

AI-supported Local Property Tax Inspection

Ensuring fairness, transparency and trust in municipal governance

Suma Tax Management Agency · Provincial Council of Alicante · Spain

The public policy challenge

Local governments depend on property taxation to finance essential public services. However, undeclared constructions and outdated records undermine fiscal fairness, generate legal disputes and weaken citizens' trust. Traditional inspection methods are reactive, fragmented and limited in coverage, particularly for small municipalities.

The policy response

To address this challenge, the Provincial Council of Alicante adopted a policy decision to use artificial intelligence as a decision-support tool. The objective was not automation but strengthening evidence-based inspection while preserving accountability and full human oversight.

AI in action

Administrative data → AI pattern detection → Explainable alerts → Human decision

- Integrates cadastral, permit and geospatial data
- Identifies potential undeclared constructions
- Generates explainable alerts for inspectors
- Supports prioritisation and verification
- No automated tax decisions.

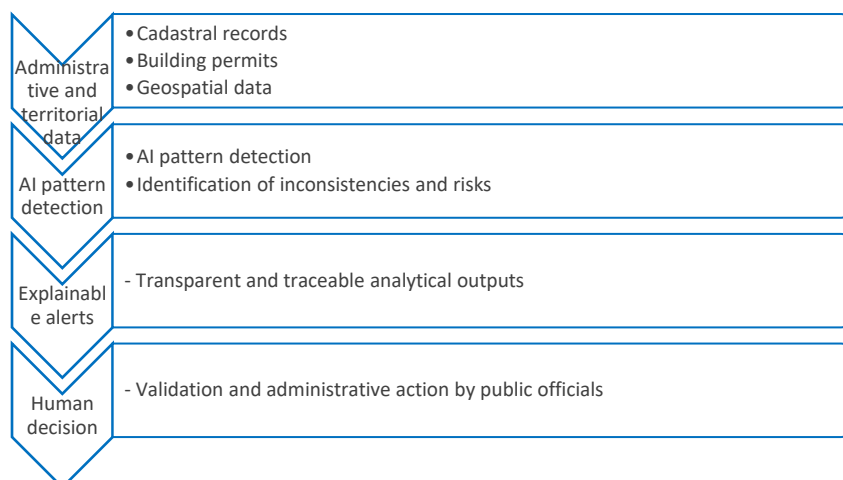


Figure 1. AI-supported inspection process with human oversight.

Artificial intelligence is used exclusively as a decision-support tool to identify potential inconsistencies in property records. Final assessment and administrative action remain under full responsibility of public official

Public value delivered.

- Fairer property taxation
 - Increased legal certainty
 - Reduced administrative burden
 - Improved transparency
 - Stronger municipal sustainability
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Responsible AI by design

- AI used strictly for decision support
 - Mandatory human oversight
 - Explainable and auditable outputs
 - Clear institutional accountability
 - Alignment with OECD AI principles
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Measurable outcomes

The initiative enabled municipalities to systematically detect inconsistencies in property records, supporting fair taxation and reducing legal and operational risks in high-growth urban environments.

Why this case matters

This use case demonstrates how artificial intelligence, when governed responsibly, can strengthen core governmental functions. The approach is transferable to other municipalities and regions facing similar challenges in property taxation and data fragmentation.
