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Land Valuation Act

Passed 09.02.1994
 RT I 1994, 13, 231
 Entry into force 05.03.1994

Amended by the following acts

Passed	Published	Entry into force
14.12.1994	RT I 1994, 94, 1609	29.12.1994
14.12.1994	RT I 1995, 2, 4	19.01.1995
30.04.1996	RT I 1996, 36, 738	07.06.1996
26.06.1996	RT I 1996, 49, 953	26.07.1996
15.11.2000	RT I 2000, 92, 598	18.06.2001
07.03.2001	RT I 2001, 31, 172	07.04.2001
19.06.2002	RT I 2002, 61, 375	01.08.2002
13.12.2007	RT I 2007, 69, 425	01.01.2008
27.01.2010	RT I 2010, 8, 37	27.02.2010
22.04.2010	RT I 2010, 22, 108	01.01.2011, will enter into force on the date specified in the decision of the Council of the European Union regarding the abrogation of the derogation established in favour of the Republic of Estonia on the ground provided for in Article 140(2) of the Treaty on the Functioning of the European Union, Decision No. 2010/416/EU of the Council of the European Union of 13 July 2010 (OJ L 196, 28.07.2010, pp. 24-26).
19.12.2013	RT I, 14.01.2014, 1	24.01.2014
19.06.2014	RT I, 29.06.2014, 109	01.07.2014, the ministers' official titles have been replaced on the basis of subsection 107 ³ (4) of the Government of the Republic Act starting with the wording in force as of 1 July 2014.
09.12.2015	RT I, 30.12.2015, 1	18.01.2016
17.01.2018	RT I, 30.01.2018, 1	01.01.2019
06.06.2018	RT I, 29.06.2018, 1	01.07.2018

Chapter I GENERAL PART

§ 1. Purpose of Act

This Act sets out the grounds of and procedure for the valuation of land. The results of a valuation are used in taxation, privatisation and land consolidation as well as in compensation for unlawfully expropriated land.
 [RT I, 29.06.2018, 1 - entry into force 01.07.2018]

§ 1¹. Application of Administrative Procedure Act

The provisions of the Administrative Procedure Act apply to the administrative proceedings specified in this Act, taking account of the specifications provided for in this Act.
[RT I 2002, 61, 375 - entry into force 01.08.2002]

§ 2. Object of valuation

(1) The object of a valuation is a plot of land without the buildings, forest, other vegetation or accessories located thereon. In the event of an individual valuation, the object of the valuation may be a plot of land along with its essential parts and accessories.

(2) In the event provided for in § 10 of this Act, the object of a valuation is a plot of land along with the forest that grew thereon.

§ 3. Basis, purpose, methodology and types of valuation

(1) A valuation of land is based on the good practice and internationally recognised principles of valuation of immovables.

(2) The purpose of a valuation is to determine the usual value of land.

(3) The sales comparison approach, income approach, cost approach and combinations thereof are used upon valuation.

(4) The valuation of land is divided into mass valuation, individual valuation and valuation of unlawfully expropriated land.

§ 4. Valuer of land

(1) A valuer of land (hereinafter *valuer*) is a person who has obtained a respective activity licence in accordance with the procedure established by the Government of the Republic, for which the state fee has been paid at the rate provided for in the State Fees Act. In a mass valuation, the valuer may also be an official of the public service whose service duties include the valuation of land.
[RT I 2007, 69, 425 - entry into force 01.01.2008]

(1¹) A person who has acquired foreign professional qualifications may act as a valuer if their professional qualifications have been recognised in accordance with the Recognition of Foreign Professional Qualifications Act. The competent authority provided for in subsection 7 (2) of the Recognition of Foreign Professional Qualifications Act is the Land Board.
[RT I, 30.12.2015, 1 - entry into force 18.01.2016]

(2) A valuer has the right to request information necessary for the valuation of land from the owner or possessor and all state and local government agencies, in accordance with the procedure established by the Government of the Republic.

(3) A valuer is required to maintain the confidentiality of professional and business secrets disclosed to the valuer in the course of a valuation.

Chapter II MASS VALUATION

§ 5. Definition and grounds of mass valuation

(1) A mass valuation means a periodic valuation for the purposes of taxation as a result of which the value of land by zones and intended purposes or by land use types is determined. The results of a mass valuation are prepared as maps of value zones and a list of the value of land by value zones and intended purposes. A letter of explanation is appended to the results of the valuation.
[RT I 2001, 31, 172 - entry into force 07.04.2001]

(2) A mass valuation is carried out on the basis of data in the database of transactions of the land register as of June 30 of the year of the valuation. In a valuation, land is divided into value zones. A value zone is an area that has a similar value level and value formation mechanism. The value of land in each value zone is determined by types of intended purposes present in the value zone and the unit used is euros per square metre of a plot of land, per hectare of a plot of land or per square metre of the building rights of a plot.
[RT I 2010, 22, 108 - entry into force 01.01.2011]

(3) [Repealed – RT I 2001, 31, 172 – entry into force 07.04.2001]

(4) The procedure for and the approach used upon a mass valuation will be established by the Government of the Republic.

(5) A mass valuation is financed from the state budget.

§ 5¹. Carrying out mass valuation

(1) The carrying out of a mass valuation is decided by the Government of the Republic on the proposal of the minister responsible for the area not later than by May 30 of the year of the valuation. The carrying out of a mass valuation is based on significant changes in the market value of land.

[RT I, 29.06.2014, 109 - entry into force 01.07.2014, on the basis of subsection 107³ (4) of the Government of the Republic Act the words "Minister of the Environment" are replaced by words "minister responsible for the area" from 1 July 2014.]

(2) The steps and results of a mass valuation of land are public. The valuer of land will organise, together with the rural municipality or city government, a public display of the results of the valuation of land for at least 20 calendar days. The rural municipality or city government will publish a notice concerning the time and place of the public display of the results of the valuation in the official publication *Ametlikud Teadaanded* at least 10 days before the public display.

(3) Within 10 days as of the end of the public display, interested persons have the right to submit to the valuer of land written proposals for corrections and complaints and contest the results of the valuation without paying a security.

(4) The valuer will submit the results of the valuation to the Land Board and the Land Board will verify compliance of the results of the valuation with the valuation approach and procedure. The results of the valuation will be established by a regulation of the minister responsible for the area not later than by November 30 in the year of the valuation.

[RT I, 29.06.2014, 109 - entry into force 01.07.2014, on the basis of subsection 107³ (4) of the Government of the Republic Act the words "Minister of the Environment" are replaced by words "minister responsible for the area" from 1 July 2014.]

(5) The results of a mass valuation will enter into force on January 1 in the year following the valuation.

[RT I 2001, 31, 172 - entry into force 07.04.2001]

§ 6. Taxable value of land

[RT I 2001, 31, 172 - entry into force 07.04.2001]

(1) The taxable value of a plot of land (hereinafter *taxable value of land*) will be calculated by the local authority on the basis of the results of a mass valuation and in accordance with the procedure established by the Government of the Republic.

[RT I 2001, 31, 172 - entry into force 07.04.2001]

(2) –(3) [Repealed]

(4) The taxable value of land is expressed with the accuracy of 10 euros and amounts higher than 5 euros are rounded to the next ten.

[RT I 2010, 22, 108 - entry into force 01.01.2011]

(5) –(6) [Repealed – RT I 2001, 31, 172 – entered into force 07.04.2001]

§ 6¹. Average value of land

On the basis of the results of a mass valuation of land carried out in accordance with this Act, the Land Board will, for the purpose of determining the building charge provided for in the Water Act, calculate the average value of land throughout Estonia based on the intended purposes of land.

[RT I 2010, 8, 37 - entry into force 27.02.2010]

§ 6². Taxable value of land under utility networks

On the basis of the results of a mass valuation of land carried out under this Act, the Land Board calculates the taxable value of the land under utility networks for the purpose of determining the toleration payment provided for in the Law of Property Act Implementation Act.

[RT I, 30.01.2018, 1 - entry into force 01.01.2019]

§ 7. Settlement of disputes concerning regulation valuation of land pursuant to administrative procedure

(1) Upon contesting the results of a mass valuation of land pursuant to administrative procedure, the applicant is required to pay a security. If the request is reasoned, the security will be refunded.

(2) The procedure for settlement of disputes relating to mass valuations of land pursuant to administrative procedure and the amount of the security will be established by the Government of the Republic. The amount of the security must not exceed two per cent of the taxable value of the contested plot of land.
[RT I 2001, 31, 172 - entry into force 07.04.2001]

Chapter III INDIVIDUAL VALUATION

§ 8. Individual valuation

(1) (1) An individual valuation means the determining of the value of an object of valuation for the purpose of a transaction or for another purpose.
[RT I, 29.06.2018, 1 - entry into force 01.07.2018]

(2) The procedure for individual valuation of land is established by a regulation of the Government of the Republic.
[RT I, 29.06.2018, 1 - entry into force 01.07.2018]

(3) [Repealed]

(4) An individual valuation is carried out at the expense of the person who orders it.

(5) Land readjustment is based on the usual or relative value of land, where in the latter event the quality and location of the land are used as the elements of comparison. If other factors that significantly affect the value of land exist, such factors will be taken into account. Land readjustment in the course of the land reform is based on the taxable value of land.

Chapter IV VALUATION OF UNLAWFULLY EXPROPRIATED LAND

§ 9. Valuation of unlawfully expropriated land

(1) The value of unlawfully expropriated land is determined for compensation for land that is not to be returned under subsection 6 (2) of the Land Reform Act and for determining the amount of debt payable to the state if the land is returned to the extent exceeding the right of claim.
[RT I 2001, 31, 172 - entry into force 07.04.2001]

(2) [Repealed – RT I 2001, 31, 172 – entered into force 07.04.2001]

(3) The value of unlawfully expropriated land is determined based on the total area of the land at the time of expropriation. The total area of an unlawfully expropriated registered immovable as of 1940 is determined based on land register entries, lists of land subject to taxation, contracts of purchase and sale, court judgments, gratuitous contracts, documents of acceptance of succession or other documents certifying the size of the land. In the event of disparities in information, the value of land is determined based on a land register entry or, in its absence, on the most recent document.

(4) The value of unlawfully expropriated land situated in a low density area is determined on the basis of the weighted average taxable value of one hectare of the total area of the rural municipality, without considering tax incentives that decrease the taxable value of land.
[RT I 2001, 31, 172 - entry into force 07.04.2001]

(5) The value of unlawfully expropriated land situated in a high density area is determined on the basis of the taxable value of land per square metre of residential land in the value zone, without considering tax incentives that decrease the taxable value of the land. The value of up to 0.5 hectares of unlawfully expropriated land is determined on the basis of the taxable value of the land. If the area of unlawfully expropriated land exceeds 0.5 hectares, the assessed value of land will be multiplied by the factor 0.1 in order to determine the value of the remaining unlawfully expropriated land. If land is partially returned but the area of returned land is less than 0.5 hectares, in order to determine the value of unlawfully expropriated land, the value of the difference between returned land and 0.5 hectares will be determined based on the taxable value of the land and, in order to determine the value of the remaining unreturned land, the taxable value of the land will be multiplied by the factor 0.1. If unlawfully expropriated land is partially returned but the area of returned land is 0.5 hectares or more, the taxable value of the land will be multiplied by the factor 0.1 in order to determine the value of the non-returned land. If unlawfully expropriated land is situated in several value zones, the value of the land will be determined based on the weighted average taxable value of the plot of land concerned.

[RT I 2001, 31, 172 - entry into force 07.04.2001]

(6) For the purposes of this Act, 'high density area' means the territories of cities, towns and small towns and built up areas approved by the county governor on the proposal of the local council and areas valued as high density areas in accordance with law until 1 May 2001.

[RT I 2001, 31, 172 - entry into force 07.04.2001]

(7) If unlawfully expropriated land is situated in Ida-Petserimaa or in Virumaa to the east of the Narva River, the value of unlawfully expropriated land will be determined based on the weighted average taxable value of the land per hectare in the counties of Põlva and Võru for land in Ida-Petserimaa and on the weighted average taxable value of the land in the county of Ida-Viru for land in Virumaa to the east of the Narva River. The value of land situated in the city of Petseri is determined based on the weighted average taxable value of land situated in the city of Rāpina, and the value of land situated in the city of Jaanilinn is determined based on the weighted average taxable value of land situated in the city of Narva.

[RT I 2001, 31, 172 - entry into force 07.04.2001]

(8) The taxable value of land set out in subsections (4), (5) and (7) of this section for determining the value of unlawfully expropriated land will be approved by the Government of the Republic based on the results of the mass valuation carried out in 1993.

[RT I 2001, 31, 172 - entry into force 07.04.2001]

(9) [Repealed]

§ 10. Valuation of natural objects inseparably attached to unlawfully expropriated land

(1) In compensation for the value of a forest that grew on unlawfully expropriated land, up to 30 per cent of the value of the land to be compensated for is added to the value of land specified in subsections 9 (4) and (7) of this Act in accordance with the procedure established by the Government of the Republic.

(2) Other natural objects attached to land at the time of unlawful expropriation are not valued.

(3) Disputes concerning the determination of compensation for unlawfully expropriated land and a forest that grew thereon are settled in accordance with the procedure provided for in the Principles of Ownership Reform Act.

(4) Disputes concerning the valuation of land and the results thereof are settled in court.

§ 11. Compensation for unlawfully expropriated land

(1) The value of unlawfully expropriated land is determined under §§ 9 and 10 of this Act, in accordance with the procedure provided for in the Unlawfully Expropriated Property Valuation and Compensation Act.

(2) Compensation for unlawfully expropriated land situated in Ida-Petserimaa and in Virumaa to the east of the Narva River is determined by the Võru County Committee for Return and Compensation of Unlawfully Expropriated Property with regard to land in Ida-Petserimaa, and by the Ida-Viru County Committee for Return and Compensation of Unlawfully Expropriated Property with regard to land situated in Virumaa to the east of the Narva River.

[RT I 2001, 31, 172 - entry into force 07.04.2001]

(3)–(5) [Repealed]

Chapter V FINAL PROVISIONS

§ 12. Implementation of Act

(1) The determination of the taxable value of land in 1993 is deemed to be the first mass valuation. Determination of the value of unlawfully expropriated land for the purposes of compensation is effected on the basis thereof.

(2) The value or base value of land to be privatised is determined on the basis of the taxable value of the land obtained as a result of a mass valuation. The value of a forest growing on land to be privatised is determined in accordance with the procedure established by the Government of the Republic and is added to the value or base price of the land to be privatised.

[RT I, 14.01.2014, 1 - entry into force 24.01.2014]

(3) –(4) [Repealed]

(5) If unlawfully expropriated land was situated in a high density area provided for in subsection 9 (6) of this Act at the time when the decision on compensation for land was made but compensation was granted on the basis of the weighted average taxable value of land of the total area of the rural municipality, the recipient of compensation will have the right to apply for the recalculation of the compensation and the granting of additional compensation until 1 September 2001.

[RT I 2001, 31, 172 - entry into force 07.04.2001]

§ 13. [Omitted from this text.]

§ 14. Entry into force of Act

This Act will enter into force on the date following the date of publication in the *Riigi Teataja*.