

## IMPROVING THE LEGAL MECHANISM FOR CADASTRAL ASSESSMENT OF LAND RESOURCES IN UZBEKISTAN

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**Abstract.** The article investigates the problems of improving the legal mechanism of cadastral assessment of land resources, which are the national wealth of the republic. The necessity, relevance and importance of cadastral land assessment activities in today's market economy are presented. Based on the scientific work of several local scientists on land cadaster and land valuation, the goals and objectives of the study of legal issues of cadastral assessment of land resources are described. The use of analytical analysis, scientific observation and monographic research methods for research is recognized. A number of normative legal acts and assessment standards aimed at the legal regulation of land resources in the Republic of Uzbekistan, as well as legal regulation of appraisal activities, adopted and in force to date, have been analyzed. It was noted that foreign experience in the legal coordination of cadastral land assessment has been studied and their positive aspects should be adopted in our country. The analyzed and studied normative legal acts, as well as the need to develop and adopt a new legal document based on foreign experience, which will allow the country to successfully address the activities of cadastral assessment of lands in full compliance with today's economic and social conditions. It is recognized that the adoption and implementation of a new normative legal document can be an important legal factor in the formation of the land market in the country in the privatization and conversion of land into assets.

**Keywords:** Land plot, land relations, land valuation, land lease, cadastral value, appraiser, normative value, valuation standards.

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### 1. Introduction

According to the official data of the Cadastre Agency under the State Tax Committee, the total land area of the Republic of Uzbekistan is 44892.4 thousand hectares. Almost 90.0% of these areas are granted to enterprises, institutions and organizations, as well as citizens for certain purposes on the basis of certain rights (National Report on Land Resources of the Republic of Uzbekistan). Organizing the rational and efficient use of these lands requires, first of all, an indepth knowledge of its properties. This is inextricably linked to the cadastral assessment of these areas. In the system of cadastral assessment of land, the issue of regulating its legal mechanism is of great practical importance for Uzbekistan, as well as for all countries. In today's market economy and developing, the process of land transformation into assets, its introduction into civil circulation and privatization requires a scientifically based assessment of land plots used in various industries. In recent years, economists of our country have conducted a number of scientific studies on the problems of cadastral assessment of land,

determining its market value. Including (Abdivaitov *et al.*, 2021; Mukumov *et al.*, 2021; Khodiyev & Abdullayev, 2021; Avezbaev, 1990) and other scholars have conducted a number of scientific studies on the problems of cadastral valuation of land and real estate in Uzbekistan.

In particular, (Abdivaitov *et al.*, 2021) conducted their research to determine the value of land and real estate closely related to it during the transition of the republic to a market economy, and thus real estate devoted to the problems of market development. (Mukumov *et al.*, 2021) focused on the problems of assessing the quality and value of irrigated agricultural land and planning agricultural production from its results. (Khodiyev & Abdullayev, 2010) focused on the problem of determining the value of land plots for auction in land privatization. (Avezbaev, 1990) conducted research on the problems of assessing the biological potential of soils in areas of ecological complexity. However, their research focused more on the theoretical and methodological issues of land cadastre and land valuation, which is its main component. Regulatory documents such as the Land Code, the Law on Appraisal Activities, the Law on the State Land Cadastre and the Law on State Cadastres do not cover specific legal issues of cadastral land valuation. To date, the lack of a clear legal framework has prevented large-scale cadastral land valuation. This, in turn, necessitates scientific research to improve the legal framework for cadastral land valuation.

## **2. Methodology of scientific research**

Reform of land relations in the country, the implementation of the principle of payment for land use and the introduction of land taxes and leases, the involvement of land resources in civil law, the continuity of land allocation and redistribution processes raises the issue of land valuation for various purposes. This means that the process of cadastral assessment of land must have a clear legal basis. However, it is necessary to study a number of normative legal acts related to the legal regulation of land resources, their assessment and in general, the assessment and privatization of land plots. Many of these documents need to be reconsidered and updated in line with modern requirements, some need to be re-created, and some need to be completely re-created. Many provisions and sections of the law are either outdated or do not apply in practice due to the lack of enforcement mechanisms. In particular, the lack of a clear legal framework for land cadastral valuation raises a number of issues related to their involvement in market relations in the process of land valuation in practice. Therefore, the formation and development of a full-fledged land market in the country in many respects requires the legal strengthening of the process of cadastral land valuation.

Therefore, the main purpose of the study is to develop scientific and practical recommendations for improving the legal framework for cadastral assessment of land resources. Achieving this goal, in our opinion, requires the following tasks:

- a comprehensive study and analysis of existing laws and regulations in the country today, in particular, the legal regulation of land relations;
- to study the experience of advanced foreign countries in this area and identify opportunities for their application in our country;
- develop recommendations for improving the legal framework for cadastral land valuation.

Analytical analysis, scientific observation and monographic research methods have been widely used in scientific research to achieve this goal and to solve the set tasks.

### 3. Research results and scientific discussion

It is known that the Land Code of the Republic of Uzbekistan regulates land relations in the country in the context of land reform and the formation of market relations. However, the code does not provide sufficient information and procedures for land valuation, its socio-economic and environmental characteristics. The ongoing land reform requires continuity, but the code does not provide for the creation of a land market. The land lease rules do not fully meet market conditions. According to the Code, leased agricultural land plots may not be traded, pledged, gifts, exchange objects, and the leased land plot or part of it may not be subleased. The right to lease agricultural land is not market-based, it is free, it has no value and no liquidity (Resolution of the Cabinet of Ministers of the Republic of Uzbekistan). In practice, plots of land are granted with the right of long-term use, which is evidenced by the process of optimizing the size of farms. The Concept for the Efficient Use of Land and Water Resources in Agriculture (Decree of the President of the Republic of Uzbekistan No. PF 5742) provides for the sublease of agricultural land. However, in the absence of a real market lease of land, it is not possible to have a secondary lease on the land that is a market element. In this regard, it would be expedient to create a land market based on cadastral value data in the new version of the Land Code, which is currently being prepared, and to include additional explanations that reflect the essence and characteristics of this market. Assessment of land cadastral value is one of the main components of the state land cadastre (Babajanov, 2023) and is one of the important mechanisms for regulating land relations in accordance with these conditions in today's market economy.

Therefore, its legal status needs to be constantly regulated. However, the Law of the Republic of Uzbekistan "On State Cadastres" (Law of the Republic of Uzbekistan, 2000) or "On State Land Cadastre" (Law of the Republic of Uzbekistan, 2014) does not adequately address the legal issues of land cadastral valuation. In particular, Article 15 of the Law of the Republic of Uzbekistan "On State Cadastres" provides for a general "assessment of cadastral objects". Valuation of cadastral objects includes assessment in terms of quality and value.

"Qualitative assessment of cadastral objects is carried out on the basis of their natural and physical characteristics. Valuation of cadastral objects is carried out in the manner prescribed by law, taking into account their specific characteristics," is only written as a general rule. The second law contains a number of general rules for assessing the cadastral value of land. In particular, paragraph 3 of Chapter 3 of the law states that "the State Land Cadastre includes land valuation, land valuation, as well as the systematization, storage and updating of land cadastre information". Article 19 of the Law deals with the "Value of Land": "Valuation of all categories of land is carried out using a system of in-kind and value indicators.

The value of land is determined in the manner prescribed by law (Law of the Republic of Uzbekistan, 2000). In addition, the second paragraph of this article contains another rule, which, in our opinion, is less accurate in terms of the value of land: and the calculation of its normative value, the value of the land is determined to determine the starting price during the sale of land on the basis of auction (Law of the Republic of Uzbekistan, 2000).

The Law of the Republic of Uzbekistan "On Appraisal Activities" (1999) has a special practical significance in regulating the relations related to the implementation of appraisal activities of various objects, property, services and actions. It covers a wide

range of issues related to the concept of appraisal activity, the object of appraisal, the types of value of appraised objects, their areas of application and their specific features. It is important that the law fully discloses the concepts of “market value of the object of assessment” (Article 7) and the value of the object of assessment different from the market (Article 8) (Law of the Republic of Uzbekistan, 1999).

The law emphasizes the rights, obligations and independence of the appraiser. In particular, Article 14 of the law specifically states the following rights of the appraiser:

- independent use of assessment methods established by law;
- require the customer to be free to use the documents required for the evaluation of the object of evaluation, to receive written explanations and additional information;
- request from third parties the information necessary for the evaluation of the object of evaluation. If the refusal to provide this information has a significant effect on the reliability of the assessment, the appraiser will indicate this in the evaluation report. Involve other appraisers and experts in the prescribed manner;
- involve other appraisers and specialists in the assessment of the objects of assessment in the prescribed manner;
- refusal to evaluate the object of assessment in case of violation of the terms of the contract by the customer.

Comparison of the rights granted to existing appraisers in the Republic on the basis of legislation with the rights granted to appraisers in other foreign countries (Law of the Republic of Kazakhstan, 2018) shows that such rights are more consistent with international practice. The state standards of the Republic of Uzbekistan in the field of appraisal activities are also of great practical importance in the regulation of appraisal activities and regulations, as well as appraisal technologies.

In particular, by the Resolution of the State Property Committee of the Republic of Uzbekistan No. 01\19-19 of June 14, 2006, assessment of property (land plots, unfinished constructions, buildings and structures). A number of National Assessment Standards, such as the Basic Rules, have been adopted and are in use until 2020. They say, “Valuation standards specify the minimum level of quality that appraisers will need to evaluate their products. The results of the assessment, in turn, provide a basis for users to assess themselves in all respects in relation to the evaluator's competence, as well as their compliance with professional and ethical standards” (Babajanov & Inamov, 2020). By the order of the Director of the State Assets Management Agency of the Republic of Uzbekistan dated May 1, 2020 No. 01/11-15/62, a single National Valuation Standard was adopted to replace the previous National Valuation Standards.

This Unified National Assessment Standard is based on the Law of the Republic of Uzbekistan “On Appraisal Activity”, Presidential Decree No. PF-5953 of March 2, 2020 “Five Priorities for the Development of the Republic of Uzbekistan in 2017-2021 Action Strategy”, “Decree on the State Program for the Year of Science, Enlightenment and Digital Economy” and PQ 4381 of July 1, 2019 “On Measures to Simplify the Mechanisms of Sale of Enterprises” and the principles of International Valuation Standards.

In the process of studying and analyzing the normative legal acts in the field of land valuation, it would be wrong not to acknowledge the timely adoption by the republican authorities of a number of normative, methodological and recommended documents, which are included in certain types of assessment.

In particular, the “Temporary Methodology for Determining the Qualitative, Economic and Value of Agricultural Land in the Republic of Uzbekistan” registered by

the Ministry of Justice of the Republic of Uzbekistan on August 6, 1998 under No. 469 and introduced into the appraisal practice” is important. It defines the procedure and mechanism for calculating the normative value of agricultural land and its areas of application, in particular, "the establishment of land tax rates, the allocation of mortgage loans by the bank, individual housing construction in rural areas and farms This appraisal data is used to allocate land in excess of the established norms, to set the starting price for the sale of land through auctions and in other cases provided by law”. On the positive changes in the course of economic reforms in the Republic of Uzbekistan in the field of valuation of land plots and the existing legal framework for their rights, the assessment of various district regulations gives a clear testimony.

However, it should be noted that there are a number of unresolved issues in the assessment process, especially in the process of cadastral assessment of land. It should be noted that the single National Assessment Standards have not yet fully covered the main areas of assessment and did not take into account all the legal, technical and other features of the reforms in the country. The standards do not fully cover all of the many assessments that need to be made when assessing land resources. In addition, in all land laws the cadastral assessment of lands is generally recognized, the types, characteristics of land valuation, the order of its organization, methods, criteria and other issues are not legally covered in these laws The Law on Appraisal Activities does not contain any legal norms on the above.

All this, of course, has a significant negative impact on the practice of land valuation, especially cadastral land valuation, while the conversion of land into assets, their introduction into civil circulation, the positive solution of various problems of the market economy. The need for land acquisition, of course, necessitates the creation of a clear legal framework for cadastral land valuation (Babajanov, 2019).

The experience gained in the field in the neighboring Russian Federation in the framework of foreign experience in regulating the legal mechanism of cadastral land valuation is noteworthy. The country has adopted a special law in this area. This law, which was adopted in 2016 and came into force today:

- development of state policy in the field of cadastral assessment;
- implementation of normative legal regulation in the field of cadastral assessment;
- determines the development and approval of guidelines for cadastral assessment, the implementation of the necessary changes to existing guidelines.

The law provides clear and legally clear rules for conducting cadastral assessments of lands:

- regulatory documents required for cadastral assessment;
- the procedure for conducting cadastral assessment, the powers of budget organizations responsible for conducting cadastral assessment;
- state control over the assessment;
- requirements for employees of budget organizations;
- timing of the assessment;
- preparation for cadastral assessment.

It is possible to recognize that many aspects of this law, adopted in the Russian Federation, are important for our republic. Taking into account all the above comments, we also propose to develop and adopt a separate draft law on cadastral land valuation in the Republic of Uzbekistan. The draft law includes all legal norms for land valuation, including the concept of land valuation, types of valuation, objects, appraisers, methods and procedures for land valuation, areas of use of land valuation data, land valuation

standards, land valuation. It would be appropriate to include criteria that are inextricably linked to land cadastral valuation activities, such as the rights and obligations of organizations, land valuation reports, disputes arising in the process of land valuation and their resolution. The development and adoption of such a law can be one of the most important factors in the transformation of land into a market asset, their privatization and the development of secondary leases in the use of land, the establishment of leasehold relations in a market economy.

#### 4. Conclusions

Based on the above analytical research and the comments made on this basis, it can be briefly concluded that the successful establishment of a market economy in the country, in turn, radically improves the legal framework for cadastral assessment of land, in particular, cadastral assessment of land. There is a need to develop, discuss, adopt and implement a new draft law on land tenure, to include additional standards for cadastral assessment of land in the Unified National Valuation Standards. Implementing this will undoubtedly be an important step in improving the legal framework for land valuation in the country.

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