Property Assessment for Rating Purposes in Southern and East Africa: Present Status and Future Prospects

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Paper to be presented at the 8th annual conference of the Pacific Rim Real Estate Society in Christchurch, New Zealand, from 21-23 January 2002.

Note:
This paper reflects on preliminary results of a research project, funded by a David C. Lincoln Fellowship grant, undertaken on behalf of the Lincoln Institute of Land Policy, Cambridge, Massachusetts on land-value and other property tax systems in some of the member states of the Southern African Development Community (SADC) specifically (2001) and member states of the British Commonwealth generally (2002). The views expressed in this paper are those of the author and should not be attributed to the Lincoln Institute of Land Policy.

Abstract

This paper presents a brief and exploratory overview of aspects of property assessment for rating purposes in nine southern and eastern African countries. Generally the lack of properly qualified and skilled valuers presents itself as a serious stumbling block in improving the quality of ad valorem property tax systems in all of the countries referred to. Capacity building (in the areas of professional, technical and management skills, training, computerisation, collection and enforcement procedures) is imperative. Regional co-operation could also be beneficial.

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1 Introduction

This paper presents a brief and exploratory overview of property assessment for rating (i.e. property tax) purposes in the following southern and east African countries: Botswana, Kenya, Lesotho, Malawi, Namibia, South Africa, Swaziland, Tanzania and Uganda. It reflects on the current status of the valuation profession in the context of producing and maintaining municipal valuation rolls, highlights a number of key problem areas and tenders possible solutions to some of the problems experienced.

By way of introduction it is pertinent to refer to some basic information regarding the above-mentioned nine countries.

**TABLE 1: BASIC INFORMATION REGARDING THE NINE COUNTRIES**

<table>
<thead>
<tr>
<th>Country</th>
<th>Size (km²)</th>
<th>Capital</th>
<th>Population</th>
<th>GDP per capita (US$)</th>
<th>GDP 2000 est. (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Botswana</td>
<td>600,370</td>
<td>Gaborone</td>
<td>1.59 million</td>
<td>6,600</td>
<td>10.4 billion</td>
</tr>
<tr>
<td>Kenya</td>
<td>582,650</td>
<td>Nairobi</td>
<td>30.77 million</td>
<td>1,500</td>
<td>45.6 billion</td>
</tr>
<tr>
<td>Lesotho</td>
<td>30,355</td>
<td>Maseru</td>
<td>2.18 million</td>
<td>2,400</td>
<td>5.1 billion</td>
</tr>
<tr>
<td>Malawi</td>
<td>118,480</td>
<td>Lilongwe</td>
<td>10.39 million</td>
<td>940</td>
<td>9.4 billion</td>
</tr>
<tr>
<td>Namibia</td>
<td>825,418</td>
<td>Windhoek</td>
<td>1.80 million</td>
<td>4,300</td>
<td>7.6 billion</td>
</tr>
<tr>
<td>South Africa</td>
<td>1,219,912</td>
<td>Pretoria</td>
<td>43.59 million</td>
<td>8,500</td>
<td>369.0 billion</td>
</tr>
<tr>
<td>Swaziland</td>
<td>17,363</td>
<td>Mbabane</td>
<td>1.11 million</td>
<td>4,000</td>
<td>4.4 billion</td>
</tr>
<tr>
<td>Tanzania</td>
<td>945,087</td>
<td>Dar es Salaam</td>
<td>35.31 million</td>
<td>710</td>
<td>25.1 billion</td>
</tr>
<tr>
<td>Uganda</td>
<td>236,040</td>
<td>Kampala</td>
<td>23.98 million</td>
<td>1,100</td>
<td>26.2 billion</td>
</tr>
</tbody>
</table>

Source: The World Factbook 2001 - CIA

All of the above-mentioned countries have a colonial history and have had property tax systems introduced by and based on the rating systems of early 20th Century England, Australia and South Africa. In its modern guise property tax was introduced as a source of revenue for local government in South Africa in 1836. From South Africa it spread to South Rhodesia (now Zimbabwe), North Rhodesia (now Zambia), and also to Niassa Land (now Malawi), Tanganyika (now Tanzania), Uganda and Kenya.

2 Property Taxes

Property tax, as an annual tax on the ownership (or occupation) of immovable property (i.e. land and/or buildings), is - as in many countries elsewhere in the world - an important source of local government revenue in all of the above-mentioned countries. However, before dealing with property taxes (or ‘rates’ as it is known in most of these countries) in this narrow sense, it should be mentioned that in all of these countries the income from, use, acquisition and/or alienation of immovable property is/are generally also taxed by means of other property-related taxes.
2.1 Property-related Taxes at all Levels of Government

**TABLE 2: PROPERTY-RELATED TAXES LEVIED**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Botswana</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Kenya</td>
<td>Yes</td>
<td>Yes</td>
<td>?</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Lesotho</td>
<td>(2002)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Malawi</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Namibia</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>South Africa</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Swaziland</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Tanzania</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Uganda</td>
<td>?</td>
<td>Yes</td>
<td>?</td>
<td>?</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: Deloitte & Touche: *Guide to Key Fiscal Information: Southern Africa 1999/2000*

2.2 Property Taxes at Local Government Level

It is noteworthy that a variety of tax bases are utilized by and even within the various countries.

**TABLE 3: TAX BASES PROVIDED FOR IN LEGISLATION**

<table>
<thead>
<tr>
<th>Country</th>
<th>Land value (site value)</th>
<th>Improved value</th>
<th>Site &amp; improvements (as separate objects)</th>
<th>Improvements only</th>
<th>Annual value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Botswana¹</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kenya²</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lesotho³</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malawi</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Namibia⁴</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>South Africa</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swaziland⁵</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Tanzania</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Uganda⁶</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

¹ Source: Deloitte & Touche: *Guide to Key Fiscal Information: Southern Africa 1999/2000*
Although the rate is levied on the (total) improved value, that value is the aggregate of the value of the land and the value of the improvements on the land.

The Valuation for Rating Act provides for the following bases, namely area rating (rural areas), agricultural rental value rating (rural areas) or site value rating in combination with an improvement rate. In practice only land value is used.

In practice tax is levied on the value of site plus the value of improvements, although the Act seems to provide for a tax on improvements only. A ground rent (collected by national government) may be payable for the use of land.

The Local Authorities Act (s 79) provides that with the approval of the Minister, a town council or village council may determine a rate ‘upon a basis other than that of valuation’. In practice local authorities use site and improvements (as separate taxable objects) as tax base, with a higher rate on land than improvements.

Although legislation provides four options, it is not clear yet whether all of these options are actually used in Swaziland.

The tax base in Uganda is the annual value of the total value of site and improvements.

### TABLE 4: TAX BASES UTILISED IN THE CAPITAL CITIES

<table>
<thead>
<tr>
<th>Country</th>
<th>City</th>
<th>Tax base</th>
<th>Responsible Valuer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Botswana</td>
<td>Gaborone</td>
<td>Aggregate of site + improvements</td>
<td>National government</td>
</tr>
<tr>
<td>Kenya</td>
<td>Nairobi</td>
<td>Site only</td>
<td>In-house</td>
</tr>
<tr>
<td>Lesotho</td>
<td>Maseru</td>
<td>Aggregate of site + improvements</td>
<td>In-house</td>
</tr>
<tr>
<td>Malawi</td>
<td>Lilongwe</td>
<td>Improved value</td>
<td>In-house</td>
</tr>
<tr>
<td>Namibia</td>
<td>Lilongwe</td>
<td>Site + improvements</td>
<td>In-house</td>
</tr>
<tr>
<td>South Africa</td>
<td>Pretoria</td>
<td>Site only</td>
<td>In-house</td>
</tr>
<tr>
<td>Swaziland</td>
<td>Mbabane</td>
<td>Site + improvements</td>
<td>Private firm</td>
</tr>
<tr>
<td>Tanzania</td>
<td>Dar es Salaam</td>
<td>Improvements only</td>
<td>In-house + private</td>
</tr>
<tr>
<td>Uganda</td>
<td>Kampala</td>
<td>Annual value of site + improvements</td>
<td>In-house</td>
</tr>
</tbody>
</table>

1 From March 2001. Before that date it was the responsibility of national government (Franzsen, 2001b).
<table>
<thead>
<tr>
<th>Country</th>
<th>Valuation Cycles</th>
<th>Current Issues regarding Property Assessment and Rating</th>
</tr>
</thead>
</table>
| Botswana   | max 5 years      | $ Capacity of valuers to prepare proper valuation rolls  
|           |                  | $ Comparable market/sales evidence                   
|           |                  | $ Coverage ratio (rates only levied in 6 jurisdictions) 
|           |                  | $ Exemption of low-cost housing                      
|           |                  | $ Ministerial approval of tax rates                   
|           |                  | $ Late billing and lump-sum annual payments (in contrast to monthly utility billing) 
|           |                  | $ Low collection rate (approximately 65%)             
|           |                  | $ Strained council-taxpayer relationships              
|           |                  | $ Political interference when councils want to enforce the law 
|           |                  | $ Communication with and education of taxpayers to address the lack of understanding |
| Kenya      | max 10 years     | $ Extending the coverage ratio to peri-urban areas and informal settlements 
|           |                  | $ Keeping to statutory valuation cycles               
|           |                  | $ Revenue yield is low and generally on the decline  
|           |                  | $ Improving collection ratios                          |
| Lesotho    | 3 years (+ 3)\(^1\) | $ Extending the coverage ratio (within Maseru)         
|           |                  | $ Extension of rates to other municipal and urban councils 
|           |                  | $ Lack of capacity to properly assess land            
|           |                  | $ The lack of funds and resultant poor services, resulting in non-payment 
|           |                  | $ Collection of current and arrear rates               |
| Malawi     | max 5 years      | $ Capacity to assess property and maintain valuation rolls 
|           |                  | $ Standard of training of valuation staff              
|           |                  | $ Collection of current and arrear rates               
|           |                  | $ Taxpayer education                                   |
| Namibia    | max 5 years      | $ Introduction of a land tax on rural land (commercial farm land) 
|           |                  | $ Surpluses on trading services as a subsidy of the rates account 
|           |                  | $ Sectional (i.e. strata) titles (valuation and collection of rates) 
|           |                  | $ Rates may be levied on the value of `deemed` improvements (where an undeveloped plot was not improved within an agreed period) 
|           |                  | $ Circumvention of conveyancer=s certificates         
|           |                  | $ Arrears                                             |
| South Africa | max 5 years | $ Diversity of tax bases (e.g. site value versus capital improved value) 
|           |                  | $ Exclusion of 'public infrastructure'                 |
### Taxation of Agricultural Land and Communal Land
- Valuation methodology and capacity
- Responsibility for valuation quality control
- Valuation of sectional title (strata title) schemes
- Setting of tax rates, differential tax rates and rate-capping
- Municipal rates (i.e. property tax) policies
- Capacity of especially non-metropolitan councils to collect (e.g. proper billing) and enforce payment of property taxes
- Taxpayer education

### Swaziland
- max 5 years
- Limited coverage
- Wide range of possible tax bases
- Collection of current rates and arrears
- Pending reforms

### Tanzania
- ?
- Tax base coverage
- Outdated legislation and policies
- Capacity to assess property and maintain proper valuation rolls
- Numerous exemptions
- Collection of rates
- Taxpayer education

### Uganda
- 5 years (+)\(^2\)
- Low coverage ratio
- Inefficient land information systems
- Outdated valuation rolls (some more than 20 years)
- Lack of co-ordination between government valuers and rating authorities
- Capacity to assess properties is lacking
- Public relations with taxpayers

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1. The legislation states 3 years, but the responsible minister may extend it annually for an overall maximum of 6 years (i.e. a further 3 years).
2. The minister responsible may approve an extension (Okellokello and Nsamba-Gayiiya, 1996).

A number of the problem areas are practically common to all nine countries (with South Africa in most instances, but by no means in all instances, the exception). These could be summarised as:

- Generally a wide range of possible tax bases is available. Especially the option of taxing improvements only (Lesotho, Namibia, Swaziland and Tanzania) is noticeable. It probably stems from a land tenure system in which land belongs to the king or the nation collectively, and only improvements can legally be possessed.

- The introduction or extension of a property taxation, in one form or another to rural properties (e.g. in South Africa, Namibia and to some extent Botswana and Lesotho). This is usually coupled with the demand for the extension of municipal services to more remote rural areas. In a number of countries there are local authorities that do not yet assess properties and levy rates.

- The coverage ratio within jurisdictions (e.g. in informal settlements and peri-urban developments) that do assess properties and levy rates are often suspect (e.g. in Kampala it is estimated at 60% (Nsamba-Gayiiya, 2001) and also in a country like Zambia it is stated as a serious problem (Chirwa, 2000)).

- The shortage of qualified and skilled professionals to survey land, record and maintain an accurate
deeds register (proper cadastral information), to assess properties and prepare proper valuation rolls, to do interim valuations, to do regular general revaluations - all of which are usually prerequisites for a legitimate and efficient property tax system. (This applies equally to other countries in southern Africa, e.g. Zambia (Chirwa, 2000) and probably Zimbabwe.)

$>$ Country-appropriate and theoretically sound valuation and rating legislation generally seem to be in place. However, putting the legal principles into practice in an equitable and sustainable manner is difficult - with political interference reported in some instances (e.g. in Botswana and Kenya).

$>$ The retention of properly qualified valuers within the civil service is also a serious problem (Botswana, Kenya, Tanzania and Zambia (Chirwa, 2000)).

$>$ Statutory valuation cycles are not adhered to. In may instances valuation rolls are hopelessly outdated (e.g. in Maseru (Lesotho), Nairobi (Kenya) and generally throughout Uganda).

$>$ Outdated rating systems, legislation and practices abound.

$>$ Assessment for rating purposes is not a priority for government valuers (Kenya and Lesotho).

$>$ Lack of understanding of assessment by municipal officials responsible for rating (Zambia, Uganda).

$>$ All nine countries lack appropriate practical training programmes.

$>$ There is little if any regional co-operation between professional associations (all countries), or in some instances a total absence (Lesotho, Swaziland) or a dormancy (Uganda) of professional associations.

$>$ There is an absence of statutory-required external quality controls with regard to municipal valuation rolls (in all nine countries).

$>$ Often there is only limited technical and logistical support (such as computer hardware, software, vehicles, etc) exists (Kenya, Tanzania, Zambia).

$>$ Land tenure reform programmes and government policies (e.g. privatisation) in some instances result in an increased workload (South Africa, Zambia).

$>$ Collection and enforcement leave much to be desired in all nine countries.

$>$ Taxpayer education is mentioned as an area that has to be addressed to improve public knowledge and perceptions regarding assessment, rating and the provision of local government services (South Africa, Tanzania and Uganda).

3 Specific Issues regarding Assessment for Rating (i.e. Property Tax) Purposes

3.1 Municipal Assessment: Lack of Capacity

One of the most critical issues in southern Africa is the lack of capacity to assess properties for property tax purposes. In many countries (South Africa being - for the most part - an exception) valuation rolls are generally out of date, undermining the tax base and also the legitimacy of rating as an important source of local revenue. Current events in Nairobi, Kenya (see IPTI Observer, 2001) and Cape Town, South Africa (Marten, 1999) are striking examples of the problems that can occur if revaluations are undertaken irregularly.
TABLE 6: REGISTERED OF VALUERS AND RESPONSIBILITY FOR VALUATION ROLLS

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of registered valuers</th>
<th>Valuation Rolls</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>In house valuers</td>
<td>Government valuers</td>
<td>Private valuers</td>
</tr>
<tr>
<td>Botswana</td>
<td>60</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Kenya</td>
<td>&lt;400</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Lesotho</td>
<td>&lt;6</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Malawi</td>
<td>&lt;20</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Namibia</td>
<td>&lt;10</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>South Africa</td>
<td>2,030</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Swaziland</td>
<td>&lt;6</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Tanzania</td>
<td>&lt;150</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Limited</td>
</tr>
<tr>
<td>Uganda</td>
<td>25</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

1 Although most local authorities have in-house valuers, the responsibility for the preparation of valuation rolls have been that of the national government, utilizing private contractors (Kelly and Masunu, 2000).

As Table 6 clearly indicates, there is a serious problem in respect of the capacity to properly assess properties for property tax purposes. With the exception of South Africa, Kenya and Tanzania, the number of registered valuers are very low. Even in South Africa it is argued that the valuers= profession will probably not be able to cope with the implementation of the proposed new dispensation when the Property Rates Bill is enacted (Marten, 1999; Franzsen and McCluskey, 2000). Lack of capacity is also stated as a serious problem in Kenya (Konyimbih, 1996; Olima, 2000) and Tanzania (Masunu, 2000; Masunu, 2001). The position is similar in other countries within southern Africa, such as Zambia (Chirwa, 2000). Further afield, Nigeria with a population in excess of 120 million people, only has about 1,400 valuers (Olunbunmi, 2001).

The critical shortage of skilled valuers and technical staff requires urgent attention. There are no proper training facilities in Botswana, Malawi, Namibia, Lesotho, Swaziland, Uganda or Zambia at present. Kenya, South Africa, Tanzania and Zimbabwe offer - to a lesser or larger extent - appropriate academic programmes at university and/or technikon level. Regional co-operation (e.g. regional training facilities) seems to be the way forward.

It is suggested that national professional institutions (e.g. the Tanzanian Institution of Valuers and Estate Agents (TIVEA), Kenya Institute of Surveyors and the South African Institute of Valuers) should also work toward closer co-operation.

International professional institutions (e.g. RICS, IAAO, IPTI, IRRV) could also play an important role in building capacity through the provision of appropriate practical training programmes. It is important to point out, however, that international assistance must be appropriate and the goals set sustainable. Not one of the countries presently monitor the quality of municipal valuation rolls at a provincial or
national level of government. South Africa is to introduce quality control when the Local Government: Property Rates Bill is eventually enacted (Franzsen, 2000b). Where valuation rolls in Tanzania have been prepared by private contractors, limited and informal quality control by government officials has occurred (Kelly and Masunu, 2000), although this is not required by legislation.

3.2 Responsibility for Municipal Valuations

The question could be asked: Who should be primarily responsible for preparing municipal valuation rolls - national government, in-house departments (i.e. municipal employees) or private contractors?

It is noteworthy that in some countries there are pressures to move towards privatising property assessments (e.g. Botswana, South Africa and Swaziland), whereas in others to appoint in-house municipal valuers (Lesotho and Tanzania). Presently some of the larger municipal councils in Namibia and South Africa have in-house departments responsible for valuations, whereas smaller councils make use of private valuers. In Kenya, Malawi, Uganda and Zambia government valuers are generally responsible for municipal valuation rolls in respect of smaller councils.

3.3 Assessing Traditional Forms of Land Tenure, Communal Land and the Concept of Value

The extension of the rates base to include communal land and land held in terms of traditional forms of land tenure is on the cards in South Africa (Franzsen, 2001b) and has been mooted in other countries too. This will present new challenges to the valuation profession.

The concept of ‘value’ itself presents possible challenges. Mwasumbi (2001) cites the example of the typical Swahili house where the concept of ‘space’ is perceived quite differently when compared to a ‘western perception’ thereof. Maybe one could add that not only is valuation as much an art as a science, but also a culture?

3.4 Lessons

There are some lessons to be learnt from current property tax reforms in South Africa and elsewhere in southern and eastern Africa:

$ The drafting process should be transparent and consultative, involving all stakeholder groups.
Where reforms also pertain to property assessment, it is imperative that the property valuation profession must be consulted in a constructive manner - this has unfortunately not happened in South Africa or elsewhere (Franzsen, 2001b; Nsamba-Gayiiya, 2001) to date.

$ Ideally the legislative provisions pertaining to valuation of properties (for rating and/or other purposes) and those pertaining to property tax administration should be addressed in different statutes. This is unfortunately not happening in South Africa.

$ Although various large municipalities in South Africa have in-house valuation departments with unique assessment expertise, municipalities should preferably not be seen to be involved in the assessment process. Assessment issues and tax issues should be kept apart. Valuations should not be manipulated or corrupted to attain equity. Equity is best attained through proper property categorisation, adjustments to tax rates or the use of tax rebates.

$ Ministerial (i.e. political) control or intervention, especially in assessment-related matters, should be limited or preferably avoided altogether (Chirwa, 2000; Franzsen, 2001a; Nsamba-Gayiiya, 2001).

$ Legislation should not be too detailed (e.g. listing property categories or valuation methodologies), nor should it be left vague or ambiguous (e.g. in respect of something as crucial as the tax base).
The tax base should be as inclusive as is practically possible, exclusions should be avoided and exemptions kept to a minimum. Valuation rolls should ideally reflect all properties, even those excluded from the tax base or exempted from paying tax.

Valuation rolls should not be too detailed. In Botswana, Lesotho, Malawi, Namibia, South Africa and Swaziland valuation rolls must reflect three values (i.e. land value only, improved value and also the value of improvements) - irrespective of the actual tax base used. This is costly and time consuming.

Successful property tax reforms are usually ‘collection-driven’ rather than ‘valuation-pushed’ (Kelly, 2000). Reforms in Tanzania since 1993 have been valuation-driven (Kelly and Masunu, 2000). It is probably correct to say that proper valuation and efficient collection are both prerequisites for successful reform. Pilot studies generating valuation rolls using computer-assisted mass appraisal (CAMA) have recently been undertaken in two small towns (Nyeri and Mavoko) in Kenya and also in rural areas of South Africa (Ward, 2001) - with apparent success. However, it must be remembered that CAMA is data hungry, requires high levels of skills and also requires appropriate computer hardware and software presenting problems in most if not all nine countries.

Before any reforms are implemented, it must be clear that the goals set are attainable. The capacity to assess properties and to collect and enforce the tax must exist and be maintained (Ahene, 2001).

Successful reforms require the support, commitment and proper comprehension of municipal and national politicians, municipal officials and taxpayers. If the reforms are not perceived as necessary and legitimate, it is bound to fail. Taxpayer education is critical (Franzsen, 2001a; Nsamba-Gayiiya, 2001, Masunu, 2001).

4 Conclusions

It is commonly acknowledged throughout southern and eastern Africa that property tax is an important source of revenue for local government and that there is much scope for improvement in all of the important aspects that are integral parts and prerequisites for a well-administered property tax system.

A crucial element is that of property assessment. On the one hand the preparation of a proper valuation roll requires accurate data pertaining to rateable property parcels, but on the other hand, it is all in vain if the tax assessed is not collected. The municipal valuer, albeit unwillingly, is a team player. His/her own performance unfortunately is dependent on how the other players (e.g. those responsible for accurate property records and those responsible for tax collection and enforcement) perform. It will take a considerable effort and commitment on the part of all concerned if the current, rather dismal state of municipal assessment for rating purposes is to improve significantly.

References


