

Supreme Court in questions of valuation. We do not suppose that the right would, as a rule, be exercised except where leasehold property of considerable value is concerned, but we think that all lessees should have the opportunity of appealing against their valuation should they so desire.

RIGHT TO OFFER LAND FOR PURCHASE BY THE GOVERNMENT.

49. It will be convenient now to report upon Your Excellency's direction to us to consider whether section 31 of the Valuation of Land Act, 1908, affords an owner who is not satisfied with the value of his land as fixed by the Assessment Court an equitable alternative. We found that a considerable number of property-owners in different parts of the Dominion either did not know of the existence of this section or had a very imperfect knowledge of its operation.

50. The section entitles an owner (other than a lessee) who is dissatisfied with the decision of the Assessment Court to give notice to the Valuer-General, within fourteen days after the hearing, that he (the owner) requires that either the capital value be reduced to such lower sum as he thinks is the fair value, or that the property be taken by the Government at that sum. Thereupon either the Valuer-General must reduce the capital value to the sum so mentioned by the owner (or to any other sum mutually agreed upon), or the Government must purchase the land at the sum so mentioned by the owner.

51. The following criticisms upon the operation of this section have been made before us:—

(1.) That inasmuch as owners are frequently dissatisfied not with the capital value at which their properties have been assessed by the Court, but with the proportion thereof that has been attributed to the "unimproved value," the section does not really afford them any relief.

(2.) That where the owner has not objected to the Department's valuation of the improvements, but only to the unimproved value, and has obtained a reduction off the capital value under section 31, the amount of such reduction is under section 32 of the Act taken not wholly off the unimproved value (which alone was in contest in the Court), but partly off that value and partly off the value of the improvements. In this connection, counsel for the Valuation Department suggested to a witness at our last Wellington sitting that section 31 should be altered by providing that a freeholder, when he objects to the decision of the Assessment Court, should be required to state not only the capital value at which he values his property, but also his unimproved value and his value of improvements, and that the Crown should have the right to purchase the land at the owner's unimproved value, leaving the value of the improvements to be ascertained by arbitration. The witness, who was considerably interested in city properties, approved of the suggestion.

(3.) That where an owner holds several contiguous properties, but owing to their being let to different rateable occupiers the properties have been separately valued as required by paragraph (b) of section 6 of the Valuation of Land Act, 1908, such owner has to offer each of the properties separately to the Government, with the possible result that one or more only of the holdings may be taken, and the remaining holdings thereby rendered less valuable to the owner.

(4.) That an owner who has objected to his valuation, but has not appeared before the Assessment Court, has not under section 31, but should have, the right to offer his property under the section.

(5.) The Valuer-General considered that the section is often abused by syndicates and other owners of land, who offer their land under section 31 in the full belief that the Government will not purchase them, thereby getting their valuations reduced considerably below the fair selling-price, and sometimes also seriously crippling the finance of local bodies. The Valuer-General also instanced some cases where the objector had offered his property to the Government at the sitting of the Assessment Court, and where, on the valuer meeting him to discuss the offer, it was found that the property had since been sold privately at a price above the value fixed by the Court.