An Roinn Tithíochta, Pleanála,
Pobail agus Rialtais Áitiúil
Department of Housing, Planning,
Community and Local Government

Oifig an Aire
Office of the Minister

6 March 2017

Cllr. Ruairí McGinley
Chairperson
Finance SPC
Dublin City Council
City Hall
Dublin 2

RE: REP323/SC/17

Dear Cllr McGinley,

I have been asked by Mr. Simon Coveney, T.D., Minister for Housing, Planning, Community and Local Government to further reply to your recent letter in connection with commercial rates and the national revaluation programme. I apologise for the delay in responding to your correspondence.

You will be aware that local authorities are under a statutory obligation to levy rates on any property used for commercial purposes in accordance with the details entered in the valuation lists prepared by the independent Commissioner of Valuation under the Valuation Acts 2001 to 2015. The levying and collection of rates are matters for each individual local authority. The annual rate on valuation (ARV), which is applied to the valuation of each property, determined by the Valuation Office, to obtain the amount payable in rates, is decided by the elected members of each local authority in the annual budget and its determination is a reserved function.

The Commissioner of Valuation, who has responsibility for valuation matters, is conducting a programme of revaluation of all commercial and industrial properties throughout the State on a county by county basis. The purpose of the revaluation process is to provide for more consistent and up-to-date valuations for rating purposes and to assist in providing a more equitable distribution of valuations across those liable to pay rates.

It is not the purpose of a revaluation to increase the total amount of commercial rates collected by local authorities. Section 8 of the Local Government (Business Improvement Districts) Act 2006 provides, the Minister for Housing, Planning, Community and Local Government, having obtained the consent of the Minister for Public Expenditure and Reform, to make an order directing a rating authority to limit the overall amount of income it could raise through rates in the year following a revaluation to the total amount of rates liable to be paid to it in the previous year,

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plus buoyancy (arising from valuations determined in the year of a revaluation of newly constructed property), adjusted for inflation as measured by the CPI.

However, the Department is aware of the impact on local authority finance arising from a reduction in rates income following a revaluation. In this regard, we are consulting with the Commissioner of Valuation to identify measures which can be taken to address this issue.

Yours sincerely,

Niamh Redmond
Private Secretary