

Rateable Valuation System in Ireland: Role of Valuation Office

Association of Irish Local Government
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Areas Covered

- Valuation Office & Rating System in Ireland
- Governing Legislation
- National Revaluation Programme
- Ongoing Revision of Properties
- Global Valuations
- Appeal Framework
- What Properties are Rateable?

Valuation Office - Who we are & What we do



The Valuation Office
has been responsible for
Ireland's State valuation
service since 1830



Our work leads to
the collection of
approximately €1.4
billion in Local Authority
revenue each year



We are an independent
Office under the aegis
of the Minister for
Justice and Equality



We employ
approximately
130 people

Rates and Rateable Valuation

- Three figures relevant to Commercial Rates:
 - Overall **Rates contribution** to Annual Budget: Decided by Elected Members of Local Authority
 - **Rateable Valuation of Individual Properties**: Determined by Valuation Office
 - **Annual Rate on Valuation (ARV)**: Set by Elected Members
- $\text{Valuation} \times \text{ARV} = \text{Amount of Rates liable for collection by Local Authority}$

Legal Context



- Valuation Acts 2001 to 2015:
- <http://www.valoff.ie/en/Legislation/>
- “Net Annual Value” specifically defined in legislation
 - Rental Value
 - Not Capital Value
- Decisions of independent Valuation Tribunal & Higher Courts (point of law)

What is a Revaluation?

- Modern Legislation: **Valuation Acts** 2001 to 2015
- Revaluation is a reassessment of rateable value of all properties in a Local Authority area, leading to **Redistribution** of commercial rates burden between ratepayers
- **Recurring** exercise (every 5 to 10 years) to maintain the fairness of rating system
- **Revenue Neutral** for Local Authorities

What is a Revaluation?

- Brings Rateable Values back into line with **contemporary property rental values**
- Achievement of “**Equity & Uniformity**”
- Results in the production of a **New Valuation List** that contains modern valuations for all rateable properties
- **National Revaluation Programme** well advanced

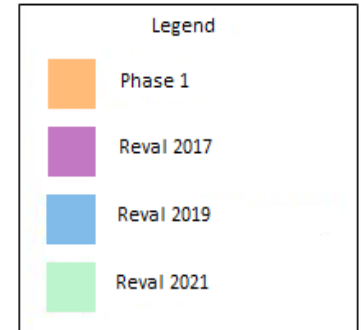
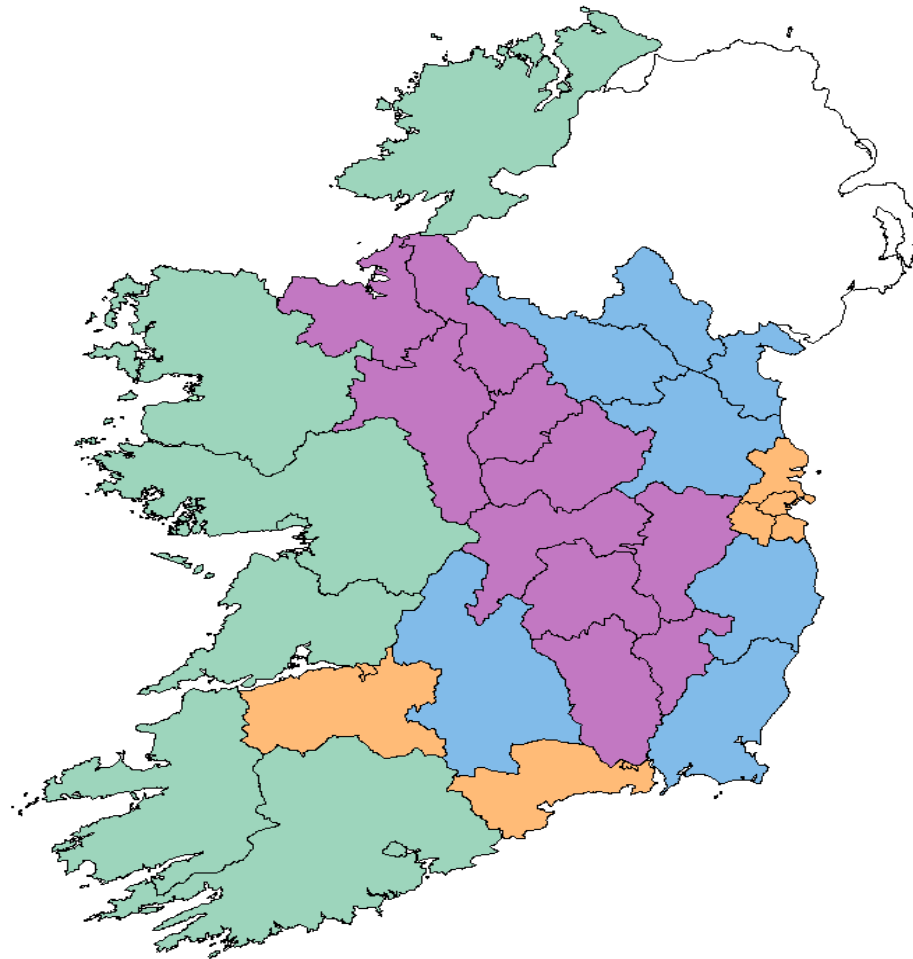
Revaluation Principles

- Redistribution of burden: Overall “size of cake” remains the same
- Revenue neutral for Local Authority:
 - 2018 rates income = 2017 rates income
 - Ministerial Rates Cap (Sec. 56 Valuation Act 2001)
- Any adjustments in overall Rates take limited to:
 - Inflation
 - New developments
 - Improvements to existing buildings

National Revaluation Programme

- Phase 1 Completed-
 - 4 Dublin Local Authorities & Waterford & Limerick
- Reval 2017 – 10 Counties nearing completion
- Reval 2019 – Additional 7 Counties about to begin
- Reval 2021 – Final 6 counties (8 LAs)
- Revaluation is repeated every 5 – 10 years
 - 2nd Revaluation of South Dublin & Fingal County Councils already underway

Completing the National Revaluation Programme



How we Value Property for Rating Purposes



What is “Revision”?

- Changes to a Valuation List between Revaluations
 - Additions e.g. New Builds and Extensions
 - Amalgamations & Subdivisions
 - Properties becoming Exempt from Rates
 - Strikeout of Properties no longer Rateable

Revision: Key Principles

- “Material Change of Circumstances” required
- Strict legal definition + Part 6 of Valuation Acts
- Revision = applying “Tone of the List” values
- Clearance of cases underway
- Timelines

Global Valuations

- 11 “Public Utility Undertakings” – Revaluation of Infrastructure Networks only
- Revalued every 5 years
- Same basis of Valuation as other rateable properties
- Similar Appeal mechanism

Appeal Mechanisms

- “Representations” to Valuation Office by Ratepayer
 - 40 days from Proposed Valuation certificate
 - Informal process with no fee
 - Happens before valuation is finalised
- Valuation Tribunal
 - 28 days
 - Statutory Fee
 - Formal and quasi-judicial process
- Three outcomes:
 - No change
 - Valuation decreased
 - Valuation increased
- Appeal to Higher Courts on Point of Law

What Properties are Rateable?



- A question of law
- All properties are rateable unless specifically exempted
- Section 15, Schedule 3 & Schedule 4 of Valuation Acts 2001-2015
- Extensive case law from Valuation Tribunal & Higher Courts on what properties are and are not rateable

Questions

