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## Report to the Finance Strategic Policy Committee

### Local Government Rates and Other Matters Act 2019

#### Briefing On Provision for Alleviation Schemes

The Local Government Rates and Other Matters Act 2019 was passed by the Oireachtas and enacted on 11 July 2019. The purpose of the Act is to modernise the collection of rates, which are a vital source of funding for local authorities, representing approximately 30% of the revenue income across all local authorities. (35 % for Dublin City Council).

The legislation which has governed rates until now is spread over 20 enactments dating from the Poor Relief (Ireland) Act 1838. Therefore many of the practical and logistical aspects of the system for the notification and collection of commercial rates are very dated and out of step with contemporary practices in both commercial operations and the local government sector.

#### **Alleviation Schemes**

The Act contains provisions in Section 15 relating to potential Alleviation Schemes. These provisions empower the elected members of local authorities to devise and achieve policy objectives through locally targeted rates waiver schemes.

The **key points** in relation to **Section 15** are as follows:

- Elected members may achieve policy objectives through locally targeted rates waiver schemes
- It enables elected members to support specific objectives to promote community, social and economic development, urban planning and / or rural development
- **Regulations** will be made under this section and specify:
  - Maximum percentage of waiver
  - Matters pertaining to the operation of the alleviation scheme
  - Time period applying to the scheme
  - Process and sequencing to be followed
  - Public consultation process
  - Reporting on completion of schemes

- It envisages that the Regulations will provide that the schemes can be made for specific local electoral areas / municipal districts
- Waiver schemes should support objectives of :
  - County development plans
  - Local area plans
  - Local economic and development plans
  - National Planning Framework
- Local **public consultation** will be a feature of the process
- It is a **reserved function**

#### **Key considerations:**

- Software changes to Rates System if required
- Timelines to develop scheme
- Initiate Public consultation process
- Financial loss of rates income and budget implications

#### **Conclusion**

The Department of Environment, Heritage & Local Government are currently drafting regulations to support the alleviation schemes. The new Minister when appointed with the new government will review the draft regulations prior to approval.

**Fintan Moran**

**Head of Management Accounting**