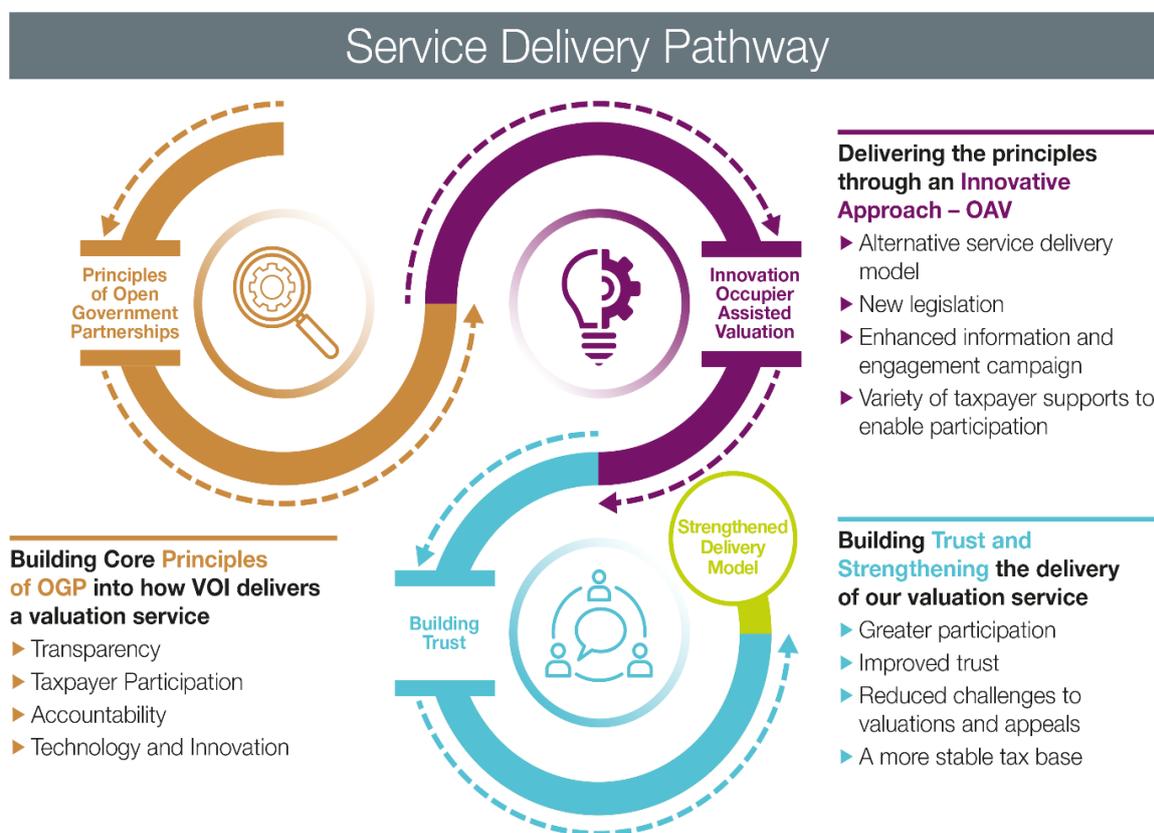
Source – Department of Housing, Planning and Local Government 2018

The current rating system is based on an outdated valuation base with 1988 relativities. Over time the relativity between properties and sectors has changed and without regular revaluations the growth or decline in each sector is not mirrored in the valuation base. The VOI’s target, in the medium term, is to refine the revaluation process, thereby accelerating the delivery of the National Revaluation Programme which is currently underway and to eventually lead to more regular

revaluations. However, when introducing any alternative service delivery model such as OAV the VOI understands that there is a need to build trust with the taxpayer, offer a full commitment to engage positively and be more accountable in order to deliver the desired outcomes.

The VOI’s *Vision* as outlined in its Strategic Plan 2018 – 2020 is to become “*A world class provider of property valuation services for the State and the People of Ireland*”. The key priorities outlined in the Strategic Plan reflect many of the commitments made in Ireland’s Open Government Partnership (OGP) National Action Plan and Public Sector Reform Plan. One of these key priorities is to *Meet the needs of its Stakeholders*. The VOI believes that taxpayers should understand, take part in and influence the outcome of their assessment. It views the principles of Open Government as a catalyst for achieving its organisational vision. It is essential therefore to build the core Principles of OGP into the work we do on a daily basis. In doing so we are not only implementing government policy but giving effect to the principles of a *good* taxation system which include certainty, simplicity, and transparency.

In order to achieve these goals, a new innovative process called Occupier Assisted Valuation (OAV) was adopted. The enactment of new legislative provisions enabled the VOI to explore and test this alternative means of delivering a revaluation.



2.2 What is OAV?

Under the Valuation (Amendment) Act 2015, OAV enables elements of self-assessment by occupiers in the valuation of their property for rates purposes. The selected pilot location was County Laois and, during the process, almost 2,000 taxpayers were required to assess the value of their property and provide updated matters of fact such as the current use and classification and the measurements of their property. However, in order to safeguard the integrity of the outcome, responsibility for ensuring that valuations are correct in their own right and equitable and uniform in relation to each other remains with the VOI.

2.3 Objectives and Potential Benefits

Greater Occupier Participation

Occupiers had an opportunity to submit their own valuation. This was expected to improve the accuracy of the information used to value properties for rates purposes. Also the outcome of this enhanced interaction between the VOI and taxpayers should lead to a more transparent process and better understanding of what the organisation is trying to achieve through revaluation and result in improved trust between taxpayer and VOI.

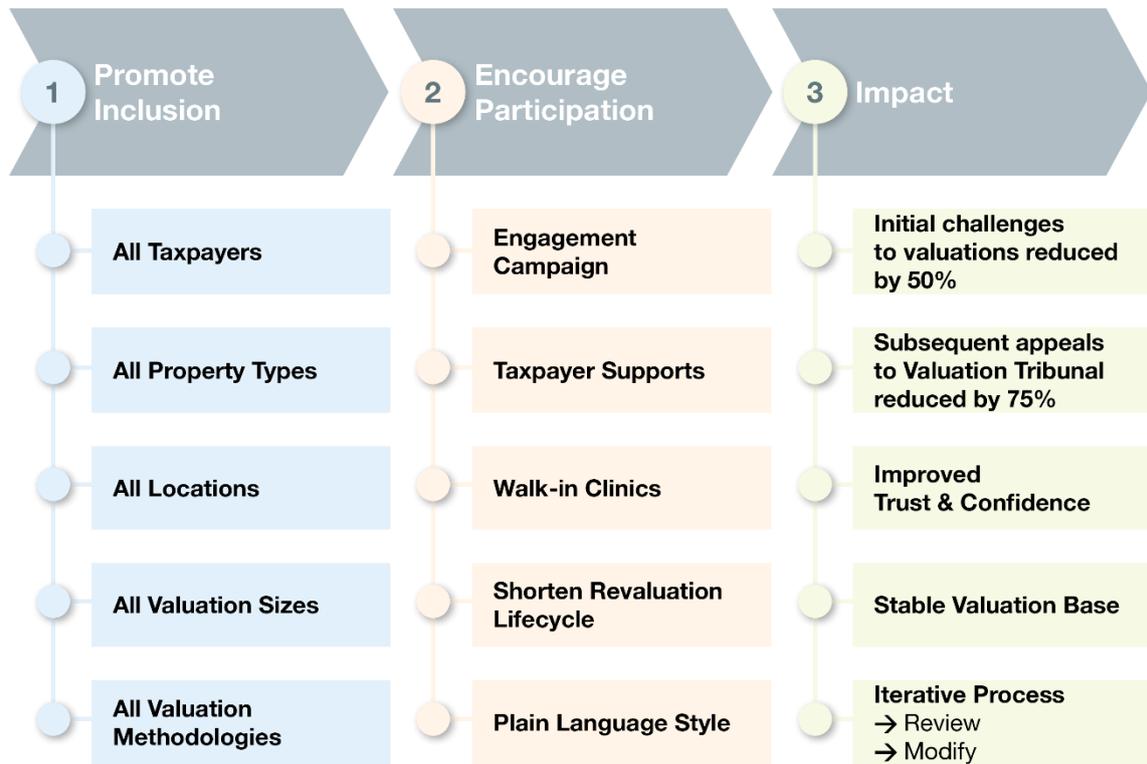
Reduction in number of “Representations” and Appeals

Over the course of the pilot project, the number of initial statutory challenges known as “representations” received and subsequent appeals made to the independent Valuation Tribunal were monitored and compared to the level of representations and appeals in other local authorities revalued using the traditional approach of direct assessment. A reduction in the number of valuations challenged at the “representations” stage and Valuation Tribunal stage would indicate an increased level of taxpayer confidence in the revaluation process and could enable the VO to deploy more of its resources into accelerating the programme in the remaining local authorities still to be revalued.

Future Revaluations

If successful, OAV could potentially speed up the revaluation process by reducing the time cycle for conducting a revaluation and to reduce the period between subsequent revaluation cycles for rating authority areas that are either undergoing a first or subsequent revaluation. The long term objective is to deliver subsequent revaluations within a 3-year cycle in line with best international practice, rather than the 5-10 year period mandated by legislation.

2.4 Our Approach



2.41 Promote Inclusion

The strategic focus of the VOI was to ensure that the pilot was all-encompassing and, therefore, included all classes of properties in both rural and urban locations within the selected pilot area. In tandem with this the objective was to test this approach on all classes of property regardless of valuation size or valuation methodology. Every ratepayer had an opportunity to participate in the process and no taxpayer was excluded. Failure to include all taxpayers could have resulted in a loss of trust from those omitted from the process which would compromise the main objective of achieving the desired result through building trust.

2.42 Encourage Participation

Engagement Campaign

In order to ensure that there was meaningful taxpayer participation, the VOI launched an extensive information and engagement campaign centred on building awareness amongst all stakeholders and encouraging optimum participation among taxpayers. This campaign focused on the key points of the revaluation process where the opportunity for engagement existed for the taxpayer. These were:

- 1) Valuation Submission Period
- 2) Making a “Representation”
- 3) Making an Appeal to the independent Valuation Tribunal.

A principle concern was to ensure that the work of the VOI is well understood and that the extensive supports provided to ratepayers and other stakeholders were well utilised. For example, briefings were delivered to VOI and local authority staff, local politicians, trade and representative bodies and this included question and answer sessions. Local media were also utilised which included radio / newspaper advertisements and interviews. Formal communications were also issued to ratepayers at the beginning of the process outlining what was required of them.

Taxpayer Supports (Minimise the Burden on Taxpayers)

The VOI’s primary objective was to ensure that the taxpayer had a better understanding of how we arrived at their assessment and to enable them to correct or amend their data as required. In order to achieve this, supports were provided before and during the pilot project, each designed to enable the taxpayer participate at minimal cost or effort. These included:

- Fully featured OAV Web Portal
- Provision of Indicative Values
- ‘Walk in’ Clinics
- Online Submission Form & Bespoke Hardcopy Forms
- Instructional Videos https://www.youtube.com/channel/UC6f2uiD_jqicvESY1Sc_E7A
- Guidelines
- Publication of Valuation Information in a geo-spatial format
- Rates (Tax) Estimate Calculator
- Helplines – Email & Telephone

The effectiveness of these supports can be measured by the amount of submissions requiring the assistance of an agent or professional acting on behalf of the taxpayer. 21% of the submissions involved an agent in assisting the taxpayer in submitting a valuation.

Indicative Values were provided by the VOI to the taxpayer for the main categories of properties (Retail/Office/Industrial). For the balance of properties while no indicative values were provided comprehensive guidelines were issued. Requesting an occupier of a commercial property to submit a valuation from a baseline starting point is impracticable and an unduly onerous burden. An objective of the pilot was to enable the taxpayer to submit a valuation without the need to engage professional assistance. As a consequence, the taxpayer received a schedule of areas for their property as well as an indicative value and guidelines to assist them in submitting their valuation. Supplying this data in an appropriate format to the taxpayer made it easier for them to participate in the process. Based on our experiences it would have been unrealistic to expect taxpayers to value their property from first principles while also insisting on the required outcome of equity and uniformity.

Walk-in Clinics

Engagement can be conducted using either digital services or other traditional approaches. The VOI has deployed both and the experience of OAV shows that while technology can help build and sustain trust by enabling transparency and communication, taxpayers prefer a two-way communication where valuers involved in the assessments meet taxpayers 'face to face'. This traditional interactive approach has proven to be very effective and has yielded a higher participation rate (where taxpayers submitted a valuation) from those of who attended the walk-in clinics.

The objective of the walk-in clinics was to serve as an information outlet where VOI staff were visible, and available to answer questions on every aspect of the process. Taxpayers were encouraged to attend and the level of engagement offered an opportunity to discuss the various aspects of the process and share their concerns with VOI officials in an open and transparent manner. Multiple clinics were held across three separate locations in County Laois and conducted on an informal basis where no appointment was necessary. The clinics were held throughout the valuation submission period, beginning 1 week after taxpayers received notification to submit a valuation and concluding 1 week before the final date of submission. VOI staff were key to ensuring that the clinics were a success. For many taxpayers this was the first time they would have met a VOI valuer and the experience of their interaction would dictate the level of trust they had in the organisation and the process.

Benefits & Outcomes of Walk-in Clinics

- Walk-in Clinics encouraged participation and supported taxpayers to submit a valuation
 - 68% of those who attended the clinics subsequently submitted a valuation
 - There was a correlation between the dates walk in clinics were held and the subsequent increased activity on our website

- Early engagement in the revaluation process increases satisfaction in the process, as errors are corrected early and taxpayers are better informed as to the basis of their valuation. This is evidenced by the reduced number of challenges.
 - 14% of those who attended the Walk-in Clinics made a representation
 - .01% of those who attended the Walk-in Clinics made an appeal to the Valuation Tribunal

- 9 clinics took place covering 3 locations over the period. Being visible gave more opportunity to be transparent

- Clinics highlighted the issues that are of concern to Taxpayers and provided valuable feedback to the VOI.
In seeking assistance in completing the submission form, the walk in clinics proved to be more popular than the helplines.

Top 5 queries arising from the clinics

1	Assistance required in completing the OAV submission form	22%
2	Explanation required of the Revaluation /OAV process	18%
3	What will my rates (tax) liability be?	8%
4	How is my valuation calculated?	6%
5	Query floor area included in valuation	6%

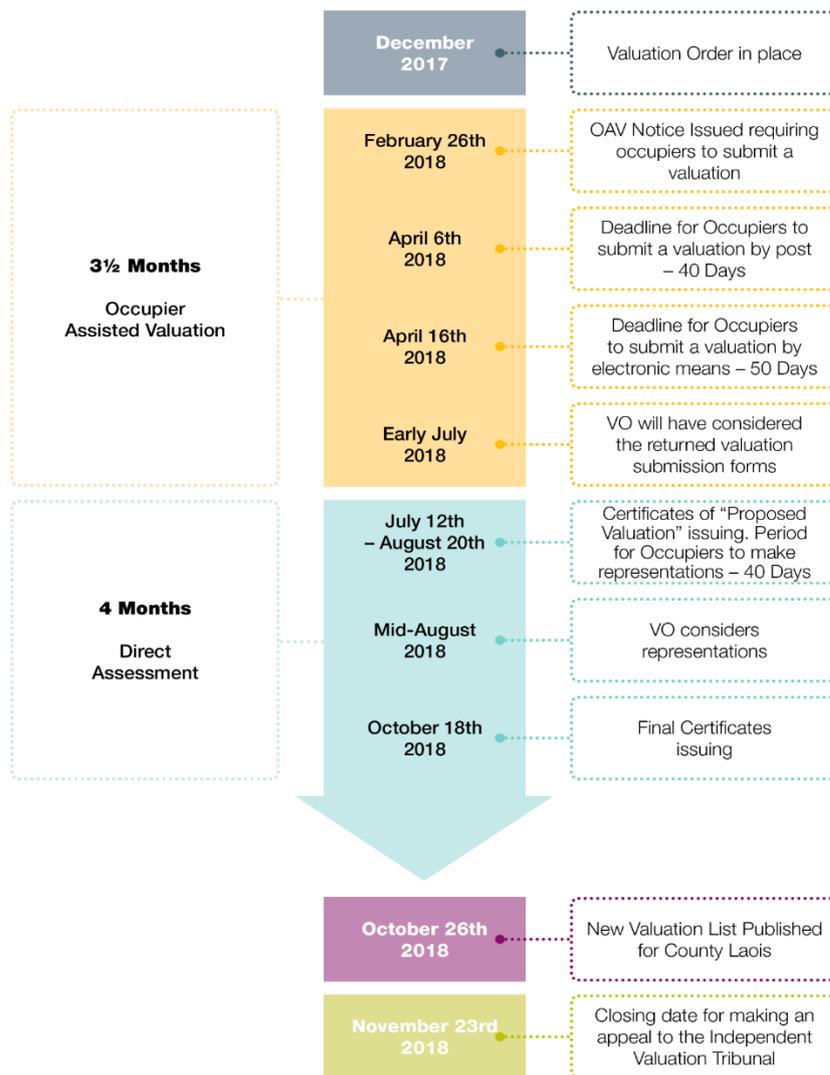
Top 5 queries arising from Helplines (Telephone/email)

1	Requested a copy of OAV Notice	12%
2	Occupier/Correspondence details incorrect	10%
3	Property no longer in commercial use	9%
4	Assistance required in completing the OAV submission form	8%
5	Made incorrect valuation submission	4%

Shortening the Revaluation Lifecycle

The traditional approach to delivering revaluation in Ireland has been to conduct it by way of direct assessment where the valuation of each property is determined by VOI staff. The life cycle of a revaluation in this case is circa 25 months whereas under the OAV approach this period was reduced to 9 months and completed within the same calendar year. Having a concise process keeps taxpayers engaged whereas a longer period leads to confusion and poorer understanding.

Key Dates and Stages



Encouraging Online Submission of Information

The VOI's objective was to encourage effective and efficient participation. Where a valuation was submitted by electronic means (online or by email) the submission period was 50 days. In contrast, if an occupier submitted a valuation by post the submission deadline was reduced to 40 days. The objective of encouraging the taxpayer to interact using our digital services was successful as those who submitted a valuation online or in electronic means was 81% while those who submitted by post was 19%.

Plain language style

Improving transparency within the rating system posed certain challenges during the design and development phase of the various supports. The purpose was to outline to an individual taxpayer what they needed to do with regard to *their* property. For example, an online form was designed so that the taxpayer only had to answer the questions relating to their type of property. For non-routine classes of properties bespoke forms and guidelines were designed.

Publication of Valuation Information using Visual Heat Maps

Following the consideration of valuation submissions received the outcome was issued to each taxpayer in the form of a Proposed Valuation Certificate. In addition, the general valuation levels applied to the main categories of properties were displayed in a geo-spatial format with the aid of visual heat maps. This was repeated when the final valuations were published, following the consideration of representations received. The objective was to present information in a simple manner so that taxpayers could compare their own assessment to their neighbours.

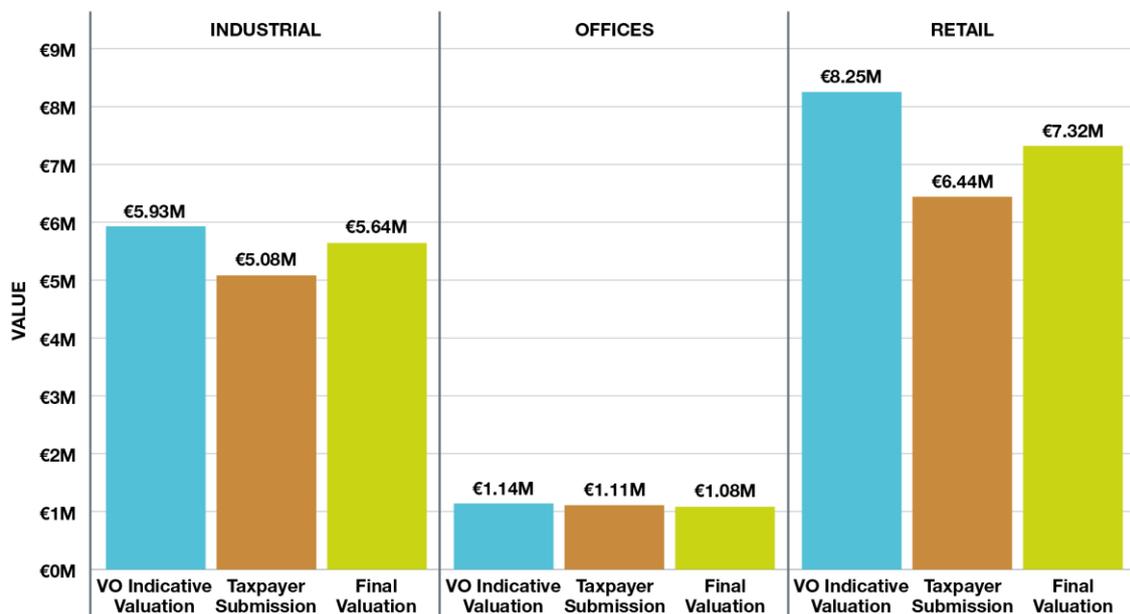
Rates Estimate Calculator

During any revaluation, one of the most common queries received by the VOI relates to the taxpayers resultant rates (tax) liability. In response to this we made a Rates Estimate Calculator available on our website to enable taxpayers calculate their likely tax bill by inputting the relative figures. For many taxpayers this is a very important issue and their liability rather than the size of their valuation can be the determinant as to whether they will challenge their assessment.

2.43 Impact

Building Confidence and Trust

The Indicative values issued to occupiers of Retail, Office and Industrial properties acted as a guide in assisting them to value their property. The graph below demonstrates the high degree of acceptance by taxpayers of these indicative values. The cumulative amount of valuations submitted for the industrial category was 86% of the cumulative indicative value provided by the VOI. For the Retail and Office categories the outcomes are 78% and 97% respectively. These results support the concept of allowing the taxpayer to take part in and have an influence on the outcome of their assessment.



Surprisingly, not all taxpayers who disagreed with the indicative valuation provided by the VOI sought a lower valuation. In fact, 7% of those who received an indicative valuation submitted a higher valuation.

Representations & Appeals to the independent Valuation Tribunal

The definitive measure of trust and confidence in the work we do can be seen in the number challenges to the valuations.

Following the valuation submission period, 9.8% of taxpayers subsequently submitted an initial statutory challenge or “representation” to the VOI concerning their valuation. This represents on average a 50% reduction on the number of representations made in other local authorities revalued using the traditional approach of direct assessment. It is also worth noting that taxpayers who participated in the OAV process were less likely to make a representation than those who didn’t participate. Only 12% of those who participated actively in the OAV process subsequently made a representation.

Subsequently, 1% of taxpayers appealed their valuation to the Valuation Tribunal. This represents on average a 75% reduction in appeals when compared to revaluations using the approach of direct assessment.

These outcomes are extremely positive and demonstrate a high degree of satisfaction amongst taxpayers.

Conclusion

The OAV pilot project has demonstrated that constructive and open dialogue with taxpayers using multiple communication platforms and media channels at various stages of the revaluation process can improve trust in the valuation assessments.

Trust and engagement is a two-way process, which benefits the taxpayer and State. The taxpayer benefits through greater understanding of the taxation system and the experience of direct participation. The outcome is greater confidence and trust in the system. The State benefits through improved taxpayer understanding, thereby promoting acceptance of the process resulting in a stable taxation system.

THE DUTCH EXPERIENCE – OPENNESS AND TRANSPARENCY IN DIFFERENT PHASES OF VALUATION AND TAXATION

2.5 Context

After the introduction of the Act for Real Estate in 1995 the quality and efficiency of the valuation of the approximate 9 million properties have improved continuously. This has resulted in a system in which all properties are assessed annually on full market value. This annual valuation is done

for all residential properties, but also for non-residential properties including commercial real estate and non-marketable properties, like schools and health care properties. The municipal performance generally increased in terms of quality and decreased in terms of costs. It is however the vision of the NCREA that efficiency and cost reduction alone are not sufficient to enhance taxpayers' trust. Therefore it stimulates municipalities to implement additional strategies to enhance citizen participation, transparency and accessibility.

2.6 Interaction in different phases

The NCREA has issued guidelines for municipalities how to perform the valuation: the Valuation Instructions. In the valuation instructions for municipalities these strategies and methods, generally are referred to as *taxpayer interaction*, are distinguished into three stages of the process:

- Prior to formalizing the assessed value
- Directly after the formal assessment, during the period one can make an objection
- During formal procedures for objections and appeals

Interaction prior to formalizing the assessed value

We have learned that the involvement of taxpayers in the valuation process has a positive effect on the confidence they have in the outcome. That's why most municipalities try to interact with their citizens in phase before sending out the tax notices with the assessed values on it. In this phase the interaction can have different forms. For instance:

- Municipalities allow taxpayers to check registered property characteristics;
- Municipalities allow taxpayers to check the pre assessed value;
- Municipalities organize information meetings for specific groups of taxpayers;
- Municipalities can write a "mass appraisal report" (or a accountability report) in order to explain to taxpayers how the mass appraisal is executed.

All these measures should increase taxpayers' trust and prevent taxpayers to start a formal complaint or objection procedure against the assessed value. We think this (preventing taxpayers to object against the assessed value) is a very important goal of the more informal approach. Our trust measurements show that taxpayers who have made an appeal in the past have a low amount of trust, compared to the "average" taxpayer. Even if the appeal procedure was a pretty long time ago.

Allowing taxpayers to check the registered property characteristics, or the pre assessed value of their property has an additional benefit if you look at the "problem" from the perspective of the attribution theory. The attribution theory is concerned with how people explain the causes of behaviour and events. The fact that taxpayers have (to a certain level) contributed to the creation of the assessed value, can give them more trust in the outcome of the valuation process. After all, they have contributed to it!

And the contribution is not only helpful for increasing trust of taxpayers. The input from taxpayers really helps updating object characteristics needed for the valuation. The NCREA demand from the municipalities that object characteristics are checked at least once every five year. The confirmation by a taxpayer that the registered object characteristics are correct, can help updating the data and improving quality of data used for the valuation.

In the Netherlands it is not mandatory for the taxpayer to check the data and give a confirmation that the data is correct or give information about the correct characteristics for his property. Therefore municipalities have used different methods to encourage taxpayer to go to the website where the data is presented and where they can confirm the object characteristics or suggest corrections to the data. It turns out that more taxpayers go to the website when they also get a preview at the valuation results. They are curious what the assessed value for the next year will be.

Another observation is that the first year interest to go to the site is at its largest. In following years the number of taxpayer visiting the website is diminishing, but the fact that is possible to check the data still is important for trust of taxpayers.

It is also important that the taxpayer gets a reply on his suggestion for correcting the registered object characteristics, before the official assessed value is send out to him. It must be clear that the suggestions are taken seriously, but also it must be clear that the municipality checks whether the object characteristics suggested by the taxpayer are correct and in accordance with the characteristics of comparable properties in the neighbourhood.

Directly after the formal assessment, during the period one can make an objection

We think the period directly after the assessed values have been sent to the taxpayer is important, in particular to answer questions of taxpayers. That's why most municipalities in the Netherlands in this period are easy to reach by phone. While some municipalities establish a "call center" to answer the "easy questions" of taxpayers, we believe it works best if it is easy for the taxpayer to get in contact with the appraiser. The appraiser is the person who can explain how he has come to his estimation of market value and who can tell the taxpayer whether he has used all information on the property that the taxpayer is giving him by phone. In addition to the possibility to contact the appraiser by phone most municipalities can also be contacted by email or by WhatsApp or the taxpayer can make an appointment for an on spot valuation by the taxpayer. Of course, the ultimate goal of all these measures is to gain the trust of the taxpayer. If this approach also results in less formal appeals, we consider it as a "bycatch".

During formal procedures for objections and appeals

Unfortunately, it is not realistic to expect that it's possible to prevent taxpayers to start a formal procedure against the assessed value. In the Netherlands the number of objections is on a level of 1 to 2 percent for residential properties and around 5 percent for non-residential properties.

In this stadium the goal of the measures of municipalities shifts from "winning trust" to "prevent to lose trust". Therefore, the following elements are very important:

1. Municipalities must deal with complaints in a way that gives trust (timely, thoughtfully, understandable, etc.);
2. A case may only be brought to court (or to a higher level) if there is a fundamental difference of opinion between municipality and taxpayer;
3. Municipalities must take sufficient measures to learn from the complaints and appeals that are honoured in order to prevent that they make the same "mistakes" during the next revaluation.

Conclusion

Based on our experiences, we believe interaction is most effective in the period before sending out the tax notices. Examples of interaction during this phase are involving property owners in the process by asking them to check registered property characteristics or by presenting the pre-assessed value for inspection. In the Netherlands the engagement of taxpayer is not for collecting data, but for checking the data used for valuations and the correctness of the appraised value.

2.7 Public disclosure of assessed values

To achieve transparency, a relevant development was the public disclosure of assessed values of residential property. This enabled home owners to check and compare the assessed value of his own property with the assessed value of other properties. Through a nationally developed website, municipalities automatically disclose the assessed property, which are displayed on a map. Based on visitors numbers and feedback results we have gained much information on the various purposes for which people look at the map with assessed values.

The public disclosure of assessed values started in 2016. Within a few years the website with the assessed value is well known in the Netherlands and often used by people who for instance are interested in buying property in a certain neighbourhood. Because of public disclosure people are more interested in achieving a proper market value for their property and not "a value as low as possible to pay less tax".

2.8 Measuring trust

The ultimate goal of all measures described above (the different forms of interaction and the public disclosure of assessed values) is to establish a sufficient level of trust. We believe an increase in trust of taxpayers will automatically pay itself back in a decrease in objections and appeals.

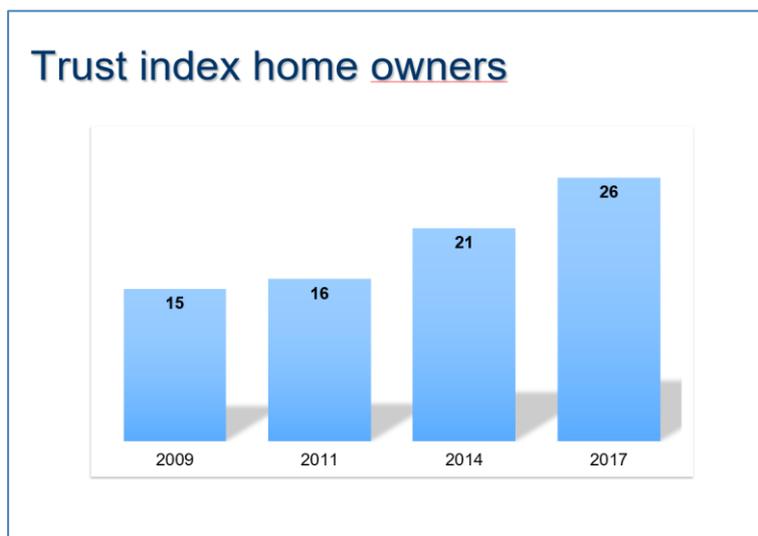
We consider our ability to adjust the system to the changing demands of society as one of our most important strengths of the system in the Netherlands. We believe it is essential for each property tax system to continuously improve. To systematically keep an eye on the changing demands of society (with regard to our system of property taxation) we periodically execute surveys to measure the trust taxpayers have in the system. In 2009, 2011, 2014 and 2017 we measured the trust of homeowners and in 2016 we measured the trust we measured the trust owners/occupiers of non-residential real estate have in the valuations. The results of these surveys give us insight into the taxpayer's opinion and the possibilities to improve our system. Transparency and having a some kind of influence on the appraisal are important aspects of the system for taxpayers.

We started with the periodical trust measurements because trust is a very important element in the mission statement of the Netherlands Council for Real Estate Assessment. But of course, there are also other good reasons to measure the trust. At first we think trust is essential for every government. If the citizens of a country (or a jurisdiction) have no trust in their government, this will have a negative effect on this government as a whole. And this goes in particular for tax organisations. If people don't trust their tax authority this will affect their willingness to pay taxes. Another reason comes forth of the fact that the Netherlands Council for Real Estate Assessment, which is an oversight agency, has no direct relation with taxpayers. So from an organizational perspective case it is also important to find other ways to receive the right signals from this group.

We decided we wanted to focus our trust measurements on the owner occupiers of residential properties. The main reason for this was that this group is very dominant. It is also the biggest group of taxpayers we can distinguish. Furthermore we decided to outsource the study (or survey) to an external company. This was because of the fact that NCREA doesn't have the knowledge and expertise to carry out such a complex survey. For instance, we don't have a database with taxpayers (owner occupiers) that we can approach. But outsourcing of the study was also done, because we wanted a really independent survey.

The NCREA gave a private Dutch firm the assignment to perform the trust measurement. We asked to measure the trust home owners have in the quality of the assessed values and in the execution of the special act for real estate assessment. To measure the trust the private firm developed a "trust index". To determine this "trust index" they developed an online survey and invited a representative group of (approximately) 1500 home owners to participate.

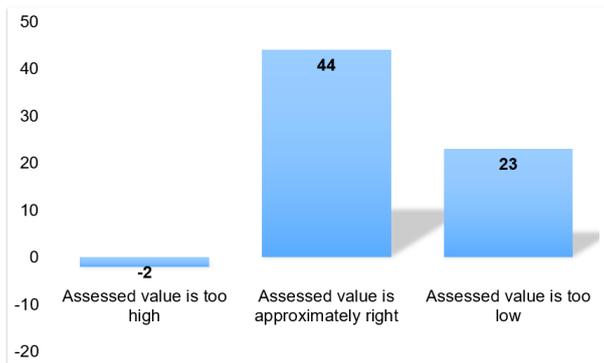
The first measurement took place in 2009 and since then we have repeated the measurement three times (in 2011, 2014 and 2017). The figure below shows the main results of the four measurements. To understand this figure it is important to know that the "trust-index" should not be seen as a grade. The same method to determine the trust is applied (by the same company) for different parts of the Dutch government. Those other trust measurements have learned us that a score between 30 and 40 should be considered as a "good" result.



The figure shows that the amount of trust home-owners in the Netherlands have in the assessed values for taxation purposes, is relatively low. In particular for the results of the first two measurements. Luckily we see a upward trend from 2014. Although there is no conclusive evidence we believe this slight upward trend can, at least partly, be attributed to the fact that municipalities in the same period have started to seek informal contact with taxpayers. The 2017 measurement is also influenced by the fact that since 2016 there is the public disclosure of assessed values for residential properties.

The trust measurements also show that there is a strong relationship between the trust home owners have in the assessed values and their own perception of the rightness of the assessed value. If the assessed value is accordance with the home owners' own opinion about the market value of his/her property the trust score is significantly higher than the trust indexes of the groups that think the assessed value is higher or lower than the assessed value. This is shown in the figure below.

Correlation between trust index and own opinion about assessed value



3. LESSONS LEARNED FROM THE IRISH AND DUTCH EXPERIENCES

Everyone who is working in the valuation or taxation industry must at all times be aware of the fact that their work is affected by the trust taxpayers have. If taxpayers have low trust, there is a big chance that they will appeal against the assessed value. But it also works the other way around. The trust of taxpayers is affected by the way the tax authority's work. If tax organisation are "transparent and customer friendly" it will also have a positive effect on the more general trust of taxpayers in the government.

To positively influence the confidence (or trust) taxpayers have it is highly recommended to involve them in the valuation process in an early phase. If taxpayers have contributed to the valuation, they will more likely trust the outcome (the assessed value). In Ireland and in the Netherlands initiatives were taken to ask taxpayers to collect or verify data and to improve the quality of the registered object characteristics. The experiences in both countries are positive. From those initiatives we draw the following conclusions:

- Involving taxpayers can positively influence the trust they have in the assessed value of their property;
- Involving taxpayers can also have a positive effect on the quality (accuracy, completeness and timeliness) of the registered object characteristics;
- If the amount of objections and appeals reduces as a result of the new method of working, it will have a positive effect on the costs that are made for a revaluation (dealing with objections and appeals is an expensive part of the valuation process);
- It is recommended to find ways for more informal, people-to-people, contact between taxpayer and assessor in every phase of the valuation/taxation process. Don't forget the social media for this contact;

- It is highly recommended to try to involve taxpayers in the phase prior to sending out the tax notices;
- Trust measurements (or comparable market research) are important to systematically look at the effects of the more informal approaches and to collect data for the continuous improvement of an valuation system;
- Working on trust calls for patience, for it takes time for new developments to become known to the public. Trust can take years to build, but only a second to shatter!

4. CONCLUSION

Regardless of the jurisdiction or administrative structure enhancing the quality of data that is used for the appraisal is of vital importance for the public trust in a well-functioning system of property taxation. In our paper we have shown experiences in Ireland and the Netherlands with different initiatives to improve transparency, citizen participation, accountability and technology & innovation. Even though the property tax systems in both countries differ significantly, mutual lessons are learned based on the experiences with these initiatives.

In this paper we have shown our “common ground” and our differences in choosing the various options to implement measures to improve transparency, citizen participation, accountability and technology & innovation in different circumstances.

ABSTRACT

Based on experiences of the Valuation Office in Ireland and the Netherlands Council for Real Estate Assessment in this presentation different methods to achieve transparency and to improve citizen participation are explained.

In **Ireland** valuation for taxation purposes are carried out by the central Valuation Office. This paper describes how the Valuation Office, through a pilot approach known as Occupier Assisted Valuation (OAV), encouraged taxpayer participation. The outcome of this enhanced interaction between the VO and taxpayer is a more open, transparent and responsive valuation service with a better understanding by taxpayers.

In **the Netherlands** the responsibility for property valuation for taxation purposes lies with the municipalities. The Netherlands system promotes transparency of municipalities with the goal to advance the public trust in the property valuation. We will present results from municipalities involving taxpayers in checking quality of data but also results of measuring taxpayers trust in the assessed value.