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Report to Finance Strategic Policy Committee
New legislation governing the collection of Commercial Rates

The *Local Government Rates and Other Matters Act 2019*, was enacted on 11th July 2019 with the aim to modernise rates legislation. However, the bulk of the Act has not been commenced. Due to time pressures, outstanding issues were not addressed prior to the passing of the legislation, resulting in the requirement for amendments which were largely technical in nature. The *Historic and Archaeological Heritage and Miscellaneous Provisions Bill 2023* was identified as the vehicle for carrying Rates Act amendments. This legislation was signed into law on Friday 13th October 2023 and Commencement Orders and regulations for both pieces of legislation are currently awaited. A group comprising of officials from the DHLG&H and Local Authorities are progressing matters to support the implementation of changes to be effective in 2024.

The key changes in relation to Commercial Rates are as follows:

	Previous	New	Benefits
Date of Calculation of Rate	Date of Calculation of Rate was the date the rate was struck. This was usually mid-January to allow for a statutory period for inspection of rate books	Date as calculated on the first day of the financial year (1 st January every year). No statutory requirement for inspection of the rate books prior to the rate being struck. Previously a 14 days period was statutorily allowed for inspection of rate books.	No delay to issuing of bills due to statutory requirement for inspection of rate books. Should be noted there is still some preparatory work to be done in early January before Rates Bills can be issued.
Bills	Rates demanded in two moieties – one on the date the Rate was made and one on 1 st July.	One annual bill payable on receipt of the Rates Bill.	Clarity for all. Rates due from receipt of Rates Bill. Rate Payers will still have the option to pay over the year by Direct Debit or make

	Rates Bill must be sent by post	Provision to issue Rates Bills electronically	payment plans with their Rate Collector. Option to issue Rates Bills electronically
Valuations	New build properties accrue a charge as EYPL as <i>per list updated date</i> on valuation certificate. Revisions of Valuation were prospective (effective from 1 st January the following year)	New build properties will accrue rates charge <i>per list updated date</i> on valuation certificate. Revisions of Valuation will be effective <i>per list updated date</i> on valuation certificate.	Entry Year Property Levy for new build valuations replaced by rates bill. Benefit to LA and/or ratepayer as changes in valuation will be effective from current date.
Duty to inform rating authority of transfer of property.	<i>Shall be the duty</i> of the owner to notify the rating authority of the transfer not later than 2 weeks. S32 (2) Local Government Reform Act 2014 allowed for the owner to be liable for equivalent of no more than 2 years of outstanding rates due from the previous occupier where the owner did not notify the rating authority of a transfer of ownership.	S11 of 2019 Act is amended to state that <i>The person concerned Shall, not later than 10 working days Give notice of transfer / details.</i> On failure to notify a liable person shall be guilty of an offence and shall be liable on summary conviction to a class A fine (Max €5,000)	Stronger emphasis on the requirement to notify the Rating Authority of change of liable person. Strengthen compliance. Will result in up-to-date rates database of liable persons for the Local Authority.
Payment of rates on sale of property	S32 (3) Any rates due by an owner of relevant property and not discharged shall remain a charge on the relevant property, but that property shall not remain charged with or liable to the payment of such unpaid rates after the expiration of 12 years	S13 of 2019 Act is amended to state that unpaid rates due by the owner as the liable person who proposes to sell the property shall pay the Local Authority any rates due up to and including the day immediately before completion of sale.	Improved enforcement powers to strengthen compliance and collection. Aim that all outstanding rates will be paid at the time of change of liable person.

	from the date upon which the amount concerned fell due	<p>S14 of 2019 Act provides that unpaid rates shall be and remain a charge on the relevant property without a time limit.</p> <p>S13 amendment - Failure to do so leaves the liable person guilty of an offence and liable, on summary conviction, to a Class A Fine (€5,000) and/or imprisonment for a term not exceeding 6 months or both.</p> <p>S14 amendment – the charge on the property does not remain a charge post sale.</p>	
Rate Books	Requirement from 1838 Act to make a physical Rate Book	Rate Books may be stored electronically.	Removes the requirement of making a physical Rate Book.
Interest	None	Application of interest payments on unpaid rates <i>will not commence until 2025</i> . The prescribed rate is 0.0219 per cent.	Will encourage the timely payment of Commercial Rates to avoid payment of interest

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