

Issuer:	Riigikogu
Type:	act
In force from:	07.05.2022
In force until:	31.12.2023
Translation published:	26.04.2022

# 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 4 of § 107 <sup>3</sup> 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
24.11.2021	RT I, 08.12.2021, 2	01.01.2022
23.02.2022	RT I, 10.03.2022, 2	15.03.2022, in part 01.01.2024
13.04.2022	RT I, 27.04.2022, 1	07.05.2022

## Chapter 1

# GENERAL PART

## § 1. Purpose of Act

This Act sets out the grounds of and procedure for the valuation of land. The results of valuation are used upon performing transactions, land consolidation, taxation and privatisation, compensation for unlawfully expropriated land and other purposes.

[RT I, 10.03.2022, 2 – entry into force 15.03.2022]

## § 1<sup>1</sup>. 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.

[RT I, 10.03.2022, 2 – entry into force 15.03.2022]

(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 been awarded and holds a valid level 7 profession of the valuer of land. A valuer of residential property may also be a person who has been awarded and holds a valid level 6 profession of the residential valuer on the basis of the Professions Act. In the cases provided for by law, the valuer is the Land Board.

[RT I, 10.03.2022, 2 – entry into force 15.03.2022]

(1<sup>1</sup>) 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 2 of § 7 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.

[RT I, 10.03.2022, 2 – entry into force 15.03.2022]

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

## § 4<sup>1</sup>. Mass valuation and the taxable value of land

(1) Mass valuation is a marked-based valuation of land that is based on databases, as a result of which the taxable value of land is determined for each cadastral unit.

(2) Mass valuation is carried out by the Land Board, involving specialists, including professional valuers.

(3) Mass valuation takes place every fourth year.

[RT I, 10.03.2022, 2 – entry into force 15.03.2022]

#### **§ 4<sup>2</sup>. Information used for mass valuation**

(1) Mass valuation is based on the following information:

- 1) the data of transactions in the database of transactions of the land register as of June 30 of the year of valuation.
- 2) the data describing the characteristics of land on the map of land value of the land cadastre;
- 3) data necessary for the analysis of the immovable property market.

(2) Where a new cadastral unit is entered into the land cadastre or the data specified in clause 2 of subsection 1 of this section is changed after mass valuation, the taxable value of land of the cadastral unit is determined on the basis of the changed data.

[RT I, 10.03.2022, 2 – entry into force 15.03.2022]

#### **§ 4<sup>3</sup>. The methodology of mass valuation**

(1) Upon mass valuation:

- 1) data specified in subsection 1 of § 4<sup>2</sup> of this Act shall be analysed;
- 2) the cadastral units are grouped according to similar characteristics;
- 3) to each cadastral unit, the pricing model of a respective group or groups is applied and the taxable value of land is calculated.

(2) Factors affecting the value of land include location, usage and its limitations, infrastructure, area, quality of land and building rights.

(3) Upon mass valuation, the impact of lease and commercial lease contracts or limited real rights or notations entered into the land register on the value of land are not taken into account.

(4) Upon mass valuation, no on-the-spot visits of inspection are carried out.

(5) By a regulation, the minister in charge of the policy sector enacts:

- 1) the conditions that exclude transactions from being taken into account;
- 2) the bases for the adjustment of transaction data;
- 3) data that can be used for immovable property market analysis;
- 4) differences in taking into account of factors affecting the value of land;
- 5) areas where the impact of building rights to the value of land is taken into account;
- 6) descriptions of the groups of cadastral units with similar characteristics and evaluation models;
- 7) the data to be provided in the calculation of the taxable value of land;
- 8) the accuracy of the presentation of the taxable value of land.

[RT I, 10.03.2022, 2 – entry into force 15.03.2022]

#### **§ 4<sup>4</sup>. Disclosure and introduction of the taxable value of land**

The taxable value of land together with the calculation is disclosed in the land cadastre at the latest on 31 October of the year of the mass valuation and introduced on 31 December the same year.

[RT I, 10.03.2022, 2 – entry into force 15.03.2022]

## **Chapter 2 MASS VALUATION**

#### **§ 5. Definition and grounds of mass valuation**

[Repealed – RT I, 10.03.2022, 2 – entry into force 15.03.2022]

#### **§ 5<sup>1</sup>. Carrying out mass valuation**

[Repealed – RT I, 10.03.2022, 2 – entry into force 15.03.2022]

#### **§ 6. Taxable value of land**

[Repealed – RT I, 10.03.2022, 2 – entry into force 15.03.2022]

#### **§ 6<sup>1</sup>. Average value of land**

[Repealed – RT I, 27.04.2022, 1 – entry into force 07.05.2022]

## **§ 6<sup>2</sup>. 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**

[Repealed – RT I, 10.03.2022, 2 – entry into force 15.03.2022]

# **Chapter 3 INDIVIDUAL VALUATION**

## **§ 8. Individual valuation**

(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 rules of individual valuation, including the methodology of valuation of standing timber, is established by a regulation of the Government of the Republic.

[RT I, 08.12.2021, 2 – entry into force 01.01.2022]

(3) [Repealed]

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

(5) [Repealed – RT I, 10.03.2022, 2 – entry into force 15.03.2022]

## **§ 8<sup>1</sup>. Utility network, utility works and road usage fee**

The utility network, utility works and road usage fee is set at three per cent of the market value or taxable value of the land, provided that the latter corresponds to the market value. Compensation for land tax is added to the usage fee to the extent of the area of use.

[RT I, 08.12.2021, 2 – entry into force 01.01.2022]

## **§ 8<sup>2</sup>. Determining the usual value and the usage fee of the immovable**

If, pursuant to an Act, the Land Board may determine the usual value or usage fee of an immovable, the Land Board may use the taxable value of land calculated on the basis of up-to-date data in the land cadastre transaction database as the basis for such determination.

[RT I, 10.03.2022, 2 – entry into force 15.03.2022]

# **Chapter 4 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 2 of § 6 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 4 and 7 of § 9 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) [Repealed]

(4) [Repealed]

(5) [Repealed]

## **Chapter 5**

### **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) [Repealed]

(4) [Repealed]

(5) If unlawfully expropriated land was situated in a high density area provided for in subsection 6 of § 9 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]

(6) The next mass valuation of land is organised in 2022.

[RT I, 10.03.2022, 2 – entry into force 15.03.2022]

(7) The taxable values of land determined in the mass valuation of 2022 and the taxable values of land determined before 1 January 2024 according to subsection 2 of § 4<sup>2</sup> of this Act will be introduced on 1 January 2024.

[RT I, 10.03.2022, 2 – entry into force 15.03.2022]

(8) Until the introduction of the results of the mass valuation of 2022, the values of mining industry land determined as a result of the mass valuation of 2001 are applied to mining industry land provided for in subsection 10 of § 18<sup>1</sup> of the Land Cadastre Act and to peat processing land provided for in subsection 11 of § 18 of the Land Cadastre Act.

[RT I, 10.03.2022, 2 – entry into force 15.03.2022]

#### **§ 12<sup>1</sup>. Implementation of the results of the mass valuations of 1993, 1996 and 2001**

(1) In the calculation of the taxable value of land, the results of the mass valuation of land of 2001 are applied until 31 December 2023.

(2) As of 1 January 2024, the results of the 1993, 1996 and 2001 mass valuations of land are applied to the calculation of the taxable value of land only in the cases provided for in law.

(3) In the cases specified in subsections 1 and 2 of this section, the local municipality calculates the taxable value of land on the basis of and pursuant to the procedure in force until 31 December 2021.

[RT I, 10.03.2022, 2 – entry into force 15.03.2022]

#### **§ 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*.