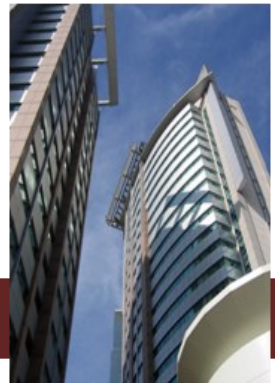
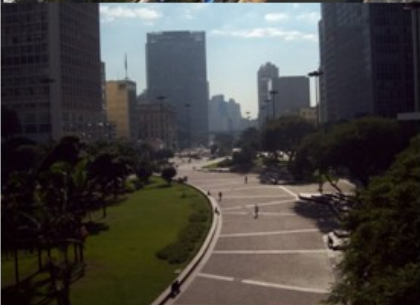


# Potential of the Property Tax for Local Revenue Mobilization



Photo Alvaro Uribe



## INTERNATIONAL CONFERENCE ● August 22-23, 2012

## CONSECUTIVE WORKSHOPS ● August 24, 2012

Workshop 1: Comparative Property Tax Law

Workshop 2: Modern Property Assessment Systems: Mass Appraisal And Geospatial Analysis

MELIÁ JARDIM EUROPA  
SÃO PAULO, BRAZIL

Coorganized by:



**L** LINCOLN INSTITUTE  
OF LAND POLICY



ORGANIZED BY:



International Property  
Tax Institute

# Potential of the Property Tax For Local Revenue Mobilization

## August 22-23, 2012 ■ São Paulo, Brazil

### PREAMBLE

The International Property Tax Institute (IPTI) and the Royal Institution of Chartered Surveyors (RICS), in partnership with the Lincoln Institute of Land Policy, present a joint international conference focusing on the Potential of the Property Tax for Local Revenue Mobilization.

### ABOUT THE CONFERENCE

As an instrument for local revenue mobilization, the property tax contributes directly towards promoting more autonomy to local governments around the world. Its imposition, however, is not trivial. Efficient administration, derivation of assessments and efficient tax collection systems depend fundamentally on administrative effort and technical capacity.

Brazil and the other Latin America countries are still struggling to explore the potential of the property tax as a revenue source. Adverse conditions to overcome for the enhancement of the property tax in Latin America include the strong income concentration that produces concerns on ability-to-pay; the high level of informality that produces inefficiencies in recording property data; difficult access to sales price information and use of inadequate valuation models; and the large degree of diversity in land use and occupation. Neighborhoods in Latin American countries are more heterogeneous. As a result of larger variability observed in sale prices, errors in the valuation models tend to be more significant. In addition, the existing profound asymmetries in the fiscal and technical capacity of municipalities produce strong differences in the expected revenue to be collected by the property tax.

The potential of the property tax as a revenue source in most developed countries has been affected by economic recession, including reduction in real estate prices, property foreclosures, mortgage crisis and occurrence of tax delinquency. The opposite trend is observed in Brazil. On average, property prices increased by 25 percent in a one-year period. The increase in sale prices, however, has not been incorporated to assessed values in most cases. No major improvement is observed in the property tax collection.

The evaluation of the potential of the property tax under different scenarios is fundamental to undertake tax policy decisions capable to guarantee the best use of the property tax to enhance local budgets, stabilize public finances and continue the fiscal decentralization trend.

In the conference on *The Potential of the Property Tax for Local Revenue Mobilization*, local and international experts will share points of view, present relevant analyses and discuss insightful experiences on property tax systems covering practices and policy choices.

### OFFICIAL LANGUAGE

The official language of the conference is English. Simultaneous translation into Portuguese is available. Simultaneous translation into Spanish will be considered depending on the demand.

## Potential of the Property Tax for Local Revenue Mobilization

<b>Day 1: Wednesday, August 22, 2012</b>		
8:00-8:40 am	Registration	
8:40-9:00 am	Opening remarks	International Property Tax Institute (IPTI) Royal Institution of Chartered Surveyors (RICS) Lincoln Institute of Land Policy ABRASF São Paulo City Council
<b>Session 1 - Financing local governments: The path to fiscal independence</b>		
9:00-9:30 am	Paying for local government services: Old and new approaches	Enid Slack
9:30-10:00 am	Challenges for financing urban development in developing countries	Roy Bahl
10:00-10:30 am	Potential to enhance local revenues: Available charges, fees and other alternatives poorly explored in Brazil	Ricardo Almeida Ribeiro da Silva
10:30-11:00 am	Questions & Answers	
11:00-11:20 am	Coffee-break	
11:20-11:50 am	Tax culture innovation: The 110 percent campaign in Bogotá, Colombia	Juan Felipe Pinilla
11:50-12:20 pm	An evaluation of tax reform proposals covering property taxes in Brazil	José Roberto Afonso
12:20-12:40 pm	Questions & Answers	
12:40-2:00 pm	Lunch	
<b>Session 2 - Design of progressive property tax systems</b>		
2:00-2:30 pm	Understanding the diversity in the performance of the property tax around world to design effective property tax reforms	Jan Brzeski
2:30-3:00 pm	Managing property tax in a large city: The experience of the City of São Paulo	Mauro Ricardo Costa
3:00-3:20 pm	Questions & Answers	
3:20-3:40 pm	Coffee-break	
3:40-4:10 pm	An empirical analysis of the potential to improve the property tax in Brazil	Claudia M. De Cesare
4:10-4:40 pm	Property tax and informal property: The challenge of large cities in developing countries	Martim Smolka
4:40-5:10 pm	National and municipal initiatives to remove obstacles for reinforcing the property tax in Brazil	Alexandre Sobreira Cialdini
5:10-5:40 pm	Questions & Answers	
8:30 pm	Networking Dinner	

## Potential of the Property Tax for Local Revenue Mobilization

### Day 2: Thursday, August 23, 2012

#### Session 3 - Legal obstacles to be avoided for establishing functional property tax systems

8:30-9:00 am	Analysis of the legal basis for establishing the property tax in the international context	Marco Greggi
9:00-9:30 am	An evaluation of controversial decisions on major property tax issues undertaken by the superior tribunals in Brazil	Marciano Seabra de Godoi
9:30-10:00 am	Concerns and alternatives for managing the portfolio of judicial files to enforce the property tax collection in Brazil	Cristiane da Costa Nery
10:00-10:30 am	Questions & Answers	
10:30-10:45 am	Coffee-break	

#### Session 4 - Effects of the global economic crisis on functional property tax systems

10:45-11:30 am	Round-table discussion of the following topics: <ul style="list-style-type: none"> <li>• Volatility of property markets</li> <li>• Local revenue and provision of public services</li> <li>• Nonpayment</li> <li>• Tax rebates and other tax relief measures</li> <li>• Recovery issues</li> </ul>	Moderator: Ben Elder Panelists: United Kingdom: Paul Sanderson Canada: Gerry Divaris Hong Kong: Mimi Brown United States: Ruel Williamson and Rob Turner
11:30-12:00 pm	Voting with your feet: Urban land management and local financing	Carlos Morales
12:00-12:15 pm	Questions and Answers	
12:15-1:30 pm	Lunch	

#### Session 5 - Property assessment, tax collection and public relations: Practices & alternatives

1:30-2:00 pm	The role of real market observatories to promote better value maps: the Latin America experience	Diego Erba
2:00-2:30 pm	The Canadian experience with property tax tribunals	Colin Boutin
2:30-3:00 pm	Taxpayers rights, expectations and concerns	Carolyn Joy Lee
3:00-3:30 pm	A comparative review of property tax in large metropolitan cities in developing countries	Riël Franzsen
3:30-4:00 pm	Questions & Answers	
4:00-4:20 pm	Coffee-break	
4:20-5:15 pm	Round table discussion:  "What have we learned for developing more functional property tax systems?"	Moderator: Jerry Grad Panelists: Alexandre Cialdini Jerry German Martim Smolka Mauro Ricardo Costa Roy Bahl
5:15-5:30 pm	Closing remarks: IPTI, RICS and Lincoln Institute	

**WORKSHOP 1: Comparative Property Tax Law**  
Friday, August 24, 2012 | 9:00 am-1:00 pm

Moderator: Omar P. Domingos

Lecturers:

Africa: Riël Franzsen  
Brazil: Cintia Estefânia Fernandes  
United Kingdom: Paul Sanderson

Topics Covered:

- Legal Systems for the Establishment of the Property Tax
- Relevant Constitutional Principles Affecting Taxation Issues
- Tax Immunities, Exemptions and Other Concessions
- Legal Facilitators for Property Tax Administration and Management
- Judicial Conflicts Jeopardizing Property Tax Efficiency, Equity and Effectiveness
- Jurisprudence: Thesis and Fundamentals

Debate over critical issues such as: tax enforcement, mediations and experiences with internal tribunals; ways to ensure the property tax progressivity; public transparency versus fiscal secrecy; establishment of partnerships for data exchange; legitimacy and legality of programs for tax remission and forgiveness; taxation of informal properties.

**WORKSHOP 2: Modern Property Assessment Systems: Mass Appraisal  
Models and Geospatial Analysis**

Friday, August 24, 2012 | 1:30 pm-5:20 pm

Moderator: Claudia M. De Cesare

Lecturer:

United States: Jerry German

Topics Covered:

- Introduction to Modeling: Model Specifications
  - The Generic Assessment Model
  - The Generic Assessment Model and the Cost Approach
  - Model Calibration (cost/market/income capitalization models)
- Spatial Analysis in Assessment Modeling: Historical Perspectives on Location and Neighborhood Analysis
  - The Influence of Geographic Information Systems (GIS)
  - Review of Concepts of Location
  - Model Specification and Calibration Options
  - Software Limitations for Spatial Analysis
  - Short Case Study of Implementation Process
- A Look to the Future
  - Spatial Analysis Models for Commercial and Light Industrial (Market sales models and income capitalization models)
  - Efficiency and Cost Effectiveness
  - Personnel Needs and Change Management

CONFERENCE SPEAKERS AND CHAIRS

<b>Alexander Sobreira Cialdini (BRAZIL)</b> Secretariat of Finance of Fortaleza, Brazilian Association of Secretariats of Finance of Capitals, ABRASF
<b>Carlos Morales (MEXICO/HOLLAND)</b> Institute for Housing and Urban Development Studies, University of Erasmus Rotterdam
<b>Carolyn Joy Lee (UNITED STATES)</b> Jones Day
<b>Cintia Estefânia Fernandes (BRAZIL)</b> Department of the Public Attorney General of Curitiba, Federal University of Parana, UNICURITIBA
<b>Claudia M. De Cesare (BRAZIL)</b> Secretariat of Finance of Porto Alegre, Lincoln Institute of Land Policy
<b>Colin Boutin (CANADA)</b> Public Works and Government Services Canada
<b>Cristiane da Costa Nery (BRAZIL)</b> Department of Public Attorney General of Porto Alegre, Superior School of Municipal Law
<b>Diego Erba (ARGENTINA)</b> Lincoln Institute of Land Policy
<b>Enid Slack (CANADA)</b> Institute on Municipal Finance and Government, Munk Centre for International Studies, University of Toronto
<b>Gerry Divaris (CANADA)</b> Cushman & Wakefield Property Tax Services
<b>Jan Brzeski (POLAND)</b> European Property Institute
<b>Jerome German (UNITED STATES)</b> International Property Tax Institute
<b>Jerry Grad (CANADA)</b> International Property Tax Institute
<b>José Roberto Afonso (BRAZIL)</b> National Bank of Socio-Economic Development (BNDES), Federal Senate
<b>Juan Felipe Pinilla (COLOMBIA)</b> Law School of University of Los Andes
<b>Marciano Seabra de Godoi (BRAZIL)</b> Catholic University of Minas Gerais, Institute of Fiscal Studies
<b>Marco Greggì (ITALY)</b> Department of Science, University of Ferrara
<b>Martim Smolka (UNITED STATES)</b> Lincoln Institute of Land Policy
<b>Mauro Ricardo Costa (BRAZIL)</b> Secretariat of Finance of São Paulo
<b>Mimi Brown (HONG KONG)</b> Hong Kong Rating and Valuation Department
<b>Omar Pinto Domingos (BRAZIL)</b> Secretariat of Municipal Finance of Sao Paulo
<b>Paul Sanderson (ENGLAND)</b> International Property Tax Institute
<b>Ricardo Almeida Ribeiro da Silva (BRAZIL)</b> Department of Public Attorney General of Rio de Janeiro, Fundação Getúlio Vargas, ABRASF
<b>Riël Franzsen (SOUTH AFRICA)</b> University of Pretoria
<b>Rob Turner (UNITED STATES)</b> President Elect, International Association of Assessing Officers (IAAO)
<b>Roy Bahl (UNITED STATES)</b> Georgia State University, Andrew Young School of Policy Studies, Atlanta
<b>Ruel Williamson (UNITED STATES)</b> Thomson Reuters

### PAYMENT DETAILS

All fees are in USD and includes all materials, breaks, lunches, networking dinner. Accommodations are not included. Please book accommodation directly with hotel.

### REGISTRATION FEES-International

Regular Fee	\$395.00 USD
IPTI Members	\$365.00 USD
Workshop	\$100.00 USD
Dinner for guest	\$ 75.00 USD

Cancellations must be in writing. Cancellations received 15 days prior to conference will be charged 25% administration. No refunds for cancellations received after this date. Substitutions are welcome.

### PAYMENT OPTIONS-International

Fees are payable by cheque or secure on-line payment

#### BY CHEQUE

Forward registration form and cheques payable  
To: International Property Tax Institute  
4950 Yonge Street, Suite 2308,  
Toronto, Ontario, Canada M2N 6K1.

**FOR SECURE ON-LINE PAYMENTS:** Remit registration form with online payment information to [bminor@ipti.org](mailto:bminor@ipti.org)  
Or via fax to +416-644-5152

<http://www.ipti.org/event/2012-annual-conference/>

### CONFERENCE VENUE

Hotel  
Meliá Jardim Europa.  
Rua João Cachoeira, 107, Itaim Bibi, São Paulo, SP, Brazil.  
Phone: 55 11 37029630  
Fax: 55 11 37029601

<http://www.melajardimeuropa.com>

**Please book accommodation directly with hotel.**

**Accommodation Rate is Guaranteed until July 20, 2012 only.**

#### Room Rate:

**R\$ 466.20 includes taxes + one breakfast**

**Charge for Additional Breakfast(s):**

**R\$ 39.00 per person**

### BRAZIL DELEGATE FEES & REGISTRATION

Conference Fee: R\$ 550,00  
Workshop Fee: R\$ 175,00  
Dinner Guest: R\$ 130,00

#### Contact:

Escola Superior de Direito Municipal, ESDM

Telephone: (51) 32122778/ 32861309

Fax: (51) 32122778

email: [esdm@esdm.com.br](mailto:esdm@esdm.com.br)

<http://www.esdm.com.br/default.asp?pg=insc>

### REGISTRATION FORM—Please indicate all events you wish to attend

Mr. I will attend the Conference:  Workshop 1:  Workshop 2:  
 Ms. Workshop 1 and 2 :

Name: \_\_\_\_\_  
(As to appear on badge) First Name Last Name

Organization/Company Name: \_\_\_\_\_

Title: \_\_\_\_\_ Email Address: \_\_\_\_\_

Street Address: \_\_\_\_\_

City/Town/Country: \_\_\_\_\_

### DELEGATE REGISTRATION PAYMENT INFORMATION: (All amounts payable in US Dollars)

Paid by Cheque  Paid by On-Line Payment

I am an IPTI/RICS Member:  I am NOT an IPTI/RICS Member

Conference Fee: USD \_\_\_\_\_

Workshop Fee: USD \_\_\_\_\_

Dinner for Guest: USD \_\_\_\_\_

## CONFERENCE DETAILS



### ABOUT THE INTERNATIONAL PROPERTY TAX INSTITUTE (IPTI)

IPTI opens the door to the world of property taxation. IPTI is the independent global authority that supports the building of property tax system capacity through collaborative partnerships of practitioners, governments, taxpayers and academia. Utilizing its ability to assemble international experts from all facets of the assessment and taxation fields, IPTI assists governments, corporations, organizations, taxpayers and industry professionals alike to better understand the complex issues of financing local governments and the essential role property taxation has in this process.

### ABOUT THE ROYAL INSTITUTION OF CHARTERED SURVEYORS (RICS)



RICS is the world's leading professional qualification for professionals in land, property and construction. Its mission is to set and maintain the highest standards of professionalism for its members, while operating as an independent organization in the public interest. One of its key roles is to provide impartial, authoritative advice on issues affecting the public to businesses, governments and policy makers. RICS serves more than 180,000 members in 146 countries and more than 4,000 members across North, Central and South America, and the Caribbean. The majority of members in the Americas region work in commercial and residential development, construction management, brokerage, planning and finance, and valuation.

### ABOUT THE LINCOLN INSTITUTE OF LAND POLICY



The Lincoln Institute of Land Policy is a leading resource for key issues concerning the use, regulation, and taxation of land. Providing high-quality education and research, the Institute strives to improve public dialogue and decisions about land policy. As a private operating foundation whose origins date to 1946, the Institute seeks to inform decision making through education, research, policy evaluation, demonstration projects, and the dissemination of information, policy analysis, and data through our publications, Web site, and other media. By bringing together scholars, practitioners, public officials, policy makers, journalists, and involved citizens, the Lincoln Institute integrates theory and practice and provides a nonpartisan forum for multidisciplinary perspectives on public policy concerning land, both in the U.S. and internationally.

### THIS CONFERENCE IS SUPPORTED BY



ASSOCIAÇÃO DOS  
PROCURADORES  
DO MUNICÍPIO  
DE SÃO PAULO



International Property Tax Institute  
4950 Yonge Street, Suite 2308, Toronto, Ontario, Canada M2N 6K1  
T. +416-228-8874 F. +416-644-5152 email: [info@ipti.org](mailto:info@ipti.org)  
[www.ipti.org](http://www.ipti.org)