




Oifig an Runaí Aire

Office of the Minister of State

 November 2021

Ms. Anne Maria Walsh
Kilkenny County Council
info@kilkennycoco.ie

Ref: HPLG-MoSB-01000-2021

Dear Ms. Walsh,

I refer to your correspondence on behalf of the elected members of Kilkenny County Council, in connection with the revaluation of commercial properties, which was forwarded by Minister Darragh O'Brien.

The Commissioner of Valuation is conducting a programme of revaluation of all commercial and industrial properties throughout the State on a county by county basis. The revaluation programme will result in a modern valuation system for the entire country for the first time since the primary valuation was conducted in the middle of the 19th century. The programme involves the valuation of some 150,000 or so commercial rateable properties. Completing the first revaluation since the mid-nineteenth century, and getting properties in every local authority area onto the subsequent 5-10 year rolling cycle of revaluations provided for in the legislation represents a sea-change and fundamental modernisation of the rateable valuation system.

The essential purpose of a revaluation is to redistribute the burden of rates more equitably in line with relative changes in valuations across different classes of properties or individual properties within particular classes or uses. This may inevitably result in an increase in the valuation of some commercial properties and a decrease in the valuation of others. While an individual occupier's rates liability may increase or decrease, the revaluation will not increase the overall commercial rates income of the local authority.

Section 56 of the Valuation Acts 2001 to 2015 provides that the Minister for Housing, Local Government and Heritage, having obtained the consent of the Minister for Public Expenditure and Reform, makes a Rates Limitation Order (RLO) following a revaluation, directing a rating authority to limit the overall amount of rates income in the following year to the total amount of rates liable to be paid to it in the previous year, plus an element of buoyancy for valuations of newly constructed property and an adjustment



for inflation as measured by the Consumer Price Index. RLOs have been made for each of the local authorities that have undergone a revaluation to date.

The intention of section 56 was to provide that the impact of a revaluation would be revenue neutral for a local authority. However, due to successful appeals by ratepayers following revaluations, the impact of the revaluations has resulted in a net decrease in rates in the year following a revaluation.

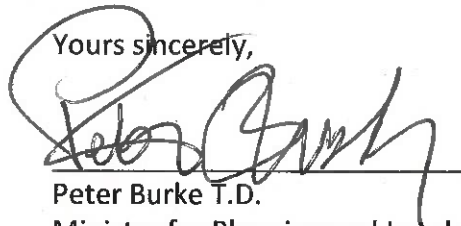
The Valuation Tribunal is an independent statutory body established under the Valuation Act 1988, and continued by the Valuation Act 2001 to 2020, to hear appeals against decisions of the Commissioner of Valuation (the Valuation Office) on the valuation and revaluation of commercial properties for rating purposes. Subject to a right of appeal to the High Court by way of a case stated on a point of law, the decision of the Valuation Tribunal is final.

The Local Government Rates and Other Matters Act 2019 modernised further the legislation governing commercial rates. Section 21(d) of the Act amends the Rate Limitation Order formula to allow for the inclusion of a factor to take account of the level of appeals. The factor is set by my Department in consultation with the Commissioner of Valuation.

The amended rate limitation order provision and factor for appeals was applied in respect of revaluations which took place in 2019 and will apply to revaluations in the future including the future revaluation in Kilkenny.

I hope this information is of assistance to you.

Yours sincerely,



Peter Burke T.D.
Minister for Planning and Local Government

Please note: I am a Designated Public Official under the Regulation of Lobbying Act, 2015