



An Bille Rialtais Áitiúil (Rátaí), 2018
Local Government (Rates) Bill 2018

Meabhrán Mínitheach
Explanatory Memorandum



**AN BILLE RIALTAIS ÁITIÚIL (RÁTAÍ), 2018
LOCAL GOVERNMENT (RATES) BILL 2018**

EXPLANATORY MEMORANDUM

Purpose of the Bill

The purpose of the Bill is to modernise the legislation governing commercial rates, improve the rates collection powers of local authorities, and form a basis for greater enforcement powers by local authorities in their collection of rates. The Bill provides for interest to be applied where rates are unpaid; and the application of minimum charges for vacant commercial premises.

The Bill also introduces mechanisms to allow local authorities to introduce targeted rates alleviation schemes. The rates alleviation (waiver) schemes are provided for in order to support the implementation of policy objectives, including: local economic and community plans; objectives contained in Development Plans and Local Area Plans; and national planning policies. The approval of these schemes would be a function of the elected members of the local authority and the cost of introducing an alleviation scheme would be met by the local authority, either through increasing income or reducing expenditure.

Provisions of the Bill

Section 1 – Interpretation

Section 1 provides for the interpretation of terms used in the Bill.

Section 2 – Construction of references to annual rate on valuation

Section 2 provides for clarification in relation to the local authority's role in the adoption of the annual rate on valuation.

Section 3 – Annual rate on valuation

Section 3 provides that a local authority shall consider the local authority's budgetary needs in determining the applicable annual rate on valuation.

Section 4 – Rate to be levied on occupiers of relevant property

Section 4 provides the power for local authorities to levy rates on the occupiers of relevant property (relevant property is property identified in schedule 3 of the Valuation Acts 2001-2015). It restates the longstanding provisions that the commercial rates liability is calculated by multiplying the valuation determined by the Commissioner of Valuation by the Annual Rate on Valuation (ARV) adopted by the local authority at its annual budget meeting.

Section 5 – Power to limit annual rate on valuation

Section 5 provides a power for the Minister for Housing, Planning and Local Government to limit the level of ARV that can be adopted by the local authority.

Section 6 – Discharge of rates by set-off

Section 6 provides that local authorities may offset any rates owing to them against an amount that the local authority owes to that party.

Section 7 – Collection, care and management of rates

Section 7 provides that the collection of rates, and interest due on unpaid rates pursuant to this Bill, are under the care and management of the local authority.

Section 8 – Provision for abatement of rates in respect of vacant properties

Section 8 provides that a local authority may provide a temporary abatement for vacant properties, subject to any maximum relief which may be specified by the Minister, to ensure that all property owners (other than those whose rates liability would be below a de minimis threshold) make some level of payment to the local authority.

Section 9 – Database of Relevant Properties

Section 9 provides local authorities with the power to establish a database of relevant property and with the power to delegate this function to the Local Government Management Agency.

Section 10 – Duty to inform rating authority of transfer of relevant property

Section 10 provides an obligation on the owners and occupiers of relevant properties to provide, to the local authorities, information that the authorities may require to discharge their functions under the legislation.

Section 11 – Interest on overdue rates

Section 11 provides local authorities with the powers to apply interest to unpaid rates.

Section 12 – Payment of rates on sale of relevant property

Section 12 provides for obligations on the owners of a relevant property, before the sale of that property, to pay any rates payable by the owner to the local authority, including any interest on unpaid rates.

Section 13 – Unpaid rates to be a charge on relevant property

Section 13 provides that any unpaid rates and any interest accruing on unpaid rates shall be and remain a charge on the relevant property where the owner of the property is the person liable for the rates.

Section 14 – Scheme for waiver of rates

Section 14 provides that local authorities may introduce rates alleviation (waiver) schemes to support local or national policy objectives.

Section 15 – Authorised officers

Section 15 provides for the appointment of local authority staff as authorised officers by the Chief Executive for the purposes of the Act.

Section 16 – Powers of authorised officers

Section 16 provides those local authority staff appointed as authorised officers by the Chief Executive with the power to enter relevant property in certain circumstances.

Section 17 – Regulations

Section 17 provides that the Minister may make regulations under the Bill, when enacted, where relevant.

Section 18 – Expenses

Section 18 is a standard provision relating to expenses in the administration of the legislation.

Section 19 – Amendment of Local Government (Financial Provisions) Act 1978

Section 19 is a technical amendment to the Local Government (Financial Provisions) Act 1978 to refer to the determination of the annual rate on valuation under section 3.

Section 20 – Amendment of Valuation Act 2001

Section 20 is a technical amendment to the Valuation Act 2001 to refer to the determination of the annual rate on valuation under section 3.

Section 21 – Amendment of Act of 2001

Section 21 is a technical amendment to the Local Government Act 2001 to refer to the determination of the annual rate on valuation under section 3.

Section 22 – Amendment of Act of 2014

Section 22 is a technical amendment to the Local Government Reform Act 2014 to refer to the determination of the annual rate on valuation under section 3.

Section 23 – Repeals and revocations

Section 23 provides for the repeal of various provisions of rating law to be replaced by the new provisions.

Section 24 – Short title, commencement, collective citation and construction

Section 24 is a standard provision providing for the title of the Bill, collective citation and construction and provisions for the commencement of the various provisions contained in the Bill.

Schedule of Repeals and Revocations under Section 23

The schedule details those sections of Acts of the Oireachtas (Part 1) and Statutory Instruments (Part 2) that are repealed and revoked by Section 23 of the Bill.

*An Roinn Tithíochta, Pleanála agus Rialtais Áitiúil,
Lúnasa, 2018.*