



GOVERNMENT OF SAMOA

**SAMOA SECOND INFRASTRUCTURE AND ASSET
MANAGEMENT PROJECT (SIAM II)**

COMPONENT 5.2: LAND VALUATION

LAND VALUATION LEGISLATION REPORT

TECHNICAL ASSISTANCE REPORT NO. 17

SUBMITTED TO

**MINISTRY OF NATURAL RESOURCES, ENVIRONMENT AND
METEOROLOGY**

JUNE 2005



Version Control

Version	Date	Type of Change (s)	By
1.0	20 th June 2005	Draft submitted to MNREM	M McLoughlan
1.1	28 th June 2005	Revised in response to MNREM feedback and final report submitted.	M McLoughlan

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1. Land Valuation Legislation

1.1 Introduction

The purpose of this brief report is to:

- Provide the draft 'Land Valuation Bill' for the Ministry of Natural Resources, Environment and Meteorology in the specific framework as requested by the Chief Executive Officer, Tu'u'u Dr. Ieti Taulealo in his letter 15 June 15, 2005. (See following).



Malo o Samoa

MINISTRY OF NATURAL RESOURCES, ENVIRONMENT & METEOROLOGY
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Please address all correspondence to the
Chief Executive Officer

15 June 2005

Mr. Chris Grant
C5-SIAM2 Project Director
Land Equity International Pty Ltd
Apia

Dear Chris

Draft Land Valuation Legislation

Further to our discussions on the above subject I now put forward the following outline as the basis for the proposed Land Valuation legislation. I have raised these same issues with your team members on a number of occasions but we seem to have differed in what is best for Samoa at this point of time. While I have no doubt the draft Valuers Licensing Act included in your Report No.8 could apply very well in Samoa in the long-term when the local Valuation Sector is better organised I believe it will not resolve our short- to medium-term concern of providing more certainty in the national land market. I therefore ask you to formulate the draft legislation along this framework:

Outline of Proposed Land Valuation Legislation

Clause 1: Short Title

- Land Valuation Bill 2005

Clause 2: Interpretations

- Minister
- CEO
- Etc.

Clause 3: Licensing of Valuers

- Degree in Land Valuation or equivalent from a recognised university
- Working experience in valuation practice of at least 3 years
- Minister to issue licenses based on recommendation by the CEO
- CEO to issue annual practicing certificates

Clause 4: Land Valuation Practice

- Establish valuation standards, rules and guidelines
- MNREM to establish and update Formula Valuation System
- Land values based on Formula Valuation System
- Valuation conducted and endorsed by Licensed Valuer

Clause 5: Valuation Reports as part of the Land Registration

- All Deeds of Conveyance for registration to include a Valuation Reports

Tamalagi	Savalalo	Vaiala	Matautu	Mulinuu	Vailima
(685)23092/23800/26957	(685)22481-22485	(685)30100/31197/31198	(685)23702/2541932744	(685)20855/20856	(685)20599/25407/21054
Fax: (685)23176	Fax: (685)23692	Fax: (685)25869	Fax: (685)25422	Fax: (685)23141	Fax: (685)29707

- Stamp duty fees to be based on land values in the Valuation Reports

Clause 6: Exemption from Liability

- similar to current Land Registration provisions

Please feel free to discuss any other associated issues with me or any of my relevant staff.

Yours sincerely



T'u'u Dr. Ieti Taulealo
CEO, Ministry of Natural Resources, Environment & Meteorology

cc: John McFarlane, SIAM2 Project Director

1.2 The draft Land Valuation Bill 2005:

The draft 'Land Valuation Bill' is in Attachment 1.

Attachment 1
Land Valuation Bill 2005
LAND VALUATION LEGISLATION BILL 2005

SAMOA

Arrangement of Provisions

1. Short title and commencement
2. Interpretations
3. Functions and Powers of MNREM
4. Functions and Powers of Minister
5. Licensing of Valuers
6. Valuers Qualifications and Experience
7. Application for a Valuation Licence
8. Land Valuation Practice
9. Valuation reports with deeds of conveyance on land transactions
10. Exemptions from Liability
11. Regulations

2005 No _____

BE IT ENACTED by the Legislative Assembly of Samoa in Parliament is assembled as follows:

Clause 1 Short title and commencement –

(1) This Act may be cited as the Land Valuation Act 2005

This Act shall commence on, 2005

Notice of this Act shall be published in Samoan and English in the 'Savali' and one other newspaper circulating in Samoa

Clause 2 Interpretations

In this Act unless the context otherwise requires

'assessment(s)' includes written reports

'ACEO' means Assistant Chief Executive Officer, MNREM

'CEO' means Chief Executive Officer of MNREM

'Land' means any estate or interest in land and includes improvements to, or on, the land

'Licence' means a licence under this Act

'Licensed valuer' means a person licensed under this Act

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Land Valuation Bill 2005

'Minister' means the Minister responsible for this Act

'MNREM' means the Ministry of Natural Resources, Environment and Meteorology

'Principal Valuer' refers to the licensed valuer in charge of the Valuation section of the MNREM

'Register' means the list of Valuers

'Valuer' means Licensed Valuer Samoa

'FVS' means Formula Valuation System

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Land Valuation Bill 2005

Clause 3: Functions and Powers of MNREM

- (a) The licensing of valuers in Samoa
- (b) The regulation of land valuation practices in Samoa
- (c) The monitoring of land values in Samoa

Clause 4: Functions and Powers of MNREM

The Minister shall have the following powers:

- (a) to administer the legislation
- (b) to issue valuation licences

Functions and powers of Chief Executive Officer

- (a) to advise the Minister on valuation licensing
- (b) to advise the Minister on land valuation practices
- (c) to advise the Minister on land values and other valuation issues
- (d) to advise the Minister of the Formula Valuation System

Clause 5: Licensing of Valuers

- (1) The Minister shall grant any Valuation Licence upon recommendation from the CEO of MNREM.
- (2) The CEO of MNREM is responsible for the issue of the Annual Practising Certificates.
- (3) The MNREM is responsible for keeping a register of valuers.
- (4) The CEO for MNREM shall take account of the 'Samoa National Valuation Practice Standards 2005' [in Schedule (i)] in their deliberation regarding any application for a valuation licence.

Clause 6: Valuers Qualifications and Experience

A valuer must:

- (a) Hold a degree in Land Management and land valuations or an international equivalent from a recognised university.
- (b) Have at least three years practical experience in land valuation, under the supervision of a licensed valuer.
- (c) Be, in the opinion of the CEO, a person of good character and reputation and be competent to carry out the duties of a licensed valuer

Clause 7: Application for a Valuation Licence

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Land Valuation Bill 2005

- (a) Applications for a Valuation Licence must be made on the prescribed form that will include an oath that the information is correct and that the applicant will carry out all valuations impartially. [Refer schedule (ii)].
- (b) The CEO of MNREM may grant Valuation Licences with restriction
- (c) Licensing fees to be decided by CEO and published in the 'Savali' from time to time.
- (d) A register of valuers shall be published annually, at least on one occasion, in the 'Samoan Observer' and the Government 'Savali' newspaper on or about March 1st each year.
- (e) The Valuation Licence acknowledges the formal qualifications required to practise as a Valuer in Samoa. The Annual Practising Certificate allows for continued valuation practice in Samoa. [Refer schedule (ii)]
- (f) An application for renewal of the Annual Practising Certificate shall be made annually, within 30 days of the last certificate expiring. This application, that will include an oath that the information is correct and that the applicant will carry out all valuations impartially, is to be accompanied by the prescribed fee as published by the CEO from time to time.

Clause 8: Land Valuation Practice

- (1) The CEO shall take account of the 'Samoan National Valuation Practice Standards 2005' in their deliberations regarding any consideration of issues of licensing and the granting of annual practising certificates.
- (2) The CEO of MNREM may refuse to grant a annual practising certificate if:
 - (a) they consider a valuer no longer competent
 - (b) a valuer has obtained a valuation licence as a result of fraud or misrepresentation or by virtue of dishonesty
 - (c) if any valuer no longer represents the good standing of the Valuation profession
 - (d) a valuer allows a person other than a licensed valuer to practise in their name as a valuer
 - (e) the valuer fails to adequately supervise their staff, including the valuer's personal inspections of all property valued. The licensed valuer is responsible for the accuracy of the assessments.
 - (f) there is any contravention of the Code of Ethics
 - (g) any valuer is not a financial member for the year in question (ie. Has not paid their annual fee within 30 days of their practising certificate expiring).
- (3) Every valuation report shall be endorsed by a licensed valuer.
- (4) A licensed valuer must complete five (5) hours of professional development each year to maintain their licence.
- (5) Code of Ethics
 - (a) Valuers must comply with the Valuers Code of Ethics and Rules of Conduct 2005.

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Land Valuation Bill 2005

- (b) The CEO of MNREM may periodically update this document that takes account of International Valuation Standards.
 - (c) The CEO of MNREM shall provide a copy of this document to all valuers upon their initial registration. Any updates will be provided on the renewal of their annual practising certificates.
 - (d) Any contravention of the Code of Ethics is grounds for termination of a valuer's practising certificate.
- (6) Formula Valuation System
- (a) The Formula Valuation System (FVS) shall be established and updated by MNREM.
 - (b) The Formula Valuation System may be used as:
 - a guide to the value of land in the Apia urban area
 - a catalyst to investigate stated amounts in deeds of conveyance on land transactions
 - a check against the value stated for land only in relation to deeds of conveyance on land transactions

Clause 9: Valuation reports with deeds of conveyance on land transactions

- (1) It shall be compulsory for a Valuation Report to accompany all Deeds of Conveyance on land transactions. The Valuation assessment must be completed by a licensed valuer.
- (2) Stamp duty to be based on land values in the Valuation Reports.

Clause 10: Exemptions from Liability

- (1) Nothing in this Act that requires the CEO; their MNREM staff, including the Principal Valuer; to make valuation assessments or allied matters shall make them legally liable to any action or proceedings. This includes any act or behaviour done, or omitted to be done, in good faith in the exercise or intended exercise of their powers under this Act or any regulation or order made there under.

Clause 11: Regulations

- (1) The Minister may make regulations that they consider necessary or expedient for the purposes of this Act.
- (2) In respect to responsibility for assessments. A valuer may countersign a valuation but unless they have inspected the said property, they cannot be responsible or endorse the valuation assessment or in any way represent that it is their valuation assessment.
- (3) If another valuer (perhaps senior to the licensed valuer who signs) adds their signature to the valuation report, then that valuer must indicate whether or not they have

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Land Valuation Bill 2005

inspected the property in question. This is to avoid giving the impression that the second valuer has inspected the property, and is therefore responsible for the valuation assessment.

- (4) In respect to the licensing of valuers, the CEO of MNREM needs to be satisfied that the documented experience provided by a prospective valuer is sufficiently broad and continuous and is directly related to the valuation of property. Experience that is not likely to fully qualify includes: property management and real estate sales and research.

Attachment 2
Schedule (i) Land Valuation Bill 2005

Schedule (i) of the Land Valuation Bill is the 'Samoa National Valuation Practice Standards 2005' which are to be found in the *Report on Valuation Standards and Report on Code of Ethics for Valuers (Report 8)* submitted on 13th May 2005.

Attachment 3
Schedule (ii) Land Valuation Bill 2005

APPLICATION FOR VALUATION LICENCE

Schedule (ii) UNDER THE LAND VALUATION ACT – 2005

To the CEO
MNREM, Apia

I apply for a Valuation Licence under the Act and supply the following information:

1. Full Name
2. Address for Correspondence
3. Business Address (for valuation practice)
4. Date of Birth
5. Country of Birth
6. Nationality
7. Names, occupations and addresses and contact phone/email addresses of three referees [nb. Referees should not be relatives]
References to be furnished from referees (original will be returned upon request)
8. I intend to practise as a valuer in my own right / in partnership with another valuer / as an employee of a firm / as an employee of government / other (state)
9. Academic Qualifications (eg. BA - Land Management, USP)
10. Practical experience in valuations (eg. past 4 years full-time valuation experience as an assistant to Mr. X, a licensed valuer) Notes: applicants are required to provide experience in the immediate 3 years previous to the date of application.
11. I apply for: A licence without restriction
 A licence for residential valuation only

I hereby swear that the above is true and correct and that I will carry out all valuations impartially.

Signature

Date

Where there is insufficient space, please attach additional information.

Attachment 3
Schedule (ii) Land Valuation Bill 2005
APPLICATION FOR AN ANNUAL PRACTISING
CERTIFICATE

Schedule (ii) UNDER THE LAND VALUATION ACT – 2005

To the CEO
MNREM, Apia

I apply for a renewal of my Annual Practising Certificate under the Act:

1. Full Name
2. Current Valuation Licence Number
3. Restrictions applied - Not applicable
Residential only
4. Address for Correspondence
5. Business Address (for valuation practice)
6. Date of Birth
7. Names, occupations and addresses and contact phone/email addresses of three referees [nb. Referees should not be relatives]
8. References to be furnished from referees (original will be returned upon request)
9. I intend to practise as a valuer in my own right / in partnership with another valuer / as an employee of a firm / as an employee of government / other (state)
10. Academic Qualifications (eg. BA - Land Management, USP)
11. Practical experience in valuations (eg. past 4 years full-time valuation experience as an assistant to Mr. X, a licensed valuer) Notes: applicants are required to provide experience in the immediate 3 years previous to the date of application.
12. I apply for: A licence without restriction
A licence for residential valuation only
A licence for plant & machinery only
13. Required hours of professional development completed Yes/No (evidence attached)

I hereby swear that the above is true and correct and that I will carry out all valuations impartially.

Signature

Date

Where there is insufficient space, please attach additional information.