



**Catherine O'Flaherty,
Secretary,
Law Society Conveyancing Committee,
Blackhall Place
Dublin 7
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25 June 2021

**Non Principal Private Residence Charge (NPPR) – Phased Expiry of NPPR
Charges, Late Payment Fees and Charge on a Property**

Dear Catherine,

I am writing on behalf of the Minister of State at the Department of Housing, Local Government and Heritage with regard to the Local Government (Charges) Act 2009, as amended, and the phased expiry of NPPR Charges, Late Payment Fees and Charge on a Property.

Background

The Local Government (Charges) Act 2009 is the legislative basis of the NPPR charge. The NPPR charge, which has since been discontinued, applied in the years 2009 to 2013 to any residential property in which the owner did not reside as their normal place of residence. The self-assessed charge was set at €200 per annum.

As set out in the Local Government (Charges) Act 2009, as amended, liability to pay the charge is determined on the basis of ownership of the property in question on a single day each year. This date, which is called the "liability date", is 31st July for 2009 and is 31st March for the years 2010-2013. The charge must have been paid within three months of the liability date (31st October in 2009 and 30th June for 2010, and subsequent years) in order to avoid late payment fees.

Section 6 of the 2009 Act, as amended, provides that the owner of a liable property who failed to pay the charge, in addition to his or her being liable to pay the charge, was liable to pay to the relevant local authority a €20 late payment fee in respect of each month or part of a month in which the charge, any late payment fee, or any part of such charge or fee, remained unpaid.

Due to the introduction of the Local Property Tax, 2013 was the last year of operation of the NPPR charge. However, outstanding NPPR liabilities and payments remain payable to the local authority in whose area the property concerned is located. In 2014 property owners were given opportunity to bring their NPPR charge affairs up to date in the period from 2 March 2014 to the end of August 2014, during which time no new late



payment penalties were applied to existing liabilities. If payment was not made in full, or, if settlement terms were not agreed by the end of that period, an additional late payment fee of €120 per liability date was applied on 1 September 2014. In addition, the entire NPPR liability was increased by a factor of 50% and frozen.

Liability dates and associated fees which include late payment penalties (where full payment and late payment fees are outstanding):

Year Of Charge	Amount Due
2009	€2070
2010	€1830
2011	€1470
2012	€1110
2013	€750
Total	€7230

NPPR as a “charge on property”

Section 7(1) of the Local Government (Charges) Act 2009, as amended states as follows:-

7.— (1) Any charge or late payment fee due and unpaid by an owner of residential property shall, subject to subsection (2), be and remain a charge on the property to which it relates.

The purpose of the charge on property is to ensure collection of the outstanding liability during the sale of the property. The existence of the legal fetter, called a “charge on a property” prevents sale of a property without payment of the fees and penalties.

If a liable property is sold, the existence of a “charge on the property” means the vendor is liable to pay all outstanding fees, penalties and interest due before completion of the sale. Therefore, despite the abolition of the NPPR charge in 2013, to date, vendors and their solicitors still have to deal with these charges. Under the legislation, a vendor is obliged to give to the purchaser either a certificate of discharge (to prove payment of NPPR liabilities) or a certificate of exemption (to prove no liability was declared) in respect of the NPPR charge.

Expiry of NPPR liability and charge on property after 12 years

Section 7(2) of the Local Government (Charges) Act 2009, as amended states as follows:-

7(2) The said property shall not, as against a bona fide purchaser for full consideration in money or money’s worth or a mortgagee, remain charged with or liable to the payment of such unpaid charge or late payment fee after the expiration of 12 years from the date upon which the amount concerned fell due.



Accordingly, NPPR charges and late payment fees and the charge on a property expires for **all property owners** after 12 years from the date of liability. This means that for NPPR liabilities incurred from 2009 to 2013 and remaining unpaid, the portion of the liability and charge on a property which relates to 2009 will expire in 2021 and so on until the liability and charge on a property relating to the final year of NPPR in 2013, expires after 31 March 2025. This expiry dovetails with the repeal of the whole Act, also on 31 March 2025.

Timeframe for expiry of NPPR liability and charge on property

The NPPR charge and late payment fee relating to 2009 and the associated charge on a property is due to expire later this year after 31 July 2021.

Each charge which became a charge on property is applied for its own 12 year period, measurable from the liability date. The liability and charge on property in respect of the 2009 NPPR charge, therefore, expires after 31 July 2021, and that in respect of the 2010 NPPR charge expires after 31 March 2022 and so on until the 2013 NPPR charge expires after 31 March 2025.

From 1 August 2021, the amount of NPPR fees and penalties a vendor is required to pay in order to sell a property which was an NPPR, reduces every year until the liability and charge on the property expires completely on 1 April 2025.

Certificates of discharge or exemption

The gradual expiry of liabilities and the charge on a property means that by 1 April 2025 a vendor of a property which was an NPPR will no longer have to provide a certificate of discharge or exemption in order to sell their property.

During the period from 1 August 2021 until 31 March 2025, a vendor of a property which was an NPPR is only required to provide a certificate of discharge or exemption for the years for which the liability and charge on a property has not yet expired and for the amount remaining liable on that date, as outlined in the table above.

Sections 8 and 8A of the Local Government (Charges) Act 2009 as amended, relating to the provision of certificates of exemption and certificates of discharge by local authorities, remain on the statute book. However, reasonable grounds for seeking such certificates, for years in which the NPPR liability and charge on a property has expired, would appear to be improbable (though not impossible), because a vendor of a property which was an NPPR will not be required to provide a purchaser with certificates of exemption or discharge for such years. The purpose of a certificate of exemption is to show no charge is payable for specific years. The purpose of a certificate of discharge is to show liability has been discharged and that no late payment fee is due or owing for specific years. From the point of view of a vendor or purchaser of a property which was an NPPR, a certificate of discharge or a certificate of exemption discharges the property concerned from liability for any charge or late payment fee due. For years in which liability has expired, it is difficult to foresee reasonable grounds for seeking or providing certificates of exemption or discharge.



As with all provisions of the Local Government (Charges) Act 2009 currently in force, sections 8 and 8A relating to the provision of certificates of exemption and certificates of discharge by local authorities will be repealed on 31 March 2025.

Payments for 2009 NPPR after 31 July

Local authorities have been advised that payments in relation to 2009 NPPR liability cannot be accepted after 31 July 2021, and that payments relating to 2009 NPPR liability received from 1 August 2021 must be refunded.

Notice on Websites

A notice about the expiry of the 2009 NPPR charge will be placed on the DHLGH website from 1 July 2021. A similar notice will be placed on the NPPR website. Local authorities are requested to place a similar notice on the parts of their websites that relate to the NPPR charge from that date also.

I would be grateful if you would circulate the enclosed information to relevant members of the Law Society. If you have any further queries, please feel free to contact me at Sinead.ogorman@housing.gov.ie or 053 9117432.

Yours sincerely,

Sinéad O'Gorman
Assistant Principal Officer