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OFFICE OF THE TÁNAISTE AND MINISTER FOR JUSTICE AND EQUALITY

Cllr Ruairi McGinley,
Chairperson,
Finance Strategic Policy Committee,
Dublin City Council,
City Hall,
Dublin, 2.

3 April, 2017

Dear Cllr McGinley,

I am directed by the Tánaiste and Minister for Justice and Equality, Ms Frances Fitzgerald, T.D., to refer to your letter dated 31 January 2017 to Mr. Michael Noonan T.D., Minister for Finance concerning the revaluation programme currently being conducted by the Valuation Office on a nationwide basis and the perceived negative effect that this programme is having on the rates income of Dublin City Council.

I can advise you that the Valuation Office has come within the aegis of the Department of Justice and Equality with effect from 1 January 2016 and therefore your letter has been referred to this Department for attention. Under the valuation legislation (Valuation Acts 2001-2015), the Commissioner of Valuation, who is a statutory officer and head of the Valuation Office, has sole responsibility for the maintenance of valuation lists of all commercial properties in the State which are used by all local authorities in the calculation of rates and the Tánaiste has no role in this regard.

The position regarding the determination of rates under Irish law is that there is a distinct separation of function between the valuation of rateable property and the setting and collection of commercial rates. As you will appreciate, the amount of rates payable by a ratepayer in any calendar year is a product of the valuation set by the Valuation Office, multiplied by the Annual Rate on Valuation (ARV) decided annually by the elected members of each local authority. Whereas the setting of valuations is the responsibility of the Valuation Office (subject to the appeal provisions in the legislation), the annual setting of the ARV is a reserved function of the elected members of each Local Authority and the Commissioner of Valuation has no function in that regard. Therefore, it is not accepted that fluctuations in the rates income of Dublin City Council or of any local authority in the State is the responsibility of the Valuation Office as adjustments may be made to the ARV to obviate this each year.

Having a modern valuation base is very important for the levying of commercial rates on a fair and equitable basis across all economic sectors. This has been the policy of successive Governments for many years and is the express purpose of the National Revaluation Programme now being rolled out by the Valuation Office, under the direction of the Commissioner of Valuation.

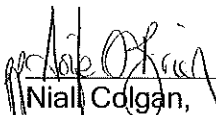
The revaluation provisions in the Valuation Acts 2001-2105 provide for the revaluation of all rateable property within a rating authority area so as to reflect changes in value due to economic factors, differential movements in property values or other external factors such as infrastructural changes and changes in the local business environment. The Valuation Office is currently engaged in a national revaluation programme, the immediate objective of which is to ensure that the first revaluation of all rating authority areas in over 150 years is conducted across the country, as soon as possible, and on a phased basis. This is a welcome and positive development which is long overdue and on which considerable progress has been made to date. Revaluation is an important instrument in redressing historical anomalies in relation to commercial rates for both urban and rural properties and between particular classes of property.

The Valuation Acts provide several avenues of redress for the occupiers of property and for a number of other categories of persons listed in the legislation who are dissatisfied with a determination of value under the provisions of the legislation. Firstly, there is a statutory right for the occupier of a property to make representations within 40 days to the Valuation Office in relation to the proposed valuation to be placed on their property. Since the statutory mandate of the Valuation Office is to ensure that valuations of all rateable property are correct, equitable and uniform, relative to each other, consideration of representations made to the Office in respect of an individual property may result in a decrease, increase or no change in the valuation of that subject property. The outcome is based on the evidence provided to and available to the Valuation Office. This occurs before a valuation list is finalised and does not result in any reduction in Local Authority rates income.

There is, of course, a further right of appeal to the independent Valuation Tribunal where the occupier, another ratepayer, or the Local Authority itself remains dissatisfied (a 28 day appeal period applies at this stage in the process). This is an essential part of the "due process" to which ratepayers and other stakeholders, including Local Authorities, are entitled. However, where such appeals succeed, this gives rise to a reduction in income for the remainder of that financial year before the next Local Authority Budgetary meeting. In order to address this, I can advise that a new provision was inserted by the Valuation (Amendment) Act 2015 which distinguishes between the date of publication of a new valuation list following a revaluation and the effective date for that list. This provision postdated the revaluation of Dublin City council rating authority area.

I trust the above clarifies matters for you.

Yours sincerely,



Niall Colgan,
Private Secretary to the Tánaiste
and Minister for Justice and Equality.