



## IRELAND – February 2022

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### REVALUATIONS OF RATEABLE PROPERTIES

Dara Calleary TD has welcomed confirmation from the Valuations Office that the revaluation of rateable properties in Mayo is deferred until 2023. Deputy Calleary said: "I have been in contact with numerous small and medium business owners across Mayo in recent months about the revaluation of rateable properties – an issue that has caused additional worry and stress for business owners on top of the covid stress of the past two years. The Minister for Housing, Local Government and Heritage, Darragh O'Brien, on foot of representations, has now agreed with the Commissioner of Valuation that the Commissioner will defer the revaluation of rateable properties in Mayo until 2023. New valuations arising from the revaluation will now be finalised in October 2023 and become effective for rates purposes from 2024 onwards. The Valuation Office will write to all ratepayers in Mayo in the near future to notify them of the changed timelines. I am happy that common sense has prevailed and some breathing space has been afforded to ratepayers in the county."

### JUST €900 OF MORE THAN €300K DERELICT CHARGES COLLECTED BY CORK COUNTY COUNCIL

Cork County Council collected just €900 of €308,000 from charges related to the derelict site levy, a local authority audit has found.

The details are contained in a report by the Local Government Audit Service, which also found the council did not have a countywide centralised register of derelict sites.

Each municipal district has a separate register of derelict sites in their own area, it said.

Cork County Council is not alone in its so-called "extremely poor" collection of the vacant sites levy and its administration of the derelict sites levy.

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Introduced in 2017, with vacant site levies to be charged from 2019, the tax was aimed at reducing land hoarding and stimulating the development of housing.

Such levies are said to be a tool in a local authority's arsenal to improve the housing situation in their city or county but, to date, just a small fraction of the taxes levied on such properties around the country have been collected.

Recently published data via parliamentary question for Limerick shows that €481,950 remains outstanding and uncollected from the vacant sites levy last year.

The local government audit stated: "From 2020, a derelict site levy of 7% is to be charged on January 1 of the financial year following entry onto the council's derelict site register. However, it was noted at audit that Cork County Council did not implement the rate increase for 2020 and continued to levy at 3%.

"During 2020, the council collected just €900 of the €308k due from current year charges and arrears brought forward, necessitating an almost full provision for doubtful debts in [the annual financial statement for] 2020."

#### Doubtful debts

The doubtful debts included in the council's financial statement was €33.8m in 2020, an increase of €2.2m on the 2019 amount. The audit found the IT systems used don't have a debt management facility and the absence of aged debt reporting "prevents an accurate, automated and reliable debtor management system".

In a response to the audit, the chief executive of Cork County Council, Tim Lucey, said all local authorities had experienced challenges in implementing and administering the vacant site levy.

"Some of the specific problems encountered include defining and identifying a vacant site; determining ownership and liability; the appeals process; location of sites and resource implications," he said.

On the issue of derelict site levies, Mr Lucey said that work was ongoing to address the issue.

"The council [...] has committed to proactively addressing registered derelict sites in 2021/2 and significant work is under way in that regard. The council acknowledges that there is a body of work to be done on updating the existing [municipal district] derelict sites registers and the collection of levies, and this is progressing as a priority."

He added engaging with landowners outside of the legislative framework to address the issue of dereliction had also proven to be beneficial.

At an Oireachtas housing committee hearing last week, Department of Housing assistant secretary Maria Graham told TDs and senators there was "clearly a large level of vacancy and dereliction in towns".

Ms Graham said the Government, with its Housing for All plans, was aiming to address the issue of vacant and derelict properties and to bring them back into housing stock.

## VALUATION OF RATEABLE PROPERTIES TO BE DELAYED UNTIL 2023

The Housing Minister has given the go-ahead to defer the revaluation of Donegal County Council's rateable properties until 2023.

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Other deferrals include Clare, Dún Laoghaire-Rathdown, Galway, Kerry and Mayo County Councils.

New valuations arising from the revaluation of these local authorities will now be finalised in October 2023 and become effective for rates purposes from 2024 onwards.

A spokesperson for the valuation office said the revaluations of these local authorities are part of an ongoing national programme.

This is to ensure that the rateable valuations of all commercial and industrial properties in Ireland are updated on a regular cycle so as to maintain relativity between individual ratepayers in the same local authority area.

“The purpose of revaluation is to bring increased transparency and equity to the local authority rating system,” the spokesperson said.

Neither residential property nor agricultural lands are rateable and consequently are not affected by revaluation.

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