

REAL ESTATE

COVID-19 Practical Considerations: Government Announces Commercial Rates Measures to Assist Businesses

8 May 2020

Following a special Cabinet meeting on Saturday 2 May 2020, the Government announced a suite of measures to further support small, medium and larger businesses negatively impacted by COVID-19. The measures include:

- a restart grant for micro and small businesses based on a commercial rates waiver/rebate from 2019, capped at the lower of €10,000 or businesses' 2019 rates bill; and
- a three month commercial rates waiver (effective 27 March 2020) for businesses forced to close due to public health requirements.

The Government has committed to local authorities to make up the rates shortfall, so that local authorities can continue to provide full services to the public.

Restart Grant

The restart grant will provide €250 million to assist ratepayers in reconnecting with the market, their employees and their customers and will be targeted at micro and small enterprises that have suffered

large falls in revenue as a result of the crisis. Details of the scheme will be further developed in the coming weeks by the Department of Housing, Planning and Local Government together with the Department of Business Enterprise and Innovation and the Department of Public Expenditure and Reform.

Waiver

The waiver follows the Government's decision in March to defer rates payments for a three month period for the hospitality, retail, leisure and childcare sectors. Rates will be waived for all businesses that have been forced to close due to public health requirements, so sectors outside of those initially identified as being most under threat will benefit from the waiver.

Postponement of Rates Revaluations

The second revaluation of rateable properties in the Dún Laoghaire-Rathdown County Council area, which was due to be completed by September 2020, has been deferred until September 2021.

The new valuations will become effective for rates purposes from 2022 onwards in line with the timeline for the finalisation of new valuations in the local authority areas of Clare, Donegal, Galway, Kerry and Mayo County Councils and Galway City Council.

The Valuation Office is unable to complete the Dún Laoghaire-Rathdown valuations due to the COVID-19 restrictions on the operation of many businesses, physical inaccessibility to properties and social distancing.

Implementation

It is not clear at this stage how the restart grant and rates waiver will be implemented and whether the measures can be implemented under existing rates legislation or whether new legislation will be required. The Valuation Office has indicated that an amendment to the Valuation Act 2001 will be required to increase the period of time during which the second revaluation of Dún Laoghaire-Rathdown will be completed. A new Government will have to be in place before any new or amending legislation can be passed.

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