

Rating in Ireland

Commercial rates have traditionally been a great source of revenue for local authorities around the country, at a time when the current economic climate may make it necessary for the Government to introduce a form of residential rating, Pat Riney explains the processes of rating assessment.

Since the foundation of our State in 1922, the rating system of taxation has been the major source of revenue for all local authorities throughout the Republic. This system was created under the first Valuation Act of Ireland in 1852, which later became known as Griffiths Act. It provided for all residential, commercial and industrial property to be valued and assessed independently, culminating in all property being inspected and valued for rating purposes, based on comparable properties on the valuation lists. Each valuation is multiplied by the annual rate on valuation (ARV) to give the amount of rates payable each year. In fact it has been found that the ARV can differ substantially between different local authorities depending on the level of general services being provided by each one.

Inadequate

However, the 1977 government, led by Jack Lynch, abolished residential rates along with a number of other changes to the taxation system of the day, such as car tax. An annual capitation grant from central government has been payable to each local authority, in view of residential rates, which has not been at all adequate.

This has resulted in local authorities having an over-reliance on the commercial and industrial sectors to provide them with adequate revenue, which is

needed to maintain essential public services in their respective catchment areas.

The Valuation Office

The Commissioner of Valuation is appointed by the Minister for Finance and controls the general operations of the valuation office.

The occupier of property, the rating authority, or an occupier of other property appearing on the valuation list, may apply in writing to the Commissioner of Valuation to have the valuation of property revised subject to their being a material change within the previous five years. In some cases where, for example, a bypass has meant that a petrol

However, the system operated until recently may have resulted in a considerable amount of unfairness. For example, an occupant of a new premises could be assessed at far higher rates, whereas others nearby in older premises may be assessed at far lower rates, or in some cases not rated at all.

If your property is being assessed, a Revision Officer will call and assess the value of your property. He will send you a draft certificate containing the proposed valuation and other details of the property. If you wish to appeal, you must appeal within 28 days of the issue of the draft certificate. When your representation has been considered, you will then be issued with a final valuation certificate. You can also appeal to the Reversionary Commissioner valuation opinion within forty days of the date of issue on the final certificate.

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The Valuation Tribunal

There is also a further right of appeal to the valuation tribunal which is an independent body set up to settle disputed valuations between the parties. The tribunal currently consists of 15 members, all appointed by the Minister of Finance and primarily consisting of barristers, solicitors, chartered surveyors and valuers.

The acts of 1988, 1990 and 2001 have introduced many important changes to the rating system, not least a provision to carry out a complete revaluation of all commercial and industrial

station filling business has virtually gone, it is considered that the effects of such fundamental changes need to be reflected within amendment to the act. The appropriate fee must accompany each application. The Commissioner could also initiate revisions of valuations.

property within the 26 counties. The assessment is based on the net annual value of comparable properties within the specific rating authority areas. To date, the only two local authorities that have had this new valuation carried out are South Dublin County Council and Fingal County Council, both of which are in the Dublin area. It is understood the revaluation of Dún Laoghaire/Rathdown County Council is now underway.

In view of the timescale and considerable workload involved in completing a revaluation of all property in the State, it is considered there may be a need to review the methodology adopted in order to speed up the whole process in the interest of fairness and transparency.

Appeals to the High Court – Case Stated

Any parties seeking a case stated under the provisions of the act, on a point of law shall, as soon as practicable after the tribunal has made its determination, submit a

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draft case stated to the other side for agreement. A copy of this case stated should be submitted simultaneously to the tribunal. In the case of agreement between the parties, the party shall exchange and submit to the tribunal drafts of the said case stated as soon as practicable after the date of submission of the original draft case stated and in event of sufficient time to enable the tribunal to approve and amend where necessary, the appropriate draft within the specified time limit provided for in the act.

The Future

In view of our current economic financial climate, it is considered quite possible that the government may now decide, if necessary, to reintroduce some form of property tax, residential rating or another form of site valuation rating, which is operated in most of the other EU countries.



*Patrick J Riney
MIAVI, Chartered
Surveyor FSCS,
FRICS, FIAVI,
ACI Arb., FIABCI,*

*Dip. Envir. Econ., ALCM, P.C.
Board member of REA. Current member
of valuation tribunal (since 1994) and
former valuer in the valuation office.*

*Orchard Real Estate Alliance
51 Village Court
Rathfarnham
Dublin 14.*

*Tel: 087 253 8588; (01) 490 0687
Email: pat.riney@orchard-properties.ie;
Web: www.orchard-properties.ie*

DERELICT SITE APPEALS

1. An owner of urban land may appeal to the tribunal under section 22 of the Derelict Site Act 1990 against a determination made by a local authority of the market value of that land under sub section 1 of that section.
2. The notice of appeal to the tribunal shall be made on the form approved by the tribunal for that purpose.
3. The appeal shall be lodged within 28 days from the date on which the notice of determination of market value is received by the owner of the urban land.
4. The notice of appeal shall contain a statement of the specific grounds of appeal.
5. The tribunal shall send a copy of every derelict site appeal by it to the relevant local authority, who shall be the respondent at any hearing.
6. The tribunal shall make a decision on an appeal as soon as possible after the hearing date.

