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If a whole or part of a paragraph has been amended, the date of the amending regulation appears in square brackets at the end of the paragraph. If a whole paragraph or sub-paragraph has been deleted, the date of the deletion appears in square brackets beside the deleted paragraph or sub-paragraph.

Republic of Latvia

Cabinet

Regulation No. 305

Adopted 18 April 2006

Regulations regarding Cadastral Assessment

*Issued pursuant to
Section 66, Paragraph three
of the Immovable Property State Cadastre Law*

I. General Provisions

1. These Regulations prescribe the procedures for cadastral assessment.
2. Cadastral value shall be calculated for all cadastre objects and immovable property tax objects registered in the information system of the State Cadastre of Immovable Property (hereinafter - Cadastre information system).
3. Base indicators of cadastral values - base values and correction coefficients - shall be determined and approved separately for land, buildings and engineering structures.
4. Cadastral value shall be calculated separately for a unit of land, building, engineering structure, a part of a unit of land.
5. Cadastral value of immovable property shall be calculated as a sum of the cadastral values of a unit of land, buildings and engineering structures forming a separate immovable property.

II. General Principles for Development of the Base of Cadastral Values

6. For the purposes of cadastral assessment:
 - 6.1. land shall be divided in accordance with the purpose of use specified for the immovable property (hereinafter - purpose of use):

6.1.1. rural land, if the specified purpose of use is from the group of use purposes "Agriculture Land", "Forestry Land and Special Areas of Conservation where Economic Activity is Prohibited by Regulatory Enactment" and "Land of Water Bodies";

6.1.2. building land, if the specified purpose of use is not from the groups of use purposes referred to in Sub-paragraph 6.1.1. of these Regulations;

6.2. buildings shall be divided into building types (a set of buildings with a similar functional use, which is characterised by the main type of use, the number of above-ground storeys, volume indicator (area in square metres, building volume in cubic metres) and the material of the external walls of the building) and the building types with similar criteria, which form the value, shall be joined in groups of building types (Annex 1); and

6.3. engineering structures shall be divided into types of engineering structures (a set of engineering structure with a similar functional use, which is characterised by the main type of use, construction material used in building constructions and construction technologies) and the types of engineering structures with similar criteria, which form the value, shall be joined in groups of engineering structure types (Annex 2).

7. The State Land Service shall develop value zoning for specification of base indicators of cadastral values. Zoning is the division of the State territory into value zones for the relevant group of immovable property, in which the value of mutually comparable immovable properties is relatively similar in the market of immovable property.

8. The group of immovable property shall be determined taking into account the purposes of use and type of building in accordance with Annex 3 to these Regulations.

9. Zoning of one group of immovable property (hereinafter - zoning) shall be developed once in four years in the entire territory of the State concurrently and in the following order:

9.1. for the group of rural immovable properties - utilised agricultural land zoning and wooded land zoning ;

9.2. for the groups of building immovable properties:

9.2.1. for the group of residential building immovable properties - zoning for the building of residential houses;

9.2.2. for the group of industrial building - zoning for the building of industrial production objects; and

9.2.3. for the group of commercial activities and public building - zoning for commercial object building.

10. Base values of engineering structures shall be determined concurrently with the development of zoning for the group of industrial building.

11. The following shall be used for the development of zoning:

11.1. immovable property market information (information regarding purchases, lease, construction costs, immovable property market offer and demand, immovable property market activity);

11.2. information regarding the main factors affecting the value of immovable property, which has been obtained by analysing the market prices of immovable properties;

11.3. the territorial local government spatial plans and detailed plans;

11.4. the information regarding special areas of conservation and borders thereof specified in regulatory enactments; and

11.5. for mutual comparison of local governments - socio-economic development indicators of local government (for example, the amount of income tax per one inhabitant, unemployment rate, number of economically active inhabitants, demographic load).

12. The borders for value zones of the building immovable property shall be determined in accordance with the borders of units of land, not allowing the separation of a unit of land and building into different value zones (except for the units of land under roads, railways, rivers). The borders for value zones of zoning of the group of rural immovable property shall be determined in accordance with the borders of local government administrative territory or the borders of territorial unit counties and towns with a rural area (hereinafter - local government territory).

13. The zone number of zoning values shall be unique. The zone number for the group of building immovable property shall consist of the zoning designation code, administrative territorial unit classification code and zone order number in the local government territory. The zone number of zoning values for the group of rural immovable properties shall consist of the zoning designation code, administrative territorial unit classification code and group order number of the value level.

14. Zoning designation codes are the following:

- 14.1. utilised agricultural land zoning -1;
- 14.2. wooded land zoning - 2;
- 14.3. zoning for residential house building - 3;
- 14.4. zoning for the building of industrial production objects - 4; and
- 14.5. zoning for commercial object building - 5.

15. Base indicators of cadastral values for immovable property shall be determined within the limits of the value zone:

15.1. specified in Sub-paragraphs 19.1, 19.2, 19.3, 26.1, 26.2, 41.1, 41.2, 41.3 and 49.1 of these Regulations - concurrently with the development of zoning for the relevant group or property;

15.2. the market correction coefficients specified in Sub-paragraph 19.4, 26.3, 41.1 and 49.2 of these Regulations:

15.2.1. for the group of industrial building immovable properties - zoning for the utilised agricultural land and wooded land zoning in the year of development;

15.2.2. for the group of commercial activity and public building immovable properties - zoning for the building of residential houses in the year of development;

15.2.3. for the group of rural immovable properties - zoning for building of industrial production objects in the year of development; and

15.2.4. for the group of residential building immovable properties - zoning for the building of commercial objects in the year of development.

16. In developing land value zonings, the State Land Service shall co-operate with local governments:

16.1. together with responsible representatives (consultants) assigned by local governments shall assess the designed borders of the value zones; and

16.2. after development of the draft zoning, but not later than two weeks prior to the application of the base of cadastral values for announcement in the meeting of State Secretaries shall submit a zoning map (if there is more than one zone in the relevant local government) and tables of the value base indicators to the local government for provision of an opinion.

17. After the approval of the zoning and base of cadastral values in the Cabinet, the State Land Service shall:

17.1. register the zoning and base of cadastral values in the Cadastre information system;

17.2. ensure the accessibility to information by placing the zoning and tables for base of cadastral values on the Internet home page of the State Land Service (www.vzd.lv); and

17.3. submit the graphic material of the zoning of the relevant local government to the local government, if in the territory of the local government there is more than one zone.

18. Local government shall ensure the accessibility of the submitted graphic material of the zoning for each person interested in it.

III. Development of the Base of Cadastral Values for Building Land

19. The indicators of the base of cadastral values for building land shall be:

- 19.1. the land base value;
- 19.2. the land standard area (hereinafter - standard area);
- 19.3. the correction coefficient of the standard area; and
- 19.4. the correction coefficient of market changes.

20. Land base value is the value of one square meter of the land in lots within the value zone for a particular purpose of use, and it is determined in accordance with the information of the immovable property market.

21. Land standard area is the relative area of the unit of land, which has been specified by analysing the immovable property market for the needs of calculation of the land cadastral value for a particular group of purposes (purpose) of

use and the price of which characterises the most characteristic price level of units of land in terms of area in a particular territory for the appropriate group of purposes (purpose) of use.

22. The correction coefficient of the standard area shall be determined, taking into account the ratio between the price for one square metre for the units of land, which comply with the standard area, and the price for one square metre for the units of land, which exceed the standard area.

23. Transactions with land, the area of which does not exceed the size specified by the standard area for more than 20%, shall be used for the specification of the base value of the land use purposes, for which a standard area is specified.

24. In value zones, where the number of transactions within the relevant group of purposes of use is less than five, the base values of the land shall be determined in comparison with other value zones, taking into account the factors affecting the value of the building land (for example, engineering support, social infrastructure development level, engineering-geological conditions, the character and intensity of the present building), as well as the indicators of socio-economic development of local government referred to in Sub-paragraph 11.5 of these Regulations.

25. One base value shall be determined for the land of the purpose for use "Land in the territories of railway infrastructure right of way and in the territories of road right of way" in all value zones within the local government territory.

IV. Development of the Basis of Cadastral Values for Rural Land

26. The indicators of the basis of cadastral values for rural land shall be:

26.1. the base value for the utilised agricultural land for each quality group of the utilised agricultural land;

26.2. the base value for wooded land for each quality group of wooded land; and

26.3. the correction coefficient of market changes.

27. Utilised agricultural land depending on the quality assessment in points of the utilised agricultural land by the regulatory productivity (one land value point - 70 kg of rye units) shall be divided in six quality groups:

27.1. I quality group - less than 20 points;

27.2. II quality group - from 20 up to 30 points;

27.3. III quality group - from 31 up to 40 points;

27.4. IV quality group - from 41 up to 50 points;

27.5. V quality group - from 51 up to 60 points; and

27.6. VI quality group - more than 60 points.

28. The following main factors affecting the value shall be assessed in respect to the rural land:

28.1. the land quality;

28.2. the content of the use types of land;

28.3. the area;

28.4. the location;

28.5. the building effect; and

28.6. encumbrances.

29. Local government territories shall be joined in the groups of value levels for the specification of the base values for the utilised agricultural land. Local government territories with a similar price level of III quality group of the utilised agricultural land shall comply with the group of one value level of the utilised agricultural land.

30. Local government territories, where the number of transactions with the utilised agricultural land is less than five, the belonging to a particular group of the value level shall be determined in comparison with the local government territories for which the levels for land prices are specified, assessing the main factors affecting the value of the utilised agricultural land referred to in Paragraph 28 of these Regulations and the indicators of socio-economic development of local government referred to in Sub-paragraph 11.5. of these Regulations.

31. The base value of the utilised agricultural land shall be determined in lats per hectare for all the quality groups of the utilised agricultural land for each local government territory, except for the territories of towns.

32. One base value of land shall be determined in the territory of a town (without the assessment of land quality groups) for all purposes of use from the group of purposes of use "Agricultural land" and "Land of water bodies". The base value for land shall be specified taking into account the highest base value, which is specified in the territories of rural local government, which border the relevant town. The base value of the utilised agricultural land in the territory of towns shall be determined in lats per square metre.

33. The following main factors affecting the value of wooded land shall be analysed for the specification of the base value for wooded land:

33.1. the quality of wooded land depending on the type of growth conditions of the forest;

33.2. felling restrictions;

33.3. buying-in prices for timber;

33.4. the location in relation to the timber market and processing centres; and

33.5. the road infrastructure.

34. Quality groups of wooded land in accordance with the average quality assessment in points of wooded land (average growth of the standing volume - one cubic metre per year on one hectare - is equalled to seven points of land value) shall be divided in the following groups:

34.1. I quality group - less than 10 points;

34.2. II quality groups - from 10 up to 20 points;

34.3. III quality group - from 21 up to 35 points; and

34.4. IV quality group - from 36 up to 50 points.

35. The level of the average value for wooded land shall be determined in accordance with the types of forest growth conditions using the income capitalisation method, as well as taking into account:

35.1. the net income from the final felling in accordance with the information regarding the average liquid wood yield in the forest stands that have reached the age of the main felling in division by the leading tree species;

35.2. the average age of the final felling complying with the type of the forest growth conditions; and

35.3. the average forest management expenses for one hectare.

36. Net income depending on the type of forest growth conditions shall be determined on the basis of the information which is prepared by the Central Statistics Bureau in co-operation with the Ministry of Agriculture:

36.1. regarding the average prices in lats for round timber per one cubic metre in division by tree species and timber assortment;

36.2. regarding the average output expenses for the final felling;

36.3. regarding reforestation and maintenance expenses; and

36.4. regarding administration expenses.

37. The average level of value for the quality group of the relevant wooded land shall be determined from the levels of land values of the types of the forest growth conditions appropriate to the relevant quality group of the wooded land.

38. Local government territories shall be joined in the groups of value levels for the determination of the base values of wooded land:

38.1. the location of the relevant local government territory in relation to the timber market and processing centres;

38.2. the difference of the selling prices for growing trees by territories;

38.3. the differences in transportation expenses;

38.4. the socio-economic development indicators of local government referred to in Sub-paragraph 11.5 of these Regulations; and

38.5. the level of values for the utilised agricultural land.

39. The base value for wooded land shall be determined for each quality group of the wooded land, by analysing the level of values of the wooded land and the criteria referred to in Paragraph 38 of these Regulations.

40. One base value for land shall be determined in the town territory (without assessment of the quality groups of the wooded land) for all use purposes from the group of purposes "Forestry land and special areas of conservation in which economic activities are prohibited by regulatory enactment". The base value shall be specified taking into account the highest base value, which is specified in the territories of the rural local government, which borders the relevant town. The base value for the wooded land in the territory of towns shall be determined in lats per square metre.

V. Development of the Basis of Cadastral Values for Buildings

41. The indicators of the basis of cadastral values for buildings shall be:

41.1. the base value of the building type;

41.2. the standard volume of the building (most widespread volume interval of the relevant building type, within the limits of which the directly proportional regularity remains between the unit price of the building and changes in volume);

41.3. the correction coefficient of volume; and

41.4. the correction coefficient of market changes.

42. The base value of the building type is the value in lats per one volume unit of the building specified in accordance with the immovable property market information within the particular value zone. The base value of the building type shall be determined taking into account the building of the relevant type:

42.1. the value level (the average market price for one unit of a particular type of building within a separate territory - market region, the borders of which does not divide the territory of the local government and in which the market indicators of immovable property are mutually comparable and equal); and

42.2. the average market price for one unit within the value zone or within the group of value zones with equal price levels of land of the relevant immovable property group and factors affecting the value of the relevant types of buildings.

43. Market regions of buildings shall be determined by the groups of building types for specification of the value level of the building type using the integrated analysis of:

43.1. the average market price for one unit of the buildings complying with the relevant group of building types by building types within the territory of local government;

43.2. the price levels of the land of the relevant immovable property group;

43.4. the indicators of the socio-economic development of the local government specified in Sub-paragraph 11.5. of these Regulations; and

43.4. the indicators affecting the value of building types.

44. The market price for one unit of the building within the composition of the transaction object of the immovable property shall be calculated:

44.1. by subtracting the cadastral value of the land from the total amount of the transaction and assuming that the division between buildings is directly proportional to the ratios of the cadastral values of the buildings; and

44.2. by dividing the market price of the building by the volume indicator complying with the building type (if the measurement complying with the building type is cubic metres - with building volume, if square metres, - by the total area of the building) and the correction coefficient of the physical state of the building.

45. The standard volume of the building shall be determined for building types which have significant differences in the average price of one unit for different building volumes, on the basis of analysis of the immovable property market information.

46. Transactions with buildings of the relevant type, which do not exceed the standard volume, shall be used for the specification of the base values for a building type, for which the standard volume has been specified.

47. Information regarding direct construction costs (the average expenses in lats per volume unit for construction and installation work of a particular building type, where expenses related to improvement of the territory, external engineering networks and installation of devices are not included), taking into account construction costs of a building type and the average price level of the relevant group of building types in the State.

48. The volume correction coefficient shall be determined by analysing the immovable property market information, assessing the mutual coherency of the unit price between buildings of the one type, which by volume do not exceed the standard volume, and buildings which by volume exceed the standard volume in the relevant market region.

VI. Development of the Basis of Cadastral Values of Engineering Structures

49. The base indicators of cadastral values for engineering structures shall be:

49.1. the base value of the engineering structure type; and

49.2. the correction coefficient of market changes.

50. The base value of the engineering structure type shall be determined by analysing:

50.1. information regarding direct construction costs for the engineering structure;

50.2. the indexes for costs of construction published by the Central Statistics Bureau and the summary average prices of construction resources; and

50.3. the ratio of the direct construction costs and the average State price level of the group of buildings of the industrial type.

51. The base values of engineering structure types approved by Cabinet Regulation No. 19 of 3 January 2006, Regulations Regarding Basis of Cadastral Values shall be used for the specification of base values for engineering structure types regarding which the information referred to in Sub-paragraph 50.1 of these Regulations is not available, by indexing them by the indexes of construction costs specified by the Central Statistics Bureau.

VII. Specification of the Correction Coefficient of Immovable Property Market Changes

52. The correction coefficient of immovable property market changes shall be determined for a group of immovable property based on the information accumulated in the immovable property market database regarding transactions of purchase of immovable property.

53. The following shall be used for the specification of the correction coefficient (K_7) of immovable property market changes:

53.1. indexes of price changes of immovable property market (hereinafter - price index);

53.2. the indicators of socio-economic development of the local government specified in Sub-paragraph 11.5. of these Regulations; and

53.3. the range of changes of value basis indicators developed in the relevant year.

54. The price index shall be calculated using the following formula:

$$P_{01} = \frac{\sum_i (p_1^i \times q_0^i)}{\sum_i (p_0^i \times q_0^i)}, \text{ where}$$

P_{01} - the price index;

p_1^i - the average amount in lats of the transaction within the reference period in the i-group of transaction objects;

p_0^i - the average amount in lats of the transaction within the base period in the i-group of transaction objects;

q_0^i - the number of transactions within the base period in the i-group of transaction objects; and

i - the group of transaction objects, where there are transactions in both the base and reference periods.

55. The reference period is two years. The date of commencement of the reference period shall be 1 January (including) of the year of approval of the zoning and relevant base indicators of the cadastral values of the immovable property.

56. The base period is two years. The date of ending of the base period is 1 January (not including) of the year of approval of the zoning and relevant base indicators of cadastral values of the immovable property.

57. Transactions shall be divided into the groups of transaction objects, taking into account the composition of the transaction object, the purpose of use and the values characterising the object (area, building volume):

57.1. for transactions with the purpose of use "Individual Residential House Building":

57.1.1. transactions with land, when the area of land is less than or equal to 3 000 square metres;

57.1.2. transactions with building properties, when the area of land is less or equal to 3 000 square metres and the area of the residential house is more than 80 square metres and less than 160 square metres;

57.2. for transactions with apartments when the total area is larger than 40 square metres and less than 70 square metres;

57.3. for transactions with the purpose of use from the group of purposes of use "Land for Building of Objects of Commercial Activities":

57.3.1. transactions with land when the land area is larger than 1 000 square metres and less than 5 000 square metres;

57.3.2. transactions with land and building properties when the area of land is greater than 1 000 square metres and less than 5 000 square metres and the total area of buildings of transaction institutions and buildings of a commercial nature is greater than 800 square metres and less than 2 000 square metres;

57.4. for transactions with the purpose of use from the group of purposes of use "Land for Building of Industrial Objects":

57.4.1. transactions with land when the land area is larger than 1 000 square metres and less than 10 000 square metres;

57.4.2. transactions with land and building properties when the area of land is greater than 1 000 square metres and less than 10 000 square metres and the total area of industrial buildings is greater than 80 square metres and less than 300 square metres;

57.4.3. transactions with land and building properties when the area of land is greater than 1 000 square metres and less than 10 000 square metres and the total area of industrial buildings is greater than 300 square metres and less than 1 000 square metres;

57.4.4. transactions with land and building properties when the area of land is greater than 1 000 square metres and less than 10 000 square metres and the total area of industrial buildings is greater than 1 000 square metres and less than 3 000 square metres;

57.5. for transactions with the purpose of use "Land where the Main Economic Activity is Agriculture":

57.5.1. transactions with land when the land area is larger than 5 hectares and less than 15 hectares; and

57.5.2. transactions with land and building properties when the area of land is greater than 1 hectare and less than 5 hectares and the total area of the residential house is greater than 80 square metres and less than 160 square metres.

58. Such groups of transaction objects shall be used for the calculation of the price index in which there are at least five transactions in each period and the number of groups is at least three.

59. Price indexes shall be calculated for all the territory of the State and by the groups of local government territories, joining in one group all the local government territories, where the maximum land base value for the purpose of use "Individual Residential House Building" is:

59.1. less than or equal to LVL 0.50 per square metre;

59.2. larger than LVL 0.50 per square metre and less than or equal to LVL 1.00 per square metre;

59.3. larger than LVL 1.00 per square metre and less than or equal to LVL 3.00 per square metre;

- 59.4. larger than LVL 3.00 per square metre and less than or equal to LVL 10.00 per square metre;
- 59.5. larger than LVL 10.00 per square metre and less than or equal to LVL 20.00 per square metre; and
- 59.6. larger than LVL 20.00 per square metre.

60. The correction coefficient of changes in the immovable property market shall be determined by comparing the price index specified for the local government territory with the price index in the State and taking into account the indicators of socio-economic development of local government referred to in Sub-paragraph 11.5 of these Regulations.

VIII. General Issues of Calculation of Cadastral Value

61. In accordance with the approved zonings of immovable property groups a number of the value zone of the relevant zonings shall be determined for a unit of land.

62. If the adjacent unit of land or a part thereof, which is located in different value zones, is added to the unit of land after the approval of zoning, as the value zone of the unified unit of land shall be determined such value zone, in which the larger part of the area of the unit of land is located.

63. The appropriate value zone for a unit of land, which in accordance with Paragraph 12 of these Regulations may be crossed by the border of the value zone, shall be determined by taking into account in which value zone the larger part of the area of the unit of land is located.

64. The following shall be used for the calculation of the cadastral value of the unit of land and a part of the unit of land:

64.1. in rural area territories:

64.1.1. the formula for calculation of the value of rural land, if the purposes of use for the rural land have been registered in the Cadastre Information System;

64.1.2. the formula for calculation of the value of building land, if the purposes of use corresponding to the building land have been registered in the Cadastre Information System;

64.1.3. the formula for calculation of the value of rural land and a formula for calculation of the value of building land, if the purposes of use corresponding to both rural and building land have been registered in the Cadastre Information System; and

64.2. in town territories - the formula for calculation of the value of building land regardless of the purpose of use registered in the Cadastre Information System.

65. The encumbrances registered for a unit of land shall be assessed:

65.1. in a rural area territory:

65.1.1. as for the rural land of the rural area, if the purposes of use corresponding to the rural land have been registered in the Cadastre Information System;

65.1.2. as for the building land, if the purposes of use corresponding to the building land have been registered in the Cadastre Information System;

65.1.3. as for the rural land of the rural area and as for the building land, if the purposes of use corresponding to both rural and building land have been registered in the Cadastre Information System; and

65.2. in a town territory - as for building land regardless of the purpose of use registered.

66. An encumbrance correction coefficient, which is specified for a unit of land in accordance with these Regulations, shall be applied in the assessment of encumbrances for the part of the unit of land.

67. If the drainage state or forest information has been changed or soil pollution has been detected in a unit of land or in a part of the unit of land, then, in order to re-calculate the cadastral value, prior to the receipt of the information in accordance with the procedures specified in regulatory enactments from the holders of the relevant data, the cadastre subject may submit:

67.1. for the specification of the cadastral value of the rural land of a rural area:

67.1.1. the summary of the assessment prepared and issued by the territorial office of the State Forest Service, if the wooded land is registered in the unit of land;

67.1.2. a statement of the relevant territorial unit of the Rural Support Service regarding the changes in the

amelioration system, if any detected;

67.1.3. a statement of the relevant regional environmental board of the State Environmental Service, that the unit of land is located in the polluted area; and

67.2. for the specification of the cadastral value of the building land - a statement of the relevant regional environmental board of the State Environmental Service, that the unit of land is located in the polluted area.

68. A cadastral value shall be calculated with an accuracy of up to one lat.

69. Documents of cadastral assessment shall be kept in the cadastre file of the archive of the State Land Service.

IX. Calculation of the Cadastral Value for Building Land

70. The following data registered in the Cadastre Information System shall be used for calculation of the cadastral value for building land:

70.1. the purpose for use of the unit of land and land area under jurisdiction thereof;

70.2. encumbrances specified for the unit of land which affect the value of land and land areas covered by them; and

70.3. the purpose for use of the part of the unit of land and land area under jurisdiction thereof.

71. Encumbrances, which affect the value of building land, shall be determined by analysing the restrictions on the rights of use or restrictions on economic activity, expressed by the relevant encumbrance, and assessing the immovable property market information regarding the value of the unit of land with the encumbrances specified and the value of the unit of land without encumbrances.

72. Encumbrances for building land, taking into account the restriction on the rights of use or restriction on economic activity, shall be assessed in accordance with Annex 4 to these Regulations:

72.1. regardless of the area covered by an encumbrance - reducing the value of the unit of land by 20%, if the encumbrances complying with K_{apgr1} are registered in the Cadastre Information System; and

72.2. proportionally to the area covered by encumbrances - reducing the value of the area burdened by 45%, if the encumbrances complying with K_{apgr2} are registered in the Cadastre Information System.

73. If the encumbrance complying with encumbrances K_{apgr2} specified in Annex 4 to these Regulations is registered in the Cadastre Information System, but the area covered is not registered, the cadastral value of the unit of land shall be reduced by 1%.

74. The cadastral value for the area of a unit of land, for which the encumbrance "Polluted Area" is registered, shall be reduced by 100% up to the liquidation of the pollution.

75. The cadastral value for building land shall be calculated using the following formula:

$$K_v = \left(\sum (B_v \times P_{LM} \times K_{samaz} \times K_T) \right) \times K_{apgr} \times K_p, \text{ where}$$

K_v - the cadastral value in lats;

B_v - the base value of the building land in lats per square metre;

P_{LM} - the land area under jurisdiction of the purpose of use in square metres;

K_{samaz} - the area correction coefficient;

K_T - the correction coefficient of market changes;

K_{apgr} - the correction coefficient of encumbrances; and

K_p - the correction coefficient of pollution.

76. The area correction coefficient (K_{samaz}) shall be used for those areas under jurisdiction of the purpose of use, which exceed the standard area, and shall be calculated using the following formula:

$$K_{samaz} = (P_{st} + (P_{LM} - P_{st}) \times K_{st}) : P_{LM} \quad , \text{ where}$$

K_{samaz} - the area correction coefficient;

P_{st} - the standard area for the purpose of use in the value zone in square metres;

P_{LM} - the area under jurisdiction of the purpose of use in square metres; and

K_{st} - the correction coefficient of the standard value for the purpose of use in the value zone.

77. In determining the cadastral value of the unit of land, the encumbrances registered in the Cadastre Information System shall be assessed, by applying:

77.1. the encumbrance correction coefficient $K_{appr1} = 0.8$; and

77.2. the encumbrance correction coefficient, K_{appr2} , which is calculated in accordance with Paragraph 78 of these Regulations.

78. The encumbrance correction coefficient (K_{appr2}) shall be calculated, using the following formula:

$$K_{appr2} = 1 - P_{appr2} : (2,22 \times P) \quad , \text{ where}$$

K_{appr2} - the encumbrance correction coefficient;

P_{appr2} - the encumbrance area ($P_{appr2} \leq P$), which complies with K_{appr2} ;

P - the total area in square metres of the unit of land; and

2.22 - the numerical amount of 45% of deduction.

79. If encumbrances that are to be assessed differently have been registered for the unit of land, the coefficient with the lesser numerical amount shall be applied in the calculation of the cadastral value of the land after the comparison of (K_{appr1}) and (K_{appr2}) coefficients.

80. In calculating the cadastral value for a unit of land, for which an encumbrance "Polluted Area" has been registered in the Cadastre Information System, the correction coefficient of pollution (K_p) shall be applied, which shall be calculated using the following formula:

$$K_p = 1 - P_p : P \quad , \text{ where}$$

K_p - the correction coefficient of pollution;

P_p - the polluted area in square metres; and

P - the total area of the unit of land in square metres.

81. The relevant regional environmental board of the State Environmental Service shall, on the basis of the submission of the cadastre subject, prepare and issue a statement, whether the unit of land is located in the polluted area. The area of the unit of land, which is located in the polluted area, shall be indicated in the statement.

82. A cadastre subject shall submit the statement referred to in Paragraph 81 of these Regulations to the relevant local government. The local government shall notify the relevant territorial office of State Land Service thereof within 10 days.

X. Calculation of the Cadastral Value of the Rural Land of Rural Area

83. The following data of the unit of land registered in the Cadastre Information System shall be used for calculation of the cadastral value for the rural land of the rural area:

83.1. the purpose of use and division by types of use of land for the land areas under jurisdiction thereof;

83.2. encumbrances which affect the land value and land areas covered by them;

83.3. the quality assessment of the utilised agricultural land in points; and

83.4. the quality assessment of wooded land in points.

84. The purpose of use of the unit of land and land area under jurisdiction thereof registered in the Cadastre Information System shall be taken into account in the calculation of the cadastral value of the unit of land.

85. The State Land Service shall determine the division of the land area under jurisdiction of the purpose of use by types of use of land:

85.1. in accordance with the legend data of the unit of land, if one purpose of use has been specified for the unit of land (a part of the unit of land); and

85.2. in accordance with the statement issued by the local government and graphical Annex regarding the division of the land areas under jurisdiction of the purpose of use, if several purposes of use have been specified for the unit of land (a part of the unit of land).

86. The following types of use registered for the unit of land or a part of the unit of land in the Cadastre Information System shall be observed for the calculation of the cadastral value:

86.1. utilised agricultural land (cultivated soil, grassland, pasture land, orchards);

86.2. wooded land;

86.3. land under buildings and courtyards;

86.4. land under fish ponds; and

86.5. other land (brushwood, marshes, land under waters (except the land under fish ponds), land under roads and other land indicated on the legend).

87. The quality assessment of the utilised agricultural land in points shall be determined by the State Land Service by normative productivity without exploration on site (office work), using approved base maps of quality assessment for utilised agricultural land or land quality assessment and soil mapping materials.

88. The quality of utilised agricultural land in points shall be determined for the unit of land as the weighted average quality assessment. A quality assessment in points of the utilised agricultural land specified for the unit of land shall be applied to a part of the unit of land.

89. If, in assessing the information of the assessment base map, it is determined, that non-utilised agricultural land has been acquired in the unit of land to be assessed in comparison with base the map or the amelioration situation has changed, or the types of use of utilised agricultural land have been changed, the assessment of the transformed land area quality shall be adjusted using the land assessment tables and designations of the soil type and mechanical content (Annexes 5, 6 and 7).

90. In the territories in which soil mapping has not been performed and land quality assessment and soil mapping materials have not been developed in accordance with it, the utilised agricultural area quality assessment shall be determined as 20 points.

91. The State Land Service shall perform correction of the base map of land quality assessment upon the request of the cadastre subject at the requester's expense:

91.1. shall survey the territory on site and correct the land quality assessment taking into account the effect of the factors determined (for example, the amelioration state, the level of overgrowth, flooding during the vegetation period, the amount of stones, damages in the topsoil) in accordance with Annexes 5, 6 and 7 to these Regulations;

91.2. shall prepare the corrected land quality assessment map and summary of the land quality assessment;

91.3. shall draw up the survey deed (in two copies), in which the following shall be indicated:

91.3.1. the factors affecting the land quality assessment determined;

91.3.2. the land quality assessment in points;

91.4. one copy of the deed shall be issued to the commissioning party, the other - together with the land assessment materials shall be attached to the cadastre file of immovable property;

91.5. the corrected land quality assessment map shall be attached to the archives file of the land quality assessment and soil mapping materials; and

91.6. the corrected land quality assessment in points shall be registered in the Cadastre Information System.

92. The State Forest Service shall determine the quality of a unit of land for the wooded land in points in accordance with the forest inventory materials, taking into account the type of forest growth conditions (Annex 8) and restrictions on economic activities. The State Forest Service shall provide information regarding the assessment of forest land and value of the forest stand in accordance with the procedures specified by regulatory enactments.

93. A quality assessment in points of the wooded land specified for the unit of land shall be applied to a part of the unit of land.

94. If a forest stand has restrictions on economic activities (restrictions on felling), the quality assessment of wooded land shall be reduced:

94.1. by 100%, if the forestry activity or the final felling is prohibited; and

94.2. by 50%, if the clear felling is prohibited.

95. The cadastral value for rural land shall be calculated using the following formula:

$$K_v = (P_{LIZ} \times Bv_{LIZ} + P_M \times Bv_M + (0.2 \times P_{p_z} + P_{p_D}^*) \times Bv_{LIZ}^* + b \times C_{maja}) \times K_{apgr} \times K_p \times K_T, \text{ where}$$

K_v - the cadastral value in lats;

P_{LIZ} - the utilised agricultural land in hectares;

Bv_{LIZ} - the base value of the utilised agricultural land zone in lats per hectare;

P_M - the wooded land area in hectares;

Bv_M - the base value of the wooded land zone in lats per hectare;

P_{p_z} - other land area in hectares;

$P_{p_D}^*$ - the area in hectares of the land under fish ponds and courtyards;

Bv_{LIZ}^* - the base value of the utilised agricultural land of III quality group in lats per hectare;

b - the feature of the residential house:

$b=1$, if there is a residential house on the unit of land;

$b=0$, if there is no residential house on the unit of land;

C_{maja} - the constant of the affect of residential house;

K_{apgr} - the correction coefficient of encumbrances; and

K_p - the correction coefficient of pollution; and

K_T - the correction coefficient of market changes.

96. The base value of the utilised agricultural land shall be applied in accordance with the base value specified in the relevant utilised agricultural land value zone for that quality group, with which the quality assessment of the relevant unit of land of utilised agricultural land complies.

97. In order to specify the value of the land under fish ponds and courtyards, the base value of the relevant value zone shall be applied to III quality group of the utilised agricultural land.

98. The relevant value zone of III quality group of the utilised agricultural land shall be applied for the specification of other land value (except the land under fish ponds), applying the coefficient 0.2.

99. The effect constant (C_{maja}) of a residential house shall be applied, if one purpose of use has been specified for the unit of land and there is a building on the unit of land from the group of the building type "Single-family and Double-family Residential Houses". In such case the base value of the land of the purpose of use "Individual Residential House Building" shall be applied to 1 000 m² land base value in accordance with the zoning of the group of residential building.

100. If the area of the unit of rural land, for which in accordance with Paragraph 99 of these Regulations the constant (C_{maja}) is applied, is less than 1 000 m², the land base value of the purpose of use "Individual Residential House Building" shall be applied to the total area of the whole unit of land. The numerical amount of the effect of the residential house shall be calculated proportionally to the area of a part of the unit of land in relation to the total area of the unit of land.

101. The base value of the wooded land shall be applied in accordance with the base value specified in the relevant wooded land value zone for that quality group, with which the quality assessment of the relevant unit of land of wooded land complies.

102. If the information from the State Forest Service regarding the quality assessment of the wooded land has not been received, II quality group of wooded land shall be specified for the wooded land. In such case the land cadastral value specified in accordance with the Law on Land Privatisation in Rural Areas shall not be used for doing transactions of land redemption.

103. If separate areas grown with trees do not exceed 0.1 hectare and the forest inventory is not performed therein in accordance with the requirements of regulatory enactments, the II quality group of forest land shall be specified for the forest land.

104. For the unit of land for which the encumbrances specified in Annex 4 to these Regulations have been registered except the encumbrance "Polluted Area", the land cadastral value shall be reduced:

104.1. by 5%, if the land area, which is covered by the encumbrance, is not specified, or the area of encumbrances covers up to 20% of the area of the unit of land;

104.2. by 10%, if the area of land encumbrances is covered by 21-40% of the area of land unit;

104.3. by 15%, if the area of land encumbrances is covered by 41-60 % of the area of the land unit;

104.4. by 20%, if the area of land encumbrances is covered by 61-80 % of the area of the land unit; and

104.5. by 30%, if the area of land encumbrances is covered by 81% and more of the area of the land unit.

105. In calculation of the land cadastral value for the unit of land for which the encumbrance "Polluted Area" is registered, the correction coefficient of pollution (K_p) shall be applied, which is calculated in accordance with Paragraph 80 of these Regulations. Pollution assessment and the relevant opinion shall be prepared in accordance with Paragraph 81 of these Regulations.

XI. Calculation of the Cadastral Value of a Building

106. The last cadastral survey data registered in the Cadastre Information System (hereinafter - building data) shall be used in the calculation of the cadastral value of a building:

106.1. the building type;

106.2. the indicator of the building volume;

106.3. the physical status; and

106.4. encumbrances.

107. The State Land Service shall determine the building type in performing a cadastral survey in accordance with the documents submitted by the initiator of the cadastral survey (building design, a deed regarding the acceptance of the building into service) taking into account its:

107.1. main type of use;

107.2. materials used for construction; and

107.3. technical indicators (number of above-ground storeys, volume, material of the external walls).

108. The type applied to a building shall be changed, if the main type of use of the building, material of the external walls, number of storeys or other technical indicators have changed in accordance with the cadastral survey information, which in accordance with Annex 1 to these Regulations characterise the building type.

109. The State Land Service shall perform the inspection of the compliance of the building type upon the written request of the building authority of the local government, building owner or legal possessor.

110. The change of a building type shall be registered in a deed regarding the change of the building type, which

shall be attached to the archive materials of the cadastral survey file.

111. The correction coefficient of the physical state of a structure shall be determined, by analysing the information of the immovable property market and assessing the changes of one unit price depending on the physical state of the building. The correction coefficient of the physical state of the structure shall be determined in accordance with the percentage of the physical status of the building (Annex 9).

112. Encumbrances for buildings in accordance with limitations on the rights of use or restrictions on the effect of economic activities shall be determined by analysing the information of the immovable property market and assessing the mutual coherence of one unit price between buildings without restrictions on use and for buildings with restrictions on use. For a building which is registered as a cultural monument of the State or local significance, the cadastral value shall be reduced:

112.1. by 45%, if the building is registered as a cultural monument of State significance; or

112.2. by 35%, if the building is registered as a cultural monument of local significance.

113. The indicator of the building volume in the calculation of cadastral value shall be selected taking into account the measurement in which the base value of the building type is expressed:

113.1. the total building volume - if the base value of the building type is expressed in lats per cubic metre; and

113.2. the total area - if the base value of the building type is expressed in lats per square metre.

114. The cadastral value of a building shall be calculated using the following formula:

$$\bar{E}_{KV} = \bar{E}_{Bv} \times A \times K_S \times K_{kor} \times K_{ji} \times K_T, \text{ where}$$

\bar{E}_{KV} - the cadastral value in lats of the building to be assessed;

\bar{E}_{Bv} - the base value of the building type complying with the building to be assessed in lats per indicator of the volume;

A - the size of the volume indicator of the building to be assessed in square meters or cubic metres;

K_S - the correction coefficient of the physical state of the structure;

K_{kor} - the correction coefficient of the volume effect;

K_{ji} - the encumbrance correction coefficient; and

K_T - the correction coefficient of market changes.

115. The base value of the building type complying with the building to be assessed (\bar{E}_{Bv}) shall be determined in accordance with the building type specified for a particular building and the base value approved in the relevant zone.

116. The correction coefficient of the physical state of the structure (K_S) for a building to be assessed shall be determined using the percent of the physical state of the building to be assessed registered in the Cadastre Information System and the correction coefficient of the physical state of the structure corresponding to it.

117. The correction coefficient of the volume effect (K_{kor}) for buildings, the volume of which exceeds the standard volume, shall be calculated using the following formula:

$$K_{kor} = (A_{st} + (A - A_{st}) \times K_{apj}) : A, \text{ where}$$

K_{kor} - the correction coefficient of the volume effect;

A - the size of the volume indicator for the building to be assessed in square metres or cubic metres;

A_{st} - the standard volume in square metres or cubic metres; and

K_{apj} - the correction coefficient of volume.

118. The correction coefficient of the volume effect $K_{kor} = 1$ for buildings, which by volume do not exceed the standard volume, or for a type of buildings, for which a standard volume is not approved.

119. The encumbrance correction coefficient (K_{ji}) shall be applied to a building, for which an encumbrance complying with the status of the cultural monument of the State or local significance has been registered in the Cadastre Information System in accordance with the information provided by the State Inspection for Heritage Protection:

119.1. if the building has been registered as a cultural monument of the State significance, $K_{ji} = 0.55$; and

119.2. if the building has been registered as a cultural monument of local significance, $K_{ji} = 0.65$.

120. Cadastral value of the group of premises shall be calculated from the cadastral value of the building proportionally to the area of the group of premises.

121. The cadastral value of the group of premises shall be calculated using the following formula:

$$TG_{KV} = \bar{E}_{KV} \times (TG_{kop.plat.} : \bar{E}_{kop.plat.}) \quad , \text{ where}$$

TG_{KV} - the cadastral value in lats of the group of premises;

\bar{E}_{KV} - the cadastral value of a building, where the group of premises is located;

$TG_{kop.plat.}$ - the total area of the group of premises in square metres; and

$\bar{E}_{kop.plat.}$ - the total area of the building in square metres, where the group of premises is located.

122. The cadastral value of the group of premises shall be re-calculated, if the cadastral value of the building, where the group of premises is located, is changed.

XII. Calculation of the Cadastral Value of an Engineering Structure

123. The last cadastral survey data registered in the Cadastre Information System (hereinafter - engineering structure data) shall be used in the calculation of the cadastral value of an engineering structure:

123.1. the engineering structure type;

123.2. the engineering structure volume indicator; and

123.3. the engineering structure physical state.

124. The engineering structure type, in performing the cadastral survey, shall be determined by the State Land Service in accordance with the documents submitted by the initiator of the cadastral survey of the engineering structure (a building design, a deed regarding acceptance of the structure into service, executive surveys of engineering communications, a deed of acceptance of works covered, a registration certificate of engineering structure, a passport of engineering structure). In determining the engineering structure type, the following shall be taken into account:

124.1. its main type of use;

124.2. materials used for construction;

124.3. its technical indicators; and

124.4. its constructive solution.

125. The type applied to an engineering structure shall be changed, if in accordance with the information of cadastral survey the technical indicators have changed, which in accordance with Annex 2 to these Regulations characterise the engineering structure type.

126. An engineering structure may have two or more types and two or more volume indicators, where each of them is attached to a certain type of engineering structure and the base value of the type.

127. An engineering structure type code and abbreviated name of the engineering structure type shall be used for writing of engineering structure type in the documents.

128. The standard depreciation of an engineering structure shall be determined in accordance with the standard lifetime specified in Annex 2 to these Regulations.

129. The cadastral value of an engineering structure shall be calculated using the following formula:

$$IB_{KV} = \left(\sum (IB_{Bv} \times A \times K_S) \right) \times K_T, \text{ where}$$

IB_{KV} - the cadastral value of the engineering structure in lats;

IB_{Bv} - the base value of the engineering structure type;

A - the size of the volume indicators of the engineering structure type to be assessed;

K_S - the correction coefficient of the physical state of the building; and

K_T - the correction coefficient of market changes.

130. The base value of the engineering structure type to be assessed (IB_{Bv}) shall be determined in accordance with the base value of the engineering structure type approved in the value zone. The value zone shall be determined in compliance with the value zone of building zoning of industrial production objects where the unit of land, to which the engineering structure is attached, is located.

The correction coefficient of the physical state of the engineering structure (K_S) to be assessed shall be determined using the percent of the physical state of the engineering structure to be assessed registered in the Cadastre Information System and the correction coefficient of the physical state of the structure specified in Annex 9 to these Regulations corresponding to it.

XIII. Calculation of the Cadastral Value of an Apartment Property

132. The cadastral value of a dwelling property shall be calculated as an undivided share of the cadastral value of the building, land and structures functionally connected, which are included in the structure of the apartment property.

133. The cadastral value of the apartment property shall be calculated using the following formula:

$$D_z \bar{I}_{KV} = \sum (Z_{KV} \times (d/d)_Z) + \sum (\bar{E}_{KV} \times (d/d)_B) + \sum (D_z \bar{IFSB}_{KV} \times (d/d)_{D,IFSB_{KV}}), \text{ where}$$

$D_z \bar{I}_{KV}$ - the cadastral value in lats of the apartment property;

Z_{KV} - the cadastral value of the unit of land the undivided share of the joint property of which is included in the structure of the apartment property;

$(d/d)_Z$ - the undivided share of a joint property of the unit of land the undivided share of the joint property of which is included in the structure of the apartment property;

\bar{E}_{KV} - the cadastral value of the building in which the apartment property is located and the undivided share of the joint property is not included in the composition of the apartment property;

$(d/d)_B$ - the undivided share of the joint property of the building in which the apartment property is located and the undivided share of the joint property of which is included in the composition of the apartment property;

$D_z \bar{IFSB}_{KV}$ - the cadastral values of the structures functionally connected with the apartment property, the undivided shares of the joint property of which are included in the composition of the apartment property; and

$(d/d)_{D,IFSB_{KV}}$ - the undivided share of the joint property of the structure functionally connected with the apartment property, the undivided share of the joint property of which is included in the composition of the apartment property.

134. The cadastral value of the apartment property shall be recalculated, if:

134.1. the cadastral value of such unit of land is changed, the part of which is included in the composition of the apartment property of the undivided share of the joint property;

134.2. the cadastral value of the building in which the apartment property is located and the undivided share of the joint property of which is included in the composition of the apartment property or the cadastral value of the building

functionally connected with the apartment property is changed; or

134.3. the undivided shares of the joint property included in the apartment property are changed.

XIV. Calculation of the Cadastral Value of a Tax Object

135. The quality assessment of such wooded land, which is covered by renewed or cultivated forest stands (young stands), shall not be included in the calculation of the cadastral value of an immovable property tax object in accordance with the procedures specified in regulatory enactments.

136. If a young stand is registered in the Cadastre Information System within the composition of an immovable property tax object located in the town territory, the cadastral value of the immovable property tax object shall be reduced proportionally by the area of the young stand in the relevant unit of land.

137. If an immovable property tax object is a part of a building, the cadastral value shall be calculated from the cadastral value of the building proportionally to the area of the tax object (building area subject to tax).

XV. Closing Provisions

138. The following regulations are repealed:

138.1. Cabinet Regulation No. 465 of 19 December 2000, "Regulations Regarding Cadastral Assessment of Urban Land" (*Latvijas Vēstnesis*, 2000, No. 473/476; 2001, No. 154; 2003, No. 28; 2005, No. 95);

138.2. Cabinet Regulation No. 341 of 31 July 2001, "Regulations Regarding Cadastral Assessment of Rural Areas Land" (*Latvijas Vēstnesis*, 2001, No. 115, 182; 2003, No. 53; 2005, No. 95); and

138.3. Cabinet Regulation No. 184 of 30 April 2001, Regulations Regarding Cadastral Assessment of Buildings" (*Latvijas Vēstnesis*, 2001, No. 73; 2003, No. 77; 2004, No. 60; 2005, No. 95, 144).

139. The State Land Service shall calculate or recalculate the historical cadastral value of a cadastre object and immovable property tax object, what it actually was or might have been on a certain date of the previous period, upon request on the basis of adjudication of the court, taking into account:

139.1. the requirements of regulatory enactments in force and the base indicators of cadastral values on the date of the previous period indicated on the request; and

139.2. the data characterising the cadastre object and immovable property tax object referred to in the request, as well as the data registered in the Cadastre Information System on the specified date as far as they are not in contradiction with the data referred to in the request.

140. The State Land Service is entitled to calculate the cadastral value foreseen for a cadastral object upon request, taking into account:

140.1. the base indicators of cadastral values approved for the next year; and

140.2. the data characterising the cadastre object which are registered in the Cadastre Information System as of the date of the calculation of the value.

141. In order to ensure the transition to the development of the cadastral value base for the group of immovable property concurrently in the entire territory of the State, the State Land Service shall develop:

141.1. in 2007 - zoning for utilised agricultural land, zoning for wooded land and the cadastral value base for the group of rural immovable properties;

141.2. in 2007 - zoning for building of residential houses, the cadastral value base for the group of residential building immovable properties and correction coefficients of immovable property market changes for the group of immovable properties of commercial activity and public building, as well as for the group of immovable properties of industrial production;

141.3. in 2008 - zoning for building of industrial production objects, the cadastral value base for the group of immovable properties of industrial building and the correction coefficient of market changes for the group of rural immovable properties; and

141.4. in 2009 - zoning for commercial objects, the cadastral value base for the group of immovable properties of commercial activity and public building and shall determine the correction coefficient of market changes for the group of immovable properties of residential building.

142. Up to the coming into force of the zonings for the relevant group of immovable properties, the zone borders and correction coefficient of market changes shall be determined in accordance with the approved zonings of urban land values or zonings of rural building land values.

143. The State Land Service shall use the zonings of urban land values and zonings of rural building land values, the development of which has been initiated up to 15 September 2005 in accordance with the procedures specified in regulatory enactments, for the development of the zonings of the relevant groups of immovable properties in compliance with the requirements of these Regulations.

144. In order to ensure the transition to calculation of cadastral values of buildings in accordance with Paragraph 114 of these Regulations, the State Land Service shall develop in 2006:

144.1. the standard volume of building types and volume correction coefficients in accordance with Paragraph 45 and 48 of these Regulations; and

144.2. the base values of building types in accordance with Paragraph 42 of these Regulations.

145. The coefficients to be used in the calculation of the cadastral value of a building specified in Paragraph 114 of these Regulations - the correction coefficient of the volume effect (K_{kor}) and correction coefficient of encumbrances (K_{ji}) - shall come into force on 1 January 2007.

146. The land cadastral values shall be calculated in accordance with the following procedures up to 1 January 2008 for units of land and parts of a unit of land in rural areas, for which the purpose of use has been specified from the group of the purposes of use "Rural Land", "Forestry Land and Special Areas of Conservation where Economic Activity is Prohibited by Regulatory Enactment" and "Land of Water Bodies", as well as the purpose of use has been specified "Building of Structures for Rivers and Channels, Water Accumulation, Water Adjustment and Bank Fixing" or "Territories of Nature Base, Parks, Green Area and Other Objects of Recreation Significance":

146.1. the cadastral value of land shall be calculated using the following formula:

$$K_v = ((P_{LIZ} \times V_{KVAL} + P_{PAG} \times 50 + P_{PAR} \times 8 + P_{DIKI} \times 35) \times K_1 \times K_2 + (P_M \times V_{MVID} \times V_M \times K_M)) \times 3,71 \times K_{apgr} \times K_p, \text{ where}$$

K_v - the cadastral value of the unit of land in lats;

P_{LIZ} - the utilised agricultural land in hectares;

V_{KVAL} - the quality assessment of the utilised agricultural land in points;

P_{PAG} - the area in hectares of the land under buildings and courtyards;

P_{PAR} - the other land area in hectares;

P_{DIKI} - the area in hectares of the land under fish ponds;

K_1 - the inter area coefficient;

K_2 - the location coefficient;

P_M - the wooded land area in hectares;

V_{MVID} - the average assessment of the cadastral territory of wooded land in points per hectare;

V_M - the quality assessment of wooded land in hectare points;

K_M - the location coefficient of wooded land;

3,71 - the value in lats of one hectare point;

K_{apgr} - the correction coefficient of encumbrances;

K_p - the correction coefficient of pollution;

146.2. the quality assessment of the land under buildings and courtyards shall be 50 points;

146.3. the quality assessment of the land under brushwood, marshes, waters and roads (except fish ponds) and

other land shall be 8 points;

146.4. the quality assessment of the land of fish ponds - bodies of water installed artificially for fish farming - shall be 35 points;

146.5. the quality of wooded land shall be assessed using the information provided by the State Land Service which is included in the summary of the wooded land assessment;

146.6. if the information has not been received from the State Land Service regarding the quality assessment of the wooded land, the average assessment of the cadastral territory of wooded land shall be used for the specification of the wooded land quality (Annex 10). In such case the land cadastral value specified shall not be used for performing transactions connected with the land value;

146.7. if separate areas covered with trees are less than 0.1 ha and the forest inventory has not been performed therein, their value shall be determined in accordance with the average assessment of the cadastral territory of the wooded land (Annex 10). A cadastral territory is a territory drawn in the graphical part of the cadastre, which complies administratively with the territorial division by the status as of 1 May 1996;

146.8. the quality assessment of rural land shall be corrected by the inter area coefficient K_1 (Annex 11). The inter area coefficient K_1 shall not be applied to forest land;

146.9. the quality assessment of rural land shall be corrected by the location coefficient K_2 (Annex 12 and 13). The location coefficient of wooded land K_M shall be applied to wooded land (Annex 10). The average location coefficient of the cadastral territory shall be applied in the calculation of the cadastral value for other land present in the State Forest Fund (Annex 10);

146.10. the inter area and location coefficient shall be determined using the approved location correction map of the State Land Service in accordance with the road surfacing and correction coefficients which characterise the location of the unit of land in respect of other towns (Annex 11), in respect of the centre of the cadastral territory and another populated area of the cadastral territory or town (Annex 12); and

146.11. the cadastral value of land shall be reduced in accordance with Paragraphs 104 and 105 of these Regulations for a unit of land for which encumbrances have been registered.

147. The land base value for units of land, for which the purpose of use "Use of Land for Gardens Permitted Temporary" and/or "Nature Territories Equipped for Sports and Recreation" has been specified, up to 1 January 2010 shall be determined in the following way:

147.1. in Riga - as for the purpose of use "Land where the Main Economic Activity is Forestry";

147.2. in other cities - as for the purpose of use "Land where the Main Economic Activity is Agriculture"; and

147.3. in a rural area - as for the purpose of use "Building of Undertakings of Agricultural Nature".

[19 December 2006]

148. The cadastral value of a building shall be calculated using the following formula up to 1 January 2007:

$$\bar{E}_{KV} = \bar{E}_{Bv} \times A \times K_S \times K_{CL} \quad , \text{ where}$$

\bar{E}_{KV} - the cadastral value in lats of the building to be assessed;

\bar{E}_{Bv} - the base value of the building type complying with the building to be assessed in lats per indicator of the volume;

A - the size of the volume indicator for the building to be assessed in square metres or cubic metres;

K_S - the correction coefficient of the physical state of the building; and

K_T - the correction coefficient of market.

149. The basic value of the building type complying with the building to be evaluated (\bar{E}_{KV}) shall be determined in accordance with the building type specified for a particular building and the basic value approved.

150. The market correction coefficient (K_{CL}) complying with the building to be assessed shall be determined by the approved market correction coefficient for the complying type of building within the territory of a particular local government, taking into account the location of the building to be assessed.

151. For buildings, for which in accordance with the opinion provided by the building authority up to the coming into force of these Regulations:

151.1. the building type "Individual Residential Houses with Stone and Stone-Wooden External Walls for which Construction Works have been Performed in Improved Quality and with Special Improvement Elements after 1992" has been specified, starting from 1 January 2007 the type "Individual Residential Houses and Summer Cottages with Stone and Stone-Wooden External Walls" shall be specified;

151.2. the building type "Hotel Buildings the Construction Works or Reconstruction of which have been Performed in Improved Quality after 1992 and which Comply with the Category of at least Five Star Hotel by the Level of Services Provided" has been specified, starting from 1 January 2007 the type "Hotel Buildings" shall be specified; and

151.3. the building type "Buildings of Bank Establishments for which Construction Works have been Performed in Improved Quality and with Special Improvement Elements" has been specified, starting from 1 January 2007 the type "Bank Establishments" shall be specified.

152. Up to the development and approval of building zoning of industrial production objects the base value of the engineering structure type to be assessed (IB_{BV}) shall be determined in accordance with the base value of the engineering structure type approved for the relevant engineering structure type, which is specified as the average value of the building costs for the relevant type in the State.

153. Annex 2 to these Regulations shall come into force from 1 January 2007, up to this date the engineering structure types shall be determined in accordance with Annex 14 to these Regulations.

154. Up to the forerun of the encumbrance classification (Annex 4) in the Cadastre Information System, but not later than up to 1 January 2007, the correction coefficient of encumbrances for the calculation of the land cadastral value shall be determined in accordance with Annex 15 to these Regulations.

Prime Minister A. Kalvītis

Minister for Justice G. Grīnvalds

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