



Local Government Rates and Other Matters Act 2019

SPC 16th January 2020

Overview and explanatory note

Disclaimer: This is not a legal interpretation of the LG Rates and Other Matters Act 2019



Background

- Commercial rates provide income of €1.5bn p/a approx - nationally
- Legislation governing rates is spread over 20 separate enactments dating back to the Poor Relief (Ireland) Act 1838
- Legislation predates constitution



Intention of Original Draft Bill 2017

- Consolidated Bill
- Preliminary valuations
- Application of interest to unpaid rates
- Recovery by Sheriff
- Rates compliance certificate
- Attachment Orders
- Court Process

- *Bill submitted to Dail July 2018 – Reduced format*



Local Government and Other Matters Act 2019

- Enacted 15th July 2019
- In addition to rating law it also includes
 - Changes to Residential Tenancies (Amendment) Act 2019
 - Amendments to the Planning Acts



Key Changes – Section 4

Rates to be levied on occupier of relevant property

- Provides for additions and amendments to the valuation list to become effective immediately for rating purposes (currently prospective)
- One moiety (as opposed to two)
- Also provides for the pro-rata levying of rates where the ratepayer changes during the year
- E Billing now available



Key Changes – Section 5

Rate Book

- Provides for the storing and publishing by the LA of the contents of the rate book in electronic format
- Provides for access to individual rate payers by login credentials
- LA may end the practice of preparation of rate book



Key Changes – Section 7 & 8

Discharge of rates by set-off – S 7

- LA may offset any rates owing against an amount that the local authority owes to that ratepayer

“Collection, care and management of rates” – S 8

- Provides that the collection of rates and interest due on unpaid rates pursuant to the Bill, are under the care and management of the LA



Key Changes – Section 9

Provision for abatement of rates in respect of vacant properties

- LA may provide a temporary abatement for **vacant** properties
- Subject to maximum relief which may be specified by the Minister
- May be made in respect of “*classes of liable person*”
- Public consultation process
- Reserved function to make a scheme



Key Changes – Section 10

Database of relevant properties

- Provides LA with power to establish a database of relevant property
- May delegate power to LGMA
- *Original intention was for individual to register each year similar to Household Charge – update details etc*



Key Changes – Section 11

Duty to inform rating authority of transfer of relevant property

- Provides obligation on owners and occupiers of relevant properties to provide relevant information to LA's
- Old Section 32



Key Changes – Section 12

Interest on overdue rates

- Provides LA with power to apply interest to unpaid rates
- Provisions are based on the provisions in the Tax Consolidation Act – Revenue
- Focus is on positive engagement with customer rather than increasing revenue
- Interest accrues from 1st Jan following year



Key Changes – Section 13

Payment of rates on sale of property

- Obligation on owner of relevant property, before the sale of that property, to pay any rates and interest due
- Provision only applies to rate liabilities accrued by the owner where the **owner** **is also the occupier** of the property



Key Changes – Section 14

Unpaid Rates to be a charge on relevant property

- Provides that any unpaid rates and any interest accruing is a charge on the property where the owner is the liable person



Key Changes – Section 15

Scheme for waiver of rates

- LA may introduce rates alleviation schemes to support national & local policy objectives incl.
 - National Spatial Strategy
 - Development Plan
 - Local Area Plan
 - Local economic & community plan



Key Changes – Section 15 cont...

- Regulations to be made by minister
- Reserved function
- Public consultation



Key Changes – Section 16

Authorised Officers

- LA may appoint Authorised Officers
- Will be furnished with a warrant for entry



Key Changes – Section 17

Powers of authorised officers

- Powers only relate to S 9 – inspection of vacant property
- May enter property in certain circumstances



Commencement of Act

- Order made to commence Section 21
 - Amends formula for Rate Limitation Orders – (ensure revaluations are neutral)
 - Amends timeframes allowed to public utilities undertakings in line with other ratepayers undergoing valuation



Commencement of Act

- Procedures to enact S 15 – (Scheme for waiver of rates) are underway by the DOE
- Indicated regulations would be made in Q1 2020



Commencement of other Sections in Act

- Dependent on full administrative support by all LA's
- Work required on systems and processes
- Aiming to have supports in place in Q3 & Q4 2020 to be effective in 1/1/21
- A number of sections require supporting Regulations before commencement



Issues raised with the Department

- S 4 (3) Moiety due 1/1 following year
- S4 (6)(C) serve to address at which person “*ordinarily resides*”
- S 5 – Rate book may be published on the internet
- S 12 – Interest - National policy to be determined – regulations
- S 13 – Applies only to owner who is occupier – clarity required (sale of property)
- S 14 – Unpaid rates to be charge on relevant property – Clarity required

Numerous issues to be clarified

