



Ministerial Statement
Land Valuation Department Update
Lt. Col. the Hon. David A. Burch, OBE (Mil), ED, JP, MP
Minister of Public Works
July 12th, 2019

Good morning, **Mr. Speaker**.

The Department of Land Valuation is mandated under the *Land Valuation and Tax Act 1967* to *maintain an up-to-date, fair and equitable Valuation List of all properties on the Island for land taxation purposes, including the 5 yearly revaluation of all properties, for the people of Bermuda. Additionally, the Department provides Government and its agencies accurate and timely valuation advice and technical expertise of the highest professional standard.*

Mr. Speaker, the Department is one of the smallest in Government with a current staff of 8. Correspondingly, the Department has one of the smallest budgets within Government of one million dollars while generating revenue of just over \$85 million or 7.6% of Government's estimated revenue.

The Department is often credited as being one of the first Government Departments to reform administrative processes in order to realize a paperless office. This is due to the Department's bespoke and purpose built IT system, **MAGI** (which stands for **M**ass **A**ppraisal **G**eographic **I**nformation system).

Mr. Speaker, this database is an invaluable tool to the Land Valuation team and its integrated case management and geographical information system has not only improved management controls and efficiencies in work processes, but has also made it possible for the Department to become a "paperless" office when the system first went live on 31st March, 2008. A lengthy process to scan decades of files, maps and documents that concluded in November 2017, when the office went completely paperless.

As a result, the Department no longer maintains a physical filing system as every piece of correspondence (letters, spreadsheets, emails, reports etc.), all digital survey drawings, photos, etc. are scanned and saved to the database. The log feature allows the Department to scan and attach documents directly to a case or assessment number.

Mr. Speaker, this feature not only applies to paper documents, but also extends to documenting pertinent verbal discussions from phone calls, meetings and counter enquiries into the database. This has proven extremely beneficial in relation to follow up inquiries by taxpayers about a property and/or a case. When considering the litigious environment these days, a documented record of a discourse is an added advantage. Any potential legal actions are not reliant upon an undocumented vague recollection of a past conversation. The conversations documented in MAGI have been frequently utilized by the Department in cases before both the Land Valuation Appeal Tribunal and the Office of the Ombudsman.

Consequently, the Department's numerous filing cabinets have all been removed and redistributed to other Government Departments as they are no longer required by Land Valuation.

Mr. Speaker, the Department has reaped many benefits with going paperless, with the primary ones being:

- More efficient ways of working - as scanned files, letters, emails, photos, property surveys etc. are easy to locate on the Department's IT database and are instantly and simultaneously available to everyone who requires them. This results in increased productivity as valuable time is no longer wasted hunting through filing cabinets for hardcopy paper files.

- Improved customer service and satisfaction due to the increased accessibility of records resulting in faster and more accurate response times to customer inquiries. The need to physically locate paper hardcopies from numerous filing cabinets in order to assist someone with their query has been eradicated. All pertinent information is now just a “click away” in MAGI.
- Enhanced data security as the Department’s database is backed up regularly and automatically by IDT. There is also zero risk of losing paper files due to a fire as there are no paper files.
- More efficient use of existing office space as bulky filing cabinets are no longer required. By going paperless, the Department has actually recouped 10% of its office floor space. This regained space now houses a work station for the Department’s Bursary Student.
- Cost savings as the volume of paper utilized by the Department has decreased as documents are only printed if a paper hardcopy is necessary. Furthermore, the Department no longer needs to purchase file folders and other items associated with maintaining a paper filing system.
- Increased environmental and wellness benefits with the removal of 4 tons of paper, plus heavy filing cabinets, which improves the air quality and reduces floor load bearing capacities.

2020 Revaluation Project

Mr. Speaker, as has been aforementioned, the very reason for the Department’s formation and continued existence is that of maintaining an up-to-date and accurate Valuation List as properties are altered on a daily basis as a result of mergers, demolitions, additions and new builds. Additionally, the Act also mandates a revaluation of all properties on the Island for land tax purposes every 5 years.

The Island wide revaluation is a significant project for the Department and involves the revaluation of over 36,000 units at the same time to maintain parity in the Valuation List.

Property values change over time and these changes are not uniform across the market. Since the last Island wide revaluation in 2015, the Island continues to experience declines in property values in each sector. As some property types and areas have fallen in value more than others, the Island wide revaluation “re-levels the playing field” by reflecting these relative changes in value. This mass appraisal of properties not only ensures that all properties are valued on the same basis and on the same valuation date, but ensures equity and fairness between the assessments in the Valuation List.

The revaluation project follows three basic phases:

1. Rental data collection;
2. Analysis of the data; and
3. Valuation model building and mass appraisal.

Mr. Speaker, rent survey forms will be sent to all taxpayers this fall and once the rental data is analysed, the newly compiled 2020 Draft Valuation List will be published on the 31st December 2020. All assessed annual rental values contained therein will be based on levels of rental value around July 2019. Taxpayers will then have six (6) months from the date of publication in which to lodge an objection to their new assessed ARV, should they choose to exercise this right.

Regrettably, paper still remains a medium of communication and cannot be readily and instantaneously expunged from the business environment. However, it is Governments intent that the 2020 Revaluation will be the last time that survey forms are physically issued to the general public. The next revaluation exercise in 2025 will incorporate the online submission of data - this is in keeping with the Governments drive for all Government services to be digitized within the next 5 years.

Within the Ministry of Public Works, **Mr. Speaker**, - departments and our affiliated Quangos will use the Land Valuation example to devise their own plan of action to go paperless. I encourage any member of the public to reach out to the department with any questions.

Mr. Speaker, I would like to commend and thank Mrs. Diane Elliott, the Director, and her team at Land Valuation for their commitment and continued dedication – especially for all their hard work in creating this pioneering paperless office.

Thank you, **Mr. Speaker**.