

The Reform and the New Systems of Census and Classification of the Italian Cadastre

Piero PANUNZI and Fiorenzo GUARALDA, Italy

Key words:

ABSTRACT

With the legal course of the Decree 2 January 1998, n. 28 concerning regulations in topic of constitution of the building cadastre and the new cadastral cartography let alone of the 23 D.P.R. March 1998, n. 138 concerning the bringing regulations norms for the general review of the taxable zones, estimate rates of urban real estate units and the relative criteria, deep innovations on the conservation and management of the Italian cadastre have been introduced. The new regulations preview the involvement of the local bodies like municipalities, province and cadastral offices. Our job will supply an analysis of development and operativity with reference to the cadastral situation and to the reform of the procedures of the recording of the real estate transcriptions

CONTACT

Geom. Piero Panunzi and Geom. Fiorenzo Guaralda
Consiglio Nazionale Geometri
Via Barberini, 68
I-00187 Rome
ITALY
Tel. + 39 6 420 31 61
Fax + 39 6 481 40 26
E-mail: M.BOI@CNG.IT

The Reform and the New Systems of Census and Classification of the Italian Cadastre

Piero PANUNZI and Fiorenzo GUARALDA, Italy

In the process of decentralization of the state's functions to the local institutions, the introduction of the Municipal Property Tax (ICI), provided for in Law No. 421/1992 and Legislative Decree No. 504/1992, entailed the transfer of taxation of property from the central Government to the local authorities. This innovatory tax is applied to the value of the real estate property and, therefore, requires the updating of the Italian Land Register, from a register of cadastral income to a register of values.

The Italian Land Register had already started reviewing its operations a few years ago, by introducing IT procedures aimed at bettering management and reducing red-tape for clients.

Established immediately after the unification of Italy, through the merging of the 14 existing Land Registers: of Liguria-Piedmont, Tuscany, the Papal States, Naples, the Austrian domains in Veneto-Lombardy, and others, under Law No. 1831/1864, called the "Provisional adjustment" (urgent unification or equalization), the expense of the land tax was fixed at £.110 million lire, which highlights the purely fiscal nature assumed by the Italian land register.

The following Law No. 2136 of January 26th, 1865, introduced the so-called "Urban" Register, alongside the Land Register, even though the whole matter was finally settled only in 1886, when Law No. 3682 instituted a modern Land Register that was geometrical, articulate and uniform, founded upon measurement and estimates, to become a "real-estate equalizer", yet still for tax purposes. The same law provided for a twenty-year term for the operations and a presumed cost of £. 60 million lire; however, these were formally completed only in 1956 and their cost has never been estimated. In 1939 it was the turn of the Register of Buildings to be updated, and Law No. 1249 of August 11th, 1939, established the N.C.E.U., a Land Register which came officially into operation only on January 1st, 1962.

Between 1865 and 1998, besides the above-mentioned laws, other less important regulations were also introduced, for operational purposes rather than actual reforms.

MOTIVATIONS

- From 1949, the Land Register values the cadastral income of real estate property, by means of a single summary comparison operation, which determines its classification (assignment of a CATEGORY and a CLASS).
- The methodologies for determining the cadastral income are obsolete, hence the need for alternative objective and dynamic transparent criteria, to replace the current methodologies with a new, efficient and fairer instrument:

- The need is felt to substitute the current system of classification based on each registered room and on income, with a classification based on surface area.

With the Presidential Decree No. 138/1998, implementing Article 3 (154) and (155) of Law No. 662/1996, provisions have been laid down for reviewing classification methods of buildings; the Decree Law No. 300/1999 has amended the organization of the Land Register, which was rendered independent from the Ministry of Finance, becoming the Territorial Agency; the Decree Law No. 112/1998, transferred competence for the matter from the Land Register to the local authorities; the Decree Law No. 28/1998 “regulations governing the constitution of the Land Register of buildings and the procedures relating to cadastral mapping” established new provisions for setting up the Land Register of buildings and determining procedures for cadastral mapping.

The major modifications are contained in the already mentioned Presidential Decree No. 138/1998, regulations containing provisions for the general reviewing of the assessed zones, the estimate tariffs for urban property units and the relative criteria and the assessment commissions.

THE REVIEWING ACTIVITIES CONCERN:

- ASSESSMENT ZONES
- MICROZONES
- PROPERTY ASSESSMENT UNIT
- QUALIFICATION
- CLASSIFICATION
- ESTIMATES
- CLASSES

Revision of the Assesment Zones

- The assessment zone is a uniform portion of a province comprising a single Municipality, or a portion of this, i.e., groups of municipalities with similar environmental and socio-economic characteristics.
- the **Local Offices**, taking account of the opinion of the Provincial authorities, provide for the reviewing of the existing assessment zones, based on the data provided by the Municipalities for the microzones.

In a nutshell, the assessment zone.....

- tends to identify itself with the area of the municipality, or group of municipalities (mountain communities, districts, association of municipalities), the area of the Province is divided into assessment zones.
- for each assessment zone, the system of categories and classes is identified, besides the tariff prospectus
- the Assessment Zone is divided into smaller zones, called microzones

Microzones

Microzones identify uniform market areas, from the point of view of cadastral income, and for the influence thereon of the extrinsic characteristics of the property units.

- Microzones can coincide with the municipal area, if the aforementioned characteristics of uniformity concern the entire Municipality.
- The Municipalities take on the task of delimiting the microzones in their area.

Definition of microzones

- There's the need to break down the area of the municipality into uniform zones, in which the urban and building characteristics must satisfy, as a rule, the following conditions:
 - the ratio between the maximum and minimum market values per square meter of the property units assumed as reference **must not be in excess of two.**
 - the percentage shift between the ordinary median values per square meter of the reference units situated in two bordering microzones, which are urbanistically homogenous must not be less than 30% (up to 3 and 20%, in particular circumstances).
- The reference property units are, as a rule, residential areas; where these same are present in a non significant degree, reference is made to the property units belonging to the Land Register's category which is most representative of the examined microzone.
- The ordinary median value is characterized by the maximum frequency with which the single values are encountered in the area of the examined territory.
- The envisaged **technical procedures** are identification plans of the perimeter of the microzones and by **descriptive files of each microzone**, where it is written:
- The territorial location, the map pages that constitute it, the urbanistic indications, the habitational and building characteristics, the socio-economic characteristics (civil, intensive, ultra-intensive) and the market sections identified on the base of minimum, maximum and median prices of reference.

- The unifying table of the Land Register files
- The Land Register statistics for the map plan
- A technical map of the land (**for example, aerial photography**)
- The zoning plan
- The building stock data (**for example, from census data**)
- An observatory of values

The real dimensions of the problem

Based on the results of the experiments carried out, we believe that:

- in the municipalities with a population up to 2.500 people (there are 4270 of these), it's possible to avoid creating microzones, as it's highly probable that the entire municipal territory can be represented at the most by a single microzone.
- in municipalities with a population of between 2.501 and 5.000 (1635) the problem is only of marginal interest, as it's highly probable that the entire municipal territory can be represented with a maximum of three microzones.
- in municipalities with a population of between 5.001 and 50.000 (2061) the number of microzones can vary between a minimum of 3 to a maximum of 10.
- in the remaining 136 municipalities (with a population in excess of 50.000), the problems linked to the microzones must be seriously considered.

Total No. Of Municipalities = 8102

THE NEW ASSET UNITY

- **the asset unity** of the property units with ordinary destination is the square meter of Land Register surface.
- **the estimate prices** of the property units with ordinary destination are determined with reference to the square meter.

Revision of the System of Qualification and Classification

- **For each assessment zone** the Local Offices compile a table of qualification and classification, with indications as to the categories encountered in the same assessment zone (R,P,T,V and Z) and the number of classes into which each category is subdivided.

- For the **definition of the classes** the Offices use the data from the observatory of the real estate values of the Department of the Territory, on the occasion of new variations of socio-economic, environmental and urbanistic character, which are permanent changes in the assessment zone.
- The tables of qualification and classification can be revised by the Department of the Territory, on the occasion of new variations of socio-economic, environmental and urbanistic character which are permanent changes in that assessment zone.
- The tables of qualification and classification are subject to the approval of the Provincial Assessment Commission which is competent for that territory.
- The tables of qualification and classification can be subjected to revision by the Department of the Territory, on the occasion of new variations of socio-economic, environmental and urbanistic character which are permanent changes in that assessment zone.
- The tables of qualification and classification are subject to the approval of the Provincial Assessment Commission competent for that territory.

OVERVIEW OF THE ORDINARY CATEGORY – GROUP “R”

Real estate units for private residential purposes and premises used for complementary purposes

- **R/1** –dwellings in residential and other types of buildings.
- **R/2**- dwellings in houses and mansions.
- **R/3**-dwellings typical of certain areas.
- **R/4**-indoor parking areas, outdoor parking areas on private property, garages for car repairs.

OVERVIEW OF THE ORDINARY CATEGORY- GROUP “P”

Real estate units for public use or community interests

- **P/1**-Real estate units for community residential purposes and the like.
- **P/2**-Real estate units for healthcare purposes.
- **P/3**-Real estate units for rehabilitation purposes.
- **P/4**-Real estate units for government offices, schools and similar purposes.

- **P/5**-Real estate units for cultural institutions and similar purposes.

OVERVIEW OF THE ORDINARY CATEGORY – GROUP “T”

Real estate units for third-sector purposes

- **T/1**- Retail outlets and related premises.
- **T/2**-Warehouses, deposits and craft workshops.
- **T/3**-Buildings and premises for sports activities.
- **T/4**- Pensions.
- **T/5**-Multi-level parking complexes, car repair garages and public parking areas.
- **T/6**-Stalls, stables and similar.
- **T/7**-Offices, studios and professional laboratories and workshops.

OVERVIEW OF THE SPECIAL CATEGORIES- GROUP “V”

Real estate units for public and community use

- **V/1**-Stations for land, sea, air transport and cableways.
- **V/2**-Bathing resorts and thermal baths.
- **V/3**-Permanent fairs, enclosures for markets, livestock stationing and similar purposes.
- **V/4**-Buildings for public religious use, chapels and oratories.
- **V/5**-Hospitals.
- **V/6**-Buildings, premises and equipped areas for sports activities and for entertainment, arenas and zoological parks.
- **V/7**-Real estate units for public or community use that do not fall under group P or group V.

OVERVIEW OF THE SPECIAL CATEGORIES- GROUP “Z”

Real estate units for third-sector or other use

- **Z/1**- Real estate units for manufacturing purposes.

- **Z/2**-Real estate units for production purposes related to agricultural activities.
- **Z/3**-Real estate units for trade purposes.
- **Z/4**-Real estate units for office purposes.
- **Z/5**-Real estate units for accommodation purposes.
- **Z/6**-Real estate units for cultural and entertainment purposes.
- **Z/7**-Gas stations and other fuel distribution facilities.
- **Z/8**-Boat moorings within marinas.
- **Z/9**-Buildings either floating on water or suspended in the air and anchored to fixed points on the ground.
- **Z/10**-Real estate units that do not fall under groups R and T or group Z.

Revision of the Estimate Prices

- for the determination of the cadastral income ordinarily produced by the real estate unit, from the net sum of the expenses and eventual losses, we proceed to the revision of the current estimate prices , referring to the median values and cadastral income expressed on the real estate market, with the exclusion of the locative systems accorded by law.
- occasional or singular values and cadastral income are not to be considered
- **the revision of the estimate prices of the property units with ordinary destination** consist of the determination for each assessment zone category and class, of the Land Register cadastral income, on the basis of:
 - the annual taxes ordinarily withdrawn, with reference to the ordinary market of leases;
 - the values of the real estate market, determining the earning capacity through the application of examples of cadastral income ordinarily found on the local market.

THE ESTIMATE PRICES ARE DETERMINED AS A MEDIAN OF UNIT CADASTRAL INCOME VALUES AS ABOVE

Revision of the cadastral income of the property units with special destination

- for the property units with special destination, (groups V and Z) the revision of the cadastral income is effected through the definition, for each single unity, of the ordinary withdrawn cadastral income, the net sum from the expenses and eventual losses and the

gross sum of the taxes, surcharges and contributions of all kinds, with reference to the assessment period 1996-1997

REVISION OF THE CRITERIA OF CLASSES

- the classing consists of attributing to the real estate unity with ordinary destination the category and class of competence and to those with special destination only the category
- **the category** is assigned based on the normal functional destination for the real estate unity
- **the class** is representative of the ordinary median cadastral income withdrawn from the real estate unity, it depends on the urban and environmental quality of the microzone and of the building's characteristics.

CONCLUSIONS

All operations that are called on to be operational need updated data banks and efficient operative procedures, operations which the Italian Land Register is actuating and above all there's a need of continuity in the will of it's actuation.

It has already been made evident that in the senses of article 57 of the Decree Law of July 30th, 1999 no.300, whereby the Department of Territory became the **Territorial Agency** with it's own statute and autonomy, but being always subject to the vigilance of the Ministry of Finances and under control of the State Audit Court.

The Territorial Agency carries out the functions of Land Register, of mapping services and of keeping of the real estate registers, the observatory of the real estate market and estimation services.

The Agency supports the transfer of Land Register functions to the local institutions, or rather the Comunes, constituting the technical organism as in article 67 of the Decree Law of March 31st, 1998 no. 112.

Contemporarily, the Territorial Agency can manage the Land Register functions on behalf of the local authorities (the Municipalities).

All the operations should be completed within February 2004.