Introduction

• Property tax is one of the resource for urban management
• The legislation empowers the local authorities to collect revenue based on property values
• Administration of property tax involves a process of planning the valuation of all properties within the local authorities and legalising the new valuation list
• This process has often lead to a number of issues and sometimes the proces could not be completed and causing an outdated valuation list
Issues in property taxation

- Preparing valuation list
- Getting an equitable and fair tax
- Time
- Manpower
- Expertise

What is CAMA?

- CAMA is a generic term which refers to any soft-wares application to assist in property valuation (McCluskey et al, 1997)
- Development of a valuation model for the whole area and not just limited to a particular area (Deddis, 2002).
- The objective of building the valuation model is to be able to analyse and value a number of properties efficiently taking into consideration of demand and supply a market factors.
- Some of its functions are for valuing property, maintaining property data, ensuring tax equity through uniform tax base valuations
- Involves mass appraisal to a large group of properties systematically using standard procedures and tested statistically (Eckert et al, 1990)
- This system use recent property transactions which are assumed to be the best indicators to estimates market value for all properties (Meelun et al., 2010).
How does the CAMA system works

• Valuation menu to do all valuation task
• Report menu for reporting
• Data management menu
• Management data
Application of CAMA in Malaysia -
A survey on 49 local authorities

Aspects surveyed

• Man power to conduct valuation
• Revenue
• Expenditure
• Perception of local authorities on CAMA application
Man power to conduct valuation
• Many LA have not enough man power to carry out valuation exercise
• A city council with 120000 properties with only 3 valuers could not complete the valuation task
• Valuation need to be expedite so as to complete the valuation task for a new valuation list
• Requires assistance through a computerised valuation system

Financial situation of local authorities

Revenue
• A number of LA can at the most collect 80% of the revenue

Expenditure
• High cost to finance local authorities
Perception of local authorities on CAMA application

<table>
<thead>
<tr>
<th>Work scope</th>
<th>Acceptance of local authorities(%)</th>
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</thead>
<tbody>
<tr>
<td>Ability to handle large data</td>
<td>97.8</td>
</tr>
<tr>
<td>Speedy valuation</td>
<td>95.6</td>
</tr>
<tr>
<td>Accuracy and consistency</td>
<td>95.6</td>
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<tr>
<td>Low administration cost</td>
<td>79.5</td>
</tr>
<tr>
<td>Less manpower and constraint</td>
<td>90.7</td>
</tr>
<tr>
<td>Improve equity and fair tax</td>
<td>80.5</td>
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</tbody>
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What is next?

- Local authority must spend for a CAMA system or face further deterioration in property taxing system.
- The government must support all local authorities to upgrade the local authorities property tax system.
Acknowledgement

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Thank you for your attention!

Your affiliation address (brief) corresponding email