



ISLE OF MAN
TREASURY
Yn Tash tey



Isle of Man
Government

Reiltys Ellan Vannin

Public Consultation Response Document

**Rating and Valuation (Amendment) Bill:
Proposed amendments to the Rating and Valuation Act 1953**



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Minister's Foreword

HON CHRIS THOMAS

Minister for the Treasury

In September 2025, the Treasury conducted an 8-week public consultation on addressing issues associated with empty/problem properties, designed to enhance fairness, flexibility and clarity within the existing rating system.

The changes proposed aimed to make targeted improvements to the way rates are applied in relation to four specific areas: dangerous or ruinous buildings, rebate schemes, quarries and property owned by charitable organisations.

A relatively high volume of 341 respondents completed the consultation, and the Treasury is extremely grateful to all those who took the time to share their views and comments which we have reviewed, analysed and summarised within this document.

The majority of respondents agreed that the legislative amendments proposed achieved the policy proposals. However, proposal 3 relating to quarries received far from universal support and so the Treasury does not propose progressing this proposal at this time.

Following the 2021, General Election the newly formed Council of Ministers agreed on key priorities to be set out in "Our Island Plan". Wholesale reform of the current Rates system and consideration of Local authority structures was not determined as a key priority within this plan and is therefore not being pursued at present.

We must also remember that the current Isle of Man rates system dates back decades and rates reform and modernisation has repeatedly come up for debate since the original Ratings and Valuations Act 1953, which remains the primary legislation in force. The existing legislation has been amended many times over the years, and any significant changes should be introduced by way of a new Rating and Valuation Bill, which would be a significant piece of work that would take a number of years to progress.

The proposals recently consulted on by Treasury have therefore been intentionally limited in scope seeking views of our community on amendments that will help improve a number of anomalies and ambiguities that exist, and it is believed can be implemented quickly to benefit all our communities.

Yours faithfully,

Chris Thomas MHK

Minister for the Treasury



Executive Summary

BACKGROUND

[The Rating and Valuation Act 1953](#) sets out a system of property taxation on the Isle of Man commonly referred to as "rates." These rates are levied on properties to fund essential community services, including:

- Local services provided by local authorities
- Burial grounds maintained by churchwardens
- Water and sewerage services managed by the Manx Utilities Authority

Braddan Parish Commissioners, Douglas City Council and Onchan District Commissioners are responsible for collecting their own rates. The Isle of Man Treasury collects all other rates on behalf of the relevant authorities.

For further information on property rates and valuations, please visit:

➤ www.gov.im/rates-valuation

PURPOSE OF CONSULTATION

The purpose of the amendments proposed was to make discrete revisions to the Rating and Valuation Act 1953 related to the payment of rates concerning four distinct aspects:

Dangerous or
ruinous buildings

Rebate schemes

Quarries

Property owned
by charitable
organisations

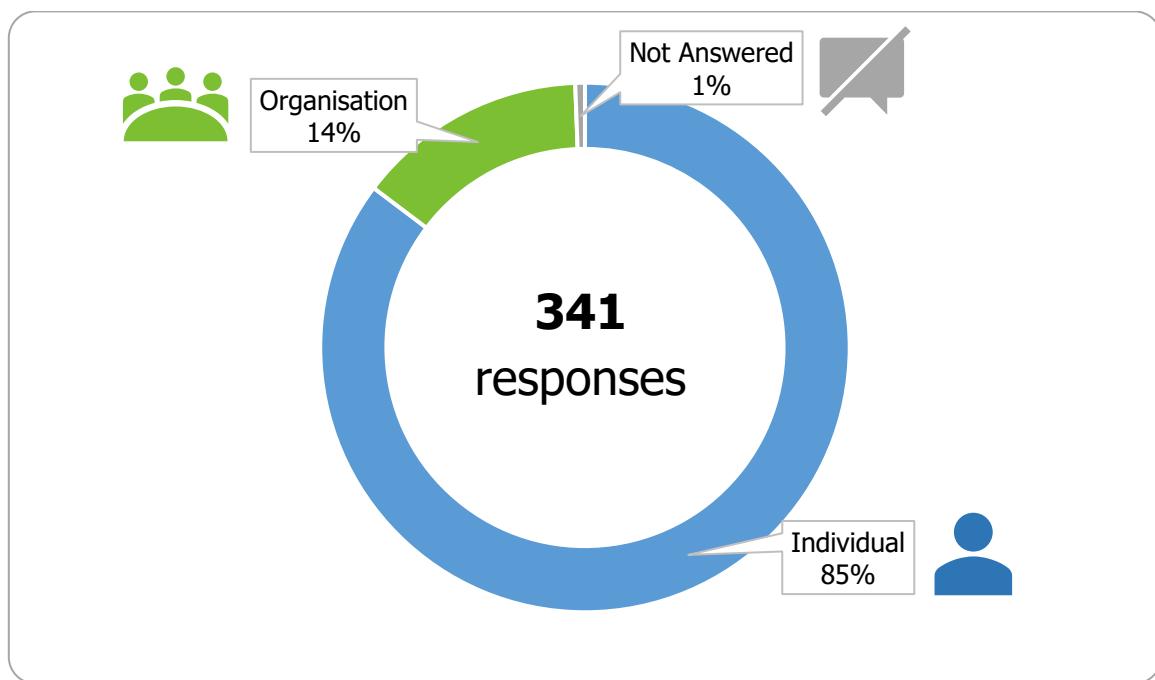
The consultation was not seeking views on wholesale reform of the current rates system or consideration of local authority structures; and this was not considered a key priority as set out in 'Our Island Plan' for this current Administration.

The Public Consultation Document can be found on the Government Consultation Hub here: <https://consult.gov.im/treasury/rating-and-valuation-amendment-bill/>

CONSULTATION RESPONSES¹

The consultation on the proposed amendments ran for eight weeks from 5 September 2025 to 31 October 2025.

In addition to the publication of the consultation documentation on Government's Consultation Hub and the associated media release, a number of key stakeholders were contacted directly for their views, including: Local Authorities, Quarry Operators and Isle of Man Registered Charities.



A total of 326 responses to the consultation were received via the Consultation Hub and a further 15 responses were received in written form.

This is a pleasing response rate, and it was reassuring to see that a broad spectrum of stakeholders and interested parties had submitted their views.

There were three re-submissions due to amended information which was added into the Impact Assessments in the Consultation Document at Appendix A and B (on 10/10/25). The respondents did not change their responses to the questions on the proposals but provided further comments, which have all been included as part of the consultation response analysis. It should be noted that it was subsequently discovered that for quarries, the updated impact assessment information presented concerning three of the stated Gross Value amounts were incorrect.

This error meant that the estimated impact amount stated of applying a cap based on the 5 year-average on gross value was incorrect for Arbory and German local authorities.

¹ Given the volume of responses received an AI tool was used to help with the initial collation and analysis of results

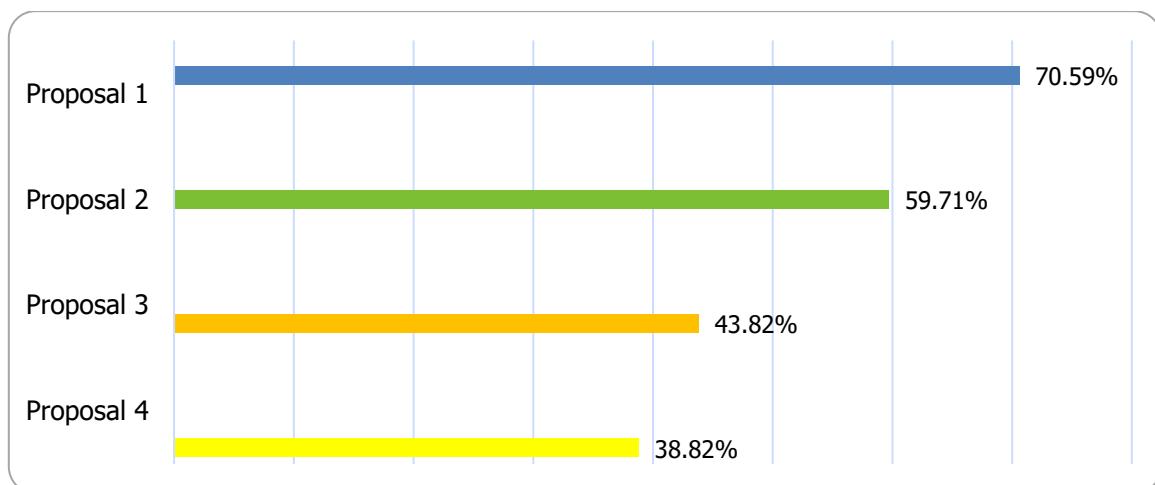
POTENTIAL IMPACTS & NEXT STEPS

Impact assessments are presented and have been updated where required for proposals 1, 3 and 4 within this document. In addition, issues requiring further consideration/clarification are also noted in response to various comments received and Treasury's suggested next steps are presented.

Summary of Responses

There was a high level of engagement from consultees to the consultation, with many providing additional comments to explain their support, concerns or suggestions to each of the proposed amendments.

A snapshot of the levels of support to each of the consultation proposals is shown in the table below.



Whilst the positive nature of the response patterns is reassuring, the assessment of comments received in respect of the various policy proposals has been extensive and prompted the need for further policy considerations and clarifications in some areas.

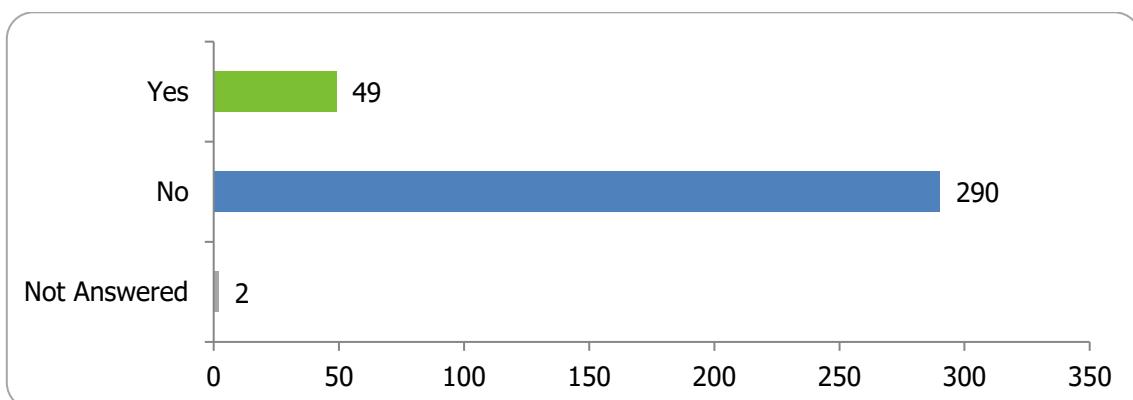
The feedback in respect of each of the proposed amendments is discussed in detail in the following sections of this response document.

Questions 1 & 2

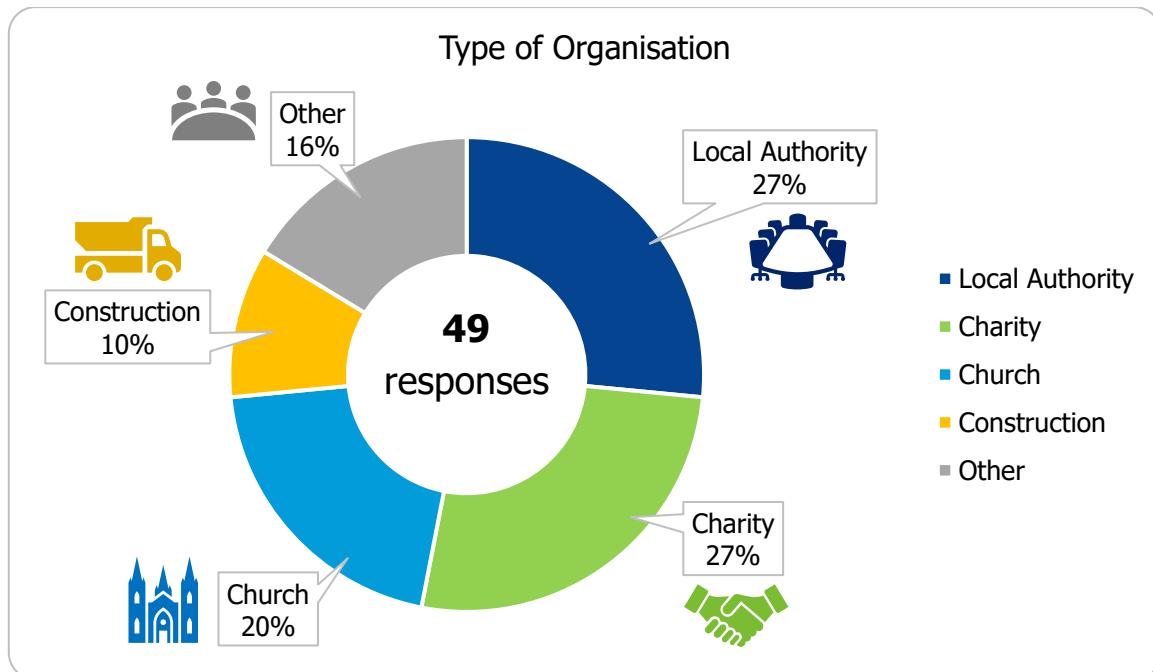
Questions 1 and 2 were information gathering questions only. The tables below detail the breakdown of answers received.

QUESTION 1: ARE YOU RESPONDING ON BEHALF OF AN ORGANISATION?

There were 339 responses to this part of the question.



For those that confirmed the organisation they were responding on behalf of, there was a good range of respondents from key stakeholders².



² Almost 62% of the Charity responses were on behalf of the Manx Wildlife Trust.

Proposal 1: Removal of rates of exemptions for dangerous or ruinous buildings

Policy Proposal:

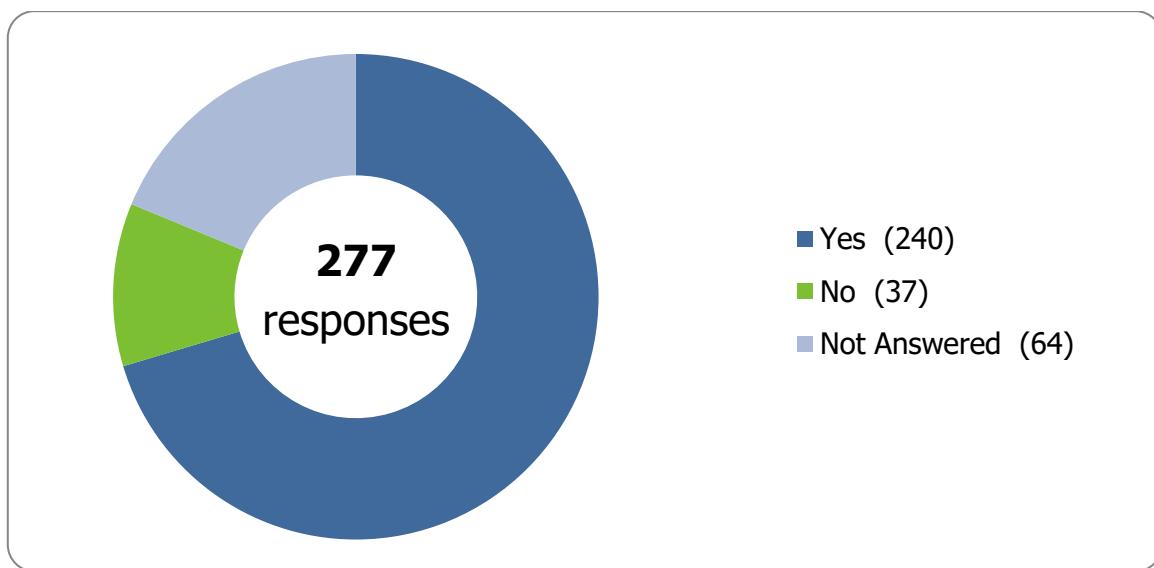
The proposal aims to allow the removal of rates exemptions for dangerous or ruinous buildings to discourage long-term empty/problem properties by amending section 75A of the Rating and Valuation Act 1953.

Assumptions:

The proposal assumes a lead-in period will be provided to give Ratepayers time to respond before rates are applied to currently exempt properties. These responses may include selling, renovating or seeking planning permission. Properties will be rated based on their last known gross value, and liability will begin from the legislation's implementation date.

SUMMARY OF RESPONSES

Respondents were asked if the proposed amendment achieves the policy proposal (question 3). Responses were as follows:



A significant number of respondents provided comments to substantiate their views in respect of the proposal. Of the 277 responses to question three, 104 comments were provided.

A number of respondents expressed support in their comments for the proposed amendment, agreeing that it achieves the policy proposal. These respondents believe that the changes will serve as a catalyst for property owners to address dilapidated buildings, encouraging renovation and improvement of the housing supply. This positive outlook is rooted in the expectation that the amendment will create incentives for owners to take action, ultimately benefiting the wider community.

Respondents offered a range of suggestions regarding the lead-in period before rates are applied to currently exempt properties. Views varied from advocating for no lead-in period, arguing that delays perpetuate undesirable conditions in the housing stock, to recommending a sufficient lead-in period to allow ratepayers time to respond appropriately. The latter group emphasised the need for fairness and practical flexibility, recognising that property owners may need time to sell, renovate, or seek planning permission.

Concerns were raised about the potential impact of the proposals on culturally significant buildings, such as Tholtans. These comments reflect a desire to ensure that heritage assets are protected and that any policy changes do not inadvertently threaten the preservation of important cultural landmarks.

Similarly, there were concerns for the environment such as the safeguarding of the Island's greenspaces and biosphere and reference was also made to brownfield sites.

QUESTION 4: DO YOU FORESEE ANY UNINTENDED CONSEQUENCES RELATED TO THE PROPOSED AMENDMENT?

There were 147 responses to this question. A large proportion of respondents thought that there were no unintended consequences, and the remaining responses have been categorised into two overarching themes: *Implementation and Enforcement*, and *Property Market and Ownership Dynamics* and are explored further below.

Implementation and Enforcement

Multiple respondents highlighted concerns that property owners may exploit planning permission processes to avoid paying rates, such as applying for permission with no genuine intent to renovate or complete works.

There were some concerns about the practicalities of collecting rates from offshore owners or those unwilling to pay, as well as the risk of increased arrears and time-consuming enforcement processes.

Some respondents noted risk of possible loopholes, such as owners listing properties for sale at unrealistically high prices to maintain exemptions or transferring ownership to holding companies to manipulate valuations.

The need for adequate planning resources and timely processing of applications was emphasised, with delays in planning and legal procedures seen as a barrier to effective enforcement and property improvement.

Some respondents raised the importance of clear, practical rules and guidance, as well as discretion for exceptional cases, to ensure fair and reasonable treatment of property owners.



Property Market and Ownership

Some respondents believe the amendment will have positive effects, encouraging owners to restore or sell neglected properties, thereby improving the appearance of the Island and leading to more properties being offered for sale, increasing housing supply on the market.

Some comments highlight that individuals with limited financial means may be discouraged from purchasing dilapidated buildings, as they might not be able to afford gradual renovations over time. There is concern that the amendment may force the sale of buildings that have been inherited due to financial implications of paying rates whilst trying to improve the property.

The exemption from rates is seen as an incentive for owners to improve properties, but its removal, some believe, could force sales or government intervention. Several comments suggest that the government may need to step in, possibly through compulsory purchase, especially if owners cannot afford increased rates or refuse to sell.

Others stress the importance of reasonable notice for owners to take action, and the need for government involvement only when properties become dangerous.

Several respondents think that the proposed amendment may incentivise property owners to demolish buildings rather than renovate. There is concern that more demolitions will result in a rise in brownfield sites, potentially creating further challenges for land management and development.

Respondents express concern that the proposed amendment could lead to the demolition of historically significant structures, such as "Tholtans", semi-redundant farm buildings, diminishing the Island's unique character and heritage.

QUESTION 5: DO YOU HAVE ANY OTHER SUGGESTIONS OR ALTERNATIVE PROPOSALS TO ACHIEVE THE POLICY PROPOSAL?

There were 125 responses to this part of the question. Over a fifth of responses were 'no' and there were several 'no comment' responses. A couple of responses simply relayed to keep things as they are. The remaining responses have been broken into two distinct areas *Vacancy, Ownership and Accountability* and *Rates and Regulatory Framework* with further emerging themes and are explored below.

VACANCY, OWNERSHIP AND ACCOUNTABILITY

Respondents highlight the negative impact of long-term empty and dilapidated properties on neighbours and communities, including property damage and unsightly conditions.



Compulsory Purchase

Several respondents believe current measures are insufficient and advocate for stronger action, such as compulsory purchase of derelict or uninhabitable properties if owners fail to remediate or sell them within a set timeframe.

Heritage Buildings

A few respondents raised concerns for heritage buildings and derelict agricultural buildings which are redundant and incapable of non-agricultural use such as Tholtans and agricultural ruins and calls for them to be exempt and excluded from the proposed amendment.

Rates and Regulatory Framework

Many respondents provided suggestions about increasing rates, progressive charges, grants, and financial support for renovation. There were a few comments on exemptions and financial relief for vulnerable owners. Proposals for compulsory purchase of derelict properties and government involvement and assistance/schemes also featured in a few responses.

Time Limits and Notice Periods

Some respondents suggest imposing clear time limits for planning applications and renovations with enforceable deadlines, and liability to pay rates to resume immediately if deadlines are missed.

Some responses advocate for no lead in time or a short transition period with no allowance for property sale or seeking planning consent as a means to make a property habitable. Conversely, others suggest time limits of anywhere from 6 months, a year, up to a maximum exemption period such as five years to encourage genuine redevelopment and prevent property hoarding.

There is concern about properties and sites left undeveloped for extended periods, especially in key areas of Douglas. Suggestions include stricter oversight of stalled development sites to ensure buildings aren't left empty for more than a set number of months or years.

No Relief or Exemptions for Dilapidated Properties

There is a clear preference for removing zero rate relief and exemptions, arguing that owners should always pay rates on unoccupied properties to encourage reoccupation, renovation, or sale. There is support for imposing additional rates on abandoned or ruinous buildings due to their potential negative impact on neighbouring properties and the additional costs they may impose on local authorities.

Increasing Rates to Incentivise Action

Several responses suggested to increase rates on empty or neglected properties, imposing severe penalties for non-payment of rates. Other suggestions included applying double or even triple rates for properties left empty for extended periods (e.g. more than two years)



or escalating rates over time, with increases every six months or annually, to incentivise owners to restore, rent, or sell their properties.

Government Assistance and Schemes

Several responses advocate for schemes that reduce planning requirements and costs for renovating central properties to make these projects feasible, with a suggestion that grants are repaid on a tapering basis if properties are sold within a set period (e.g. 15 years). Others suggest a refund scheme of fees or some kind of incentive to support property owners refurbishing old buildings rather than building more new ones.

There is a strong preference for supporting property owners rather than penalising them, especially those with limited resources. Suggestions include government-backed loans or grants to help owners renovate dilapidated buildings, and refund schemes for those who make significant improvements within a specified timeframe (e.g. 12 months).

Examples were provided from other jurisdictions, such as Northampton, UK, highlighting the benefits of local authorities taking control of disused properties, refurbishing them, and renting them out until costs are recovered. Owners are then given the option to resume control. Similar schemes could be developed for the Isle of Man, including compulsory purchase and renovation of unoccupied buildings, with a focus on converting them into affordable housing.

IMPACT ASSESSMENT: RATES EXEMPTIONS REMOVALS (UNDER SECTION 75A) TO DISCOURAGE EMPTY/PROBLEM PROPERTIES INCLUDED ON THE £0 RATED LIST

The table below presents all-Island £0 rated properties (domestic and commercial - that would be affected following removal of rates exemptions for section 75A – dangerous and ruinous buildings) and associated potential local authority income calculation for 2025/26 if the current exemption(s) did not exist.

Area	No. of £0 Properties combined	Total Rateable Value (£) of £0 Local Authority Properties	Calculation of Potential Local Authority Income 2025/26
Andreas	6	294	£413.07
Arbory	7	636	£1,163.88
Ballaugh	0	0	0
Braddan	7	805	£2,873.85
Bride	1	36	£22.97
German	11	958	£929.26
Jurby	5	490	£825.65
Lezayre	9	979	£1,055.36
Lonan	6	747	£1,530.68
Malew	8	787	£1,566.13
Marown	8	1033	£2,468.87
Maughold	7	860	£1,708.91
Patrick	12	648	£1,607.04
Rushen	11	907	£1,659.81
Santon	3	156	£291.72
Castletown	10	1012	£4,027.76
Douglas	119	21290	£128,165.80
Peel	19	1434	£3,900.48
Ramsey	67	9501	£47,866.04
Laxey	19	1839	£3,768.29
Michael	4	602	£969.22
Onchan	23	3164	£13,636.84
Port Erin	9	1281	£4,931.85
Port St Mary	14	2144	£8,983.36
Total	385		£234,366.84

NOTES:

- These figures are based on the Isle of Man Rating and Valuation Act 1953
- The amounts shown relate specifically to local authority/commissioners' income only
- The figures exclude any payments listed separately on the rates invoice, including:
 - Swimming Pool Rate
 - Burial Ground Rate
 - Refuse Rate
 - Fixed Refuse Rate
 - Sewerage Rate
- Date of calculation: [11/12/25] showing 2025/26 to date Gross Values /Rateable Value; subject to change on supplementary lists or due to other circumstances during the remainder of the rating year
- Due to the nature of the rating system, these figures may not be fully accurate. They may include:
 - Early payment discounts
 - Other applicable discounts
 - Exemptions
 - Changes could be made with any current appeal cases, submitted to the Isle of Man Rent and Rates Commissioners – pending decision.

ISSUES REQUIRING FURTHER CONSIDERATION/CLARIFICATION

Based on comments received, Treasury notes the following:

- Amendments to Section 75A: will not provide a rating payment system for brownfield sites that do not have any buildings on the site. The following Douglas sites are listed for the purposes of illustration:
 - Former Bus Station site, Lord Street, Douglas
 - Former Prison Site, Victoria Road, Douglas
 - Cunningham Holiday Park, Victoria Road, Douglas
 - Parade Street, Douglas
- The rating of empty properties: This is already legislated for and already takes place; rather proposal 1 is concerned with the removal of rates exemptions for dangerous or ruinous buildings (section 75A).
- The rating of Tholtans³: Many of these buildings are currently excluded because they do not attract a possible market rent due to their poor condition and lack of basic amenities. In most cases, the properties do not provide a habitable space and are affected by significant issues such as damp and rain penetration. Until substantial works are undertaken to upgrade and make these properties fit for occupation, they remain unsuitable for inclusion. Some of these buildings have been included into

³ The Manx word for describing the ruins of an old home. (iMuseum)

existing premises and have been upgraded to include extra accommodation, these have been included in the Gross Value of subject properties.

- Government Finance Assistant Schemes: The Department for Enterprise offer various schemes available in relation to making property improvements such as support for private sector developments. Including the Island Infrastructure Scheme - which aims to provide financial assistance to property developers who plan to develop on designated brownfield sites as well as the Town and Village Regeneration Scheme – to provide financial assistance to improve the appearance of premises and areas, create civic amenity projects, reduce the number of unoccupied premises and increase footfall within the Island's city, towns and villages.
- Water and Sewerage Rates: Manx Utilities would apply its charges if a property continues to have access to a water supply (Water Rates) and/or a connection to a public sewer (Sewerage Rates) based on the requirements of the Water Act 1991 and Sewerage Act 1999.
- There are a number of specific exemptions from the payment of rates in the current Act for certain properties and these are deemed out of scope for the purposes of this consultation and proposed amendment(s), these include:
 - a) **Buildings to be pulled down** are to have no rateable value in a supplemental list
 - b) **New buildings** are to be included in a local authority's supplemental return only if they are likely to be occupied in the next 12 months
 - c) Treasury may if it thinks it is desirable – but is not required to – **direct any unfinished buildings or extensions be valued at their full value** when finished in all cases
 - d) **Unfinished (new) unoccupied buildings or extensions on a supplemental list** are not liable for rates until they are first occupied
 - e) **Finished (new) buildings which remain unoccupied** are liable for rates 6 months after the building authority notifies Treasury it is fit for occupation. This rule overrides exemption d) (section 75 of Rating and Valuation Act 1953)
 - f) **Maximum prescribed deductions** to be made from gross value in determining rateable value of a property make no specific provision in relation to empty or dilapidated properties

Other, more specific rates reliefs apply to certain types of properties:

- a) Special treatment for rates of **land or property containing plant or machinery**
- b) **Agricultural land and buildings** totally exempt from rates
- c) **Public railways** – rateable @ 1/4 of their net annual value only unless on a public road, etc.
- d) **Churches or chapels** being used for public worship, etc. not liable to rates
- e) **Buildings occupied and used for charitable purposes** not liable to rates (see also proposal 4)



TREASURY RESPONSE & NEXT STEPS:

There was strong agreement that the legislative amendments proposed achieved the associated policy proposal.

Treasury will further consider any issues raised as appropriate before proceeding to prepare draft legislation incorporating this amendment and producing guidance as required.

Proposal 2: Removing the requirement that rebate schemes be funded by Treasury in all cases

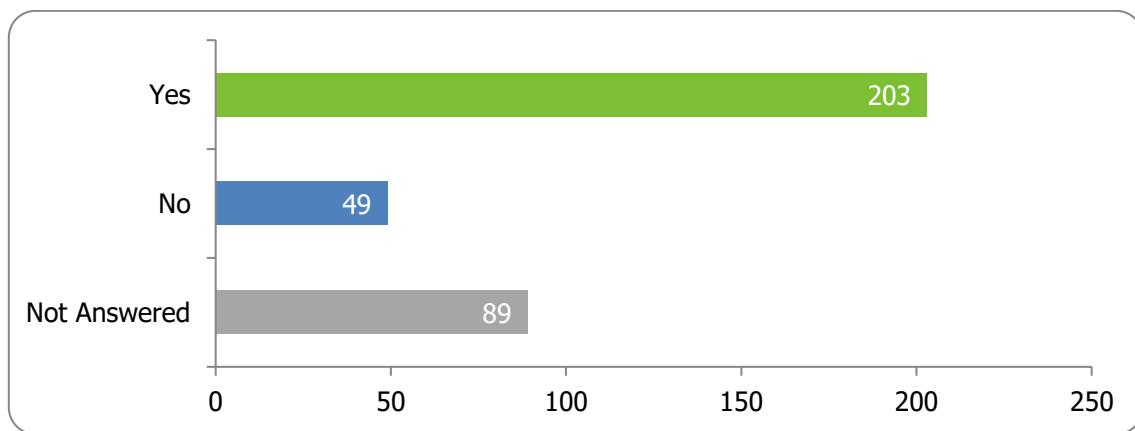
Policy proposal:

The proposal aims to give more flexibility in funding local rebate schemes by amending Section 63A of the Rating and Valuation Act 1953. Currently, all such schemes must be funded by the Treasury.

SUMMARY OF RESPONSES

Respondents were asked if the proposed amendment achieves the policy proposal (question 6).

There were 252 responses to this part of the question. Responses were as follows:



Of the 252 responses received, 77 included additional comments⁴ in the comments box, some of which are explored further below.

A number of respondents voiced support for the proposal on the grounds that it provides flexibility and support for disaster relief, such as floods and an incentive for development of ruinous buildings and brownfield regeneration.

Conversely, a few respondents were not supportive of the proposal and some went on further to say they thought it would be too complicated or that Treasury would not reimburse local authorities.

⁴ The majority of comments noted here were not relevant/out of scope for the purposes of this consultation/proposed amendment(s).



Respondents expressed concern that without strong compliance, a minority may exploit schemes intended to help, highlighting the need for any new wording or policy to be particularly robust.

Some respondents felt that the Treasury should have the responsibility to authorise rebates and fund them, with some raising that it is dependent on the financial circumstances of the local authorities and that it may place too much financial burden on them.

On the other hand, some responses highlight the potential benefits of allowing local authorities more flexibility to apply rebate or refund schemes, particularly as incentives for redeveloping dilapidated or brownfield sites. However, it is noted that such schemes have been rare in practice.

There were some responses that were outside the scope of the proposal and related to wider rates reform and local authority reform, which this amending Bill does not address.

QUESTION 7: DO YOU FORESEE ANY UNINTENDED CONSEQUENCES RELATED TO THE PROPOSED AMENDMENT?

There were 99 responses to this part of the question. Nearly a third of respondents did not think there were any unintended consequences related to the proposed amendment.

Those that did reveal apprehension about the financial impact on local authorities if they are required to fund rebates or schemes themselves. There is a strong worry that this could lead to disparities between areas, with some Authorities struggling to afford rebates, resulting in increased financial burdens falling on ratepayers. On a similar note, the lack of certainty around funding, especially in cases where Treasury support is not guaranteed for major projects raises concerns about sustainability and the potential for substantial rate increases.

The responses reflect a range of concerns and perspectives regarding the introduction and management of rebate schemes. Many consultees express apprehension about the potential for abuse and misuse, highlighting the risk that some individuals may exploit rebates, leading to increased costs for taxpayers and the need for additional government staffing for administration. There is also a strong emphasis on the importance of clear guidelines and parameters to ensure consistency and fairness across different local authorities, with worries that inconsistencies could create confusion and competition between areas.

Overall, the feedback underscores the need for robust compliance measures, transparent processes, and careful consideration of the financial and administrative impacts on both local authorities and taxpayers.

QUESTION 8: DO YOU HAVE ANY OTHER SUGGESTIONS OR ALTERNATIVE PROPOSALS TO ACHIEVE THE POLICY PROPOSAL?

There were 72 responses to this part of the question. Over a third of respondents had no further suggestions or alternative proposals. A handful of respondents expressed to keep things as they are.

Some respondents highlighted concerns about the responsibilities of Local Authorities and the need for adequate safeguards to ensure Local Authorities are part of the decision-making process where the rate income is affected by a rebate. A handful of respondents raised the importance of consultations ahead of construction schemes being implemented.

A large number of responses were outside the scope of the policy proposal which is to remove the requirement that all local rebate schemes be funded by the Treasury.

IMPACT ASSESSMENT

A financial impact assessment has not been included in this document and is not required at this stage, as there are no financial implications related to the proposal at this time; instead, each scheme will be considered individually and subject to approval by Tynwald.

ISSUES REQUIRING FURTHER CONSIDERATION/CLARIFICATION

Based on comments received, Treasury notes the following:

- Whilst this proposal, by design, would not allow for any discretion with regards to the treatment of dangerous or ruinous properties (as per S75A), Treasury may wish to ensure that the legislation allows both Treasury and / or Local Authorities some discretion with regards to such properties.
- Further clarity and or guidance is required to further explain if Treasury can impose a rebate through a Tynwald approved regulation and decide the cost should be met either in full or in part by the local authority (with or without the local authority's agreement).
- It would be helpful to provide further information regarding scenarios/circumstances where a rebate scheme could be administered.

TREASURY RESPONSE & NEXT STEPS

There was strong agreement that the legislative amendments proposed achieved the associated policy proposal.

Treasury will further consider any issues raised as appropriate before proceeding to prepare draft legislation incorporating this amendment and producing guidance as required.

Proposal 3: Introducing a discount and potentially a cap on the rateable value of quarries

Policy proposal:

The proposal seeks to introduce a discount and potentially a cap on the rateable value of quarries by amending Schedule 4 of the Rating and Valuation Act 1953 and inserting a new section 13A in the Act.

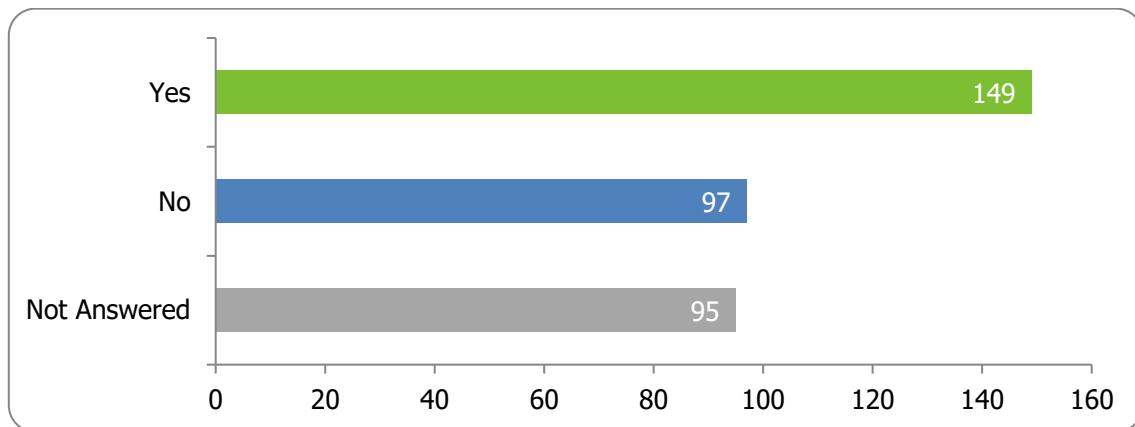
Proposed Interim Measures

- Introduce a discount for quarries, aligned with commercial or industrial premises.
- Consider a cap on total rates payable to reduce year-on-year fluctuations and provide certainty for businesses and local authorities.
- The cap would be based on the previous 5-year average, reviewed every 5 years or as needed.

SUMMARY OF RESPONSES

Respondents were asked if the proposed amendment achieves the policy proposal (question 9).

There were 246 responses to this part of the question. Responses were as follows:



Policy proposal 3 did not receive majority support in the same way as the other proposals, as the combined total of 'no' and non-responses outnumbered the 'yes' responses.

Of the 246 responses received, 103 included additional comments in the comments box, which are explored further below.

There was a reasonable level of support for the proposals as an interim measure noting improved stability for future budget planning for both industry and government, helping to maintain a steady flow of revenue and investment within the sector.



There were calls for full reform and a review of the whole rating system.

A relatively high number of responses strongly oppose introducing a cap or discount on the rateable value of quarries. Many comments highlight concerns that reduced rates for quarries could decrease local authority income, potentially leading to either reduced services or higher rates for residents.

Respondents emphasised that quarries, as commercial businesses, should pay rates in the same way as everyone else. There is a widespread view that it is unfair for quarries to receive special treatment, especially when residents and small businesses do not receive similar support if their circumstances change.

The negative externalities of quarry operations, such as noise, dust, heavy traffic, and environmental degradation were raised, arguing that these impacts justify maintaining or even increasing the rates paid by quarries, rather than reducing them.

Responses from some stakeholders in the construction and quarry industries expressed that the introduction of appropriate and proportionate discounts would be a welcome interim measure, noting that other sectors currently benefit from discounts such as domestic and commercial properties (20%), certain commercial (33%) and certain industrial properties (50%).

QUESTION 10: DO YOU FORESEE ANY UNINTENDED CONSEQUENCES RELATED TO THE PROPOSED AMENDMENT?

There were 110 responses to this part of the question.

Over a fifth of responses were 'no' and there were several 'no comment' responses. The remaining responses have been categorised into three overarching themes: *Impact on Local Authority Revenue and Domestic Rates*, *Environmental Impact* and *Administrative Complexity and Implementation* and are explored further below.

Impact on Local Authority Revenue and Domestic Rates

There is worry that the proposal could place local authorities under financial strain, as any reduction in income from quarries may have to be compensated by raising rates for domestic ratepayers.

Additionally, while the proposal introduces a cap to protect quarries from rapidly rising rates, it does not include any measures to protect other ratepayers from the risk of their own rates increasing as a result of reduced contributions from quarries – a risk that has been specifically referenced in the potential impacts.



Administrative Complexity and Implementation

Some respondents are wary of introducing a system that could become overly complex, difficult to administer, and open to manipulation. There is a clear preference for simplicity, transparency, and regular review to ensure the system remains fair and effective. Many express concern that, without careful design and clear guidance, the proposed changes could create more problems than they solve, both for administrators and for the quarrying industry.

Environmental Impact

Significant ongoing disturbances caused by quarry operations were highlighted, such as noise, dust, and heavy vehicle traffic. Several comments argued that quarries should be held more accountable for their environmental impact, suggesting that they should pay premium rates rather than receive discounts.

It was also noted that farms bordering quarries, or those affected by buffer zones and mineral safeguarding designations, could face additional negative impacts (such as noise, dust, water and soil quality) due to the proximity of these disruptive sites.

QUESTION 11: DO YOU HAVE ANY OTHER SUGGESTIONS OR ALTERNATIVE PROPOSALS TO ACHIEVE THE POLICY PROPOSAL?

There were 90 responses to this part of the question. A quarter of respondents had no suggestions or alternative proposals. A number of respondents commented to keep things as they are. A smaller number of responses called for a wider rating system review.

The responses reflect concerns about the environmental consequences of the proposed amendment, particularly regarding the introduction of a cap or discount on the rateable value of quarries.

IMPACT ASSESSMENT: QUARRIES

The table below presents the following information in relation to the Island's active eight quarries (as situated in four local authorities: Arbory, Bride, German and Malew):

- The average gross value of quarry rates over a 5-year period should a cap be applied to the quarry rates as collected by each of the four local authorities
- The impact of potential income loss for local authorities in terms of applying a discount rate of 20%, 33% and 50% to the Island's quarry gross value based on 2025/26 local authority rates (which differ across the four local authorities below)

QUARRY 5 Year Data (INCOME)						2021-26 Cap of 5 Year Average based on Gross Value	Discount Based on 2025/26, Total Local Authority Revenue		
Year	21/22	22/23	23/24	24/25	25/26		Impact of Cap on Gross Value	Impact of 20% discount	Impact of 33% discount
Cringle Quarry, Ballasalla, Arbory.									
Gross Value	£40,021.00	£38,667.00	£40,405.00	£45,758.00	£28,639.00	£38,698.00			
Arbory Commissioner payment	£58,430.66	£60,707.19	£69,496.60	£84,194.72	£55,273.27				
Earystane Quarry, Glen Road, Colby, Arbory.									
Gross Value	£7,775.00	£5,072.00	£4,260.00	£2,625.00	£844.00	£4,115.20			
Arbory Commissioner payment	£11,351.50	£7,963.04	£7,327.20	£4,830.00	£1,628.92				
Arbory Gross Value Total	£47,796.00	£43,739.00	£44,665.00	£48,383.00	£29,483.00	£42,813.20			
Total Arbory Commissioner Revenue	£69,782.16	£68,670.23	£76,823.80	£89,024.72	£56,902.19	£72,240.62			
Point of Ayre Site, Cranstal Road, Bride.									
Gross Value	£178,382.00	£162,081.00	£158,943.00	£149,156.00	£188,900.00	£167,492.40			
Bride Commissioner payment	£117,732.12	£110,215.09	£112,849.53	£113,358.56	£143,564.00				
Bride Gross Value Total	£178,382.00	£162,081.00	£158,943.00	£149,156.00	£188,900.00	£167,492.40			
Total Bride Commissioner Revenue	£117,732.12	£110,215.09	£112,849.53	£113,358.56	£143,564.00	£119,543.86			
Poortown Quarry, Poortown, German.									
Gross Value	£56,206.00	£61,744.00	£53,334.00	£68,266.00	£42,456.00	£56,401.20			
German Commissioner payment	£58,173.21	£63,905.04	£55,734.03	£72,020.63	£45,640.20				

Year	21/22	22/23	23/24	24/25	25/26	Impact of Cap on Gross Value	Impact of 20% discount	Impact of 33% discount	Impact of 50% discount
Ballaharra Quarry, Peel Road, St John's, German									
Gross Value	£14,793.00	£16,024.00	£14,378.00	£14,103.00	£13,456.00	£14,550.80			
German Commissioner payment	£15,310.76	£16,584.84	£15,025.01	£14,878.67	£14,465.20		£2,893.04	£4,773.52	£7,232.60
Gross Value Total	£70,999.00	£77,768.00	£67,712.00	£82,369.00	£55,912.00	£70,952.00			
Total German Commissioner Revenue	£73,483.97	£80,489.88	£70,759.04	£86,899.30	£60,105.40	£74,347.52	£12,021.08	£19,834.78	£30,052.70
Billown Quarry, Malew									
Gross Value	£35,620.00	£30,949.00	£38,927.00	£43,791.00	£55,953.00	£41,048.00			
Malew Commissioner payment	£73,021.00	£63,445.45	£80,189.62	£90,647.37	£115,822.71		£23,164.54	£38,221.49	£57,911.36
Stoney Mountain Quarry, East Foxdale, Malew.									
Gross Value	£18,943.00	£17,665.00	£17,760.00	£18,720.00	£19,780.00	£18,573.60			
Malew Commissioner payment	£38,833.15	£36,213.25	£36,585.60	£38,750.40	£40,944.60		£8,188.92	£13,511.72	£20,472.30
Poillvaish Quarry, Malew.									
Gross Value	£2,791.00	£3,183.00	£3,000.00	£3,000.00	£6,892.00	£3,773.20			
Malew Commissioner payment	£-	£-	£-	£-	£14,266.44		£2,853.29	£4,707.93	£7,133.22
<i>(Site closed due to Health and Safety)</i>									
Gross Value Total	£57,354.00	£51,797.00	£59,687.00	£65,511.00	£82,625.00	£63,394.80			
Total Malew Commissioner Revenue	£111,854.15	£99,658.70	£116,775.22	£129,397.77	£171,033.75	£125,743.92	£34,206.75	£56,441.14	£85,516.88

Potential risks associated with the application of a cap and/or discount include:

1. The operator could stop operation at the quarry for the next 5 years. Then the Gross Value will be at a low rate for the next 5 years. During this time the quarry could come to an end of life and then the operator closes the quarry after taking a large amount of minerals out of the quarry, therefore not having to pay for the extra minerals. As soon as the operator stops work, the Gross Value will be £0. (Risk of cap if applied).
2. The Local Authorities set the rate on Gross Value. As we have seen with Braddan Commissioners in year 2024/25 their rate on the pound increased by 36.6%. This will not give the operator consistent rates over the said term, as the rate is set by the local authority. (Risk of cap if applied).
3. The Local Authorities receive income from the Gross Value of the quarries in their income. Other ratepayers would therefore have to pick up this loss of income. (Risk of cap and discount if applied).

NOTES:

- The gross value of quarries is the same as rateable value as currently no discounts apply.
- The payment to local authorities includes the burial ground rate and for Bride, also the swimming pool charge.
- How local authorities treat loss of income in relation to quarry rates is not known; local authorities rates can change each year and cannot be predicted.
- Date of calculation: [17/10/25] showing 2025/26 to date Gross Values /Rateable Value; subject to change on supplementary lists or due to other circumstances during the remainder of the rating year.

ISSUES REQUIRING FURTHER CONSIDERATION/CLARIFICATION

Based on comments received, Treasury notes the following:

- Better understanding is required around how the suggested amendment (s) may affect variability in prices and availability of materials – in relation to the broader construction industry and the Island's economy.
- Better understanding is required around how the suggested amendment (s) may affect quarry prices, profits and sustainability.
- A fuller assessment is required on how best to calculate the average gross value of a quarry; and over what period to help reduce possible fluctuations.
- There is a mis-understanding that quarry rates are used to fund the maintenance of the Island's Highways (this is undertaken by central Government through the Department of Infrastructure).

TREASURY RESPONSE & NEXT STEPS

For this proposal, 149 respondents agreed that the legislative amendments proposed achieved the associated policy proposals. However, a combined number of 192 responded 'no' or did 'not answer' the question – and this amount is higher than those that provided a positive response. It should be noted that this may reflect the uneven geographic distribution of quarries in the Island and any proposed changes to their rateable value would only impact certain areas. Nevertheless, this proposal received far from universal support.

There are multi-faceted complexities associated with the rating of quarries and a fuller understanding of potential impacts, implementation and stakeholder interests and concerns related to this proposed amendment(s) is required. Moving forward, this maybe something that is further considered if/when a review of the rating system itself is undertaken.

Therefore, the Treasury does not propose progressing this proposal at this time.

Proposal 4: Policy on charging rates on property owned by charities

Policy proposal:

The proposal aims to clarify whether charitable organisations should be exempt from paying rates under section 74 of the Rating and Valuation Act 1953.

The amendment seeks to modernise and clarify the application of this section to ensure consistency and transparency in how charitable property is treated for rating purposes.

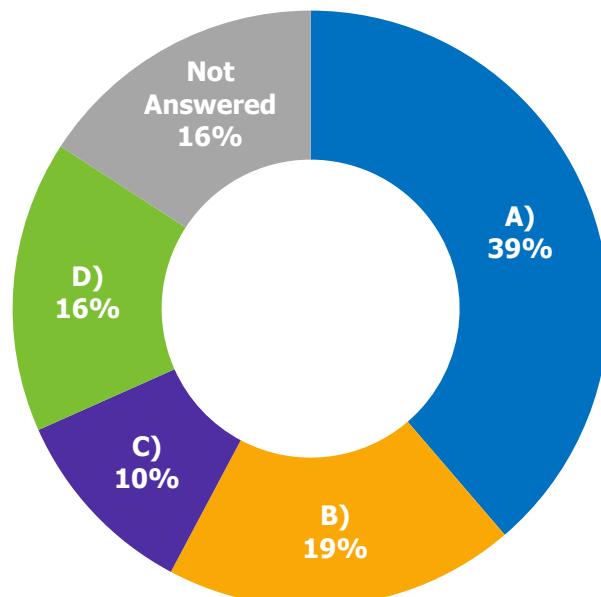
SUMMARY OF RESPONSES

Respondents were asked to select which policy option they preferred and why from the following options (question 12):

- a) Exempt charities from paying rates on property that they hold
- b) Exempt charities from paying rates on property that they hold to operate from as a charity but charges on 'profit' making elements of their property portfolio
- c) Implement a 50% exemption for charities (other than those already specified in section 74 of the Rating and Valuation Act)
- d) Let Local Authorities choose between a) and b) on an individual basis

There were 163 responses to this part of the question. Responses were as follows:

- A) Exempt charities from paying rates on property that they hold
- B) Exempt charities from paying rates on property that they hold to operate from as a charity but charges on 'profit' making elements of their portfolio
- C) Implement a 50% exemption for charities
- D) Let Local Authorities choose between a) and b) on an individual basis



QUESTION 13: DO YOU FORESEE ANY UNINTENDED CONSEQUENCES RELATED TO THE PREFERRED OPTION SELECTED?

There were 103 responses to this part of the question. A third of consultees responded that they did not foresee any unintended consequences to the preferred option selected.

Responses highlighted that charging charities rates could reduce their ability to carry out charitable work, potentially forcing closures and reducing support for vulnerable people.

Blanket exemptions may benefit large, well-funded charities, while charging all could penalise genuine community organisations.

There is concern that charities may close shops or physical bases, which could alienate those they aim to help and diminish community facilities.

The loss of historic buildings (churches, chapels) converted to private use is seen as a potential negative consequence for the Island's architectural heritage.

Some believe charities should pay their fair share, while others argue that demands for rates could make many charitable activities impossible, shifting the burden to government.

Potential operational difficulties were noted and some believe that the proposed options are unclear and would be very difficult to implement. There is concern about inconsistency across local authorities and the complexity of splitting operations and profits fairly, especially in buildings where both occur.

It is also mentioned that allowing local authorities discretion in granting exemptions could result in inconsistent decisions and perceptions of unfairness, with some charities deemed more "worthy" than others.

It was also noted that charity shops may find it harder to operate under the new options, and that charities' accounts would need to be very specific.

Grey areas were pointed out, especially with charities that might also be registered as companies and foresee an increased workload for local authorities in determining which parts of organisations are profit-making. The possibility of challenges was raised and the need for an appeals procedure.

There were comments centred around uncertainty about what qualifies as a charity, and the risk that a broad interpretation could be exploited. Some responses noted that businesses might seek charity status to gain exemptions.

Respondents stress the importance of clear criteria and guidance to prevent abuse and ensure fairness in the application of exemptions.

QUESTION 14: DO YOU HAVE ANY OTHER SUGGESTIONS OR ALTERNATIVE PROPOSALS TO ACHIEVE THE POLICY PROPOSAL?

There were 70 responses to this part of the question. Over a third of the consultees had no other suggestions or alternative proposals.

Remove or Narrow Charity Exemptions

Several respondents advocate for removing rates exemptions from all charities, arguing that all property users benefit from local services and should contribute accordingly. Some suggest that only a narrow set of charitable uses such as hospices, animal charities, community-use buildings or places of worship used exclusively for religious purposes—should remain exempt.

Respondents highlight the need for a clearer, narrower definition of “charitable purposes” to prevent abuse. There is concern that broad definitions could allow organisations to exploit exemptions by registering as charities without delivering genuine community benefit.

Some responses stress the importance of distinguishing between properties used for genuine community purposes (e.g., village halls, sports clubs) and those used for administration or income generation. There is a call to ensure that exemptions support community benefit rather than providing unfair advantages.

Many respondents are concerned about potential abuse and unfairness if exemptions are too broad or poorly defined. Some express support for maintaining some level of relief for charities, but with stricter criteria and oversight.

Transparency, Monitoring, and Reporting

Several responses suggest introducing a test of charitable use, so that only land and buildings directly advancing charitable purposes are exempt. There is a call for annual reporting of exempt properties to ensure transparency and accountability.

It is suggested that a common rule should be established and applied consistently across all local authorities to avoid discrepancies in how the policy is implemented.

On the other hand, it is recommended that exemptions or policies should fit within the broader strategy of the local authority, particularly supporting areas such as sports, youth, and community initiatives.

Some respondents propose that only Isle of Man-based charities should benefit from exemptions.

The need for clearer guidance on when charitable exemptions should apply is emphasised. Respondents note differences between not-for-profit organisations and charitable organisations and suggest that regulations or amended legislation should define these distinctions.

IMPACT ASSESSMENT: PROPERTY OWNED BY CHARITABLE ORGANISATIONS

Calculation of potential local authority income 2025/26 from exempted charities⁵.

Area	No. of Exempted Charities	Total Rateable Value (£) of Exempted Charities Properties	Calculation of Potential Local Authority Income 2025/26 from Exempted Charities
Andreas	0	0	0
Arbory	1	292	£534.36
Ballaugh	2	307	£412.92
Braddan	26	9844	£35,143.08
Bride	2	16	£10.21
German	3	628	£609.16
Jurby	1	640	£1,078.40
Lezayre	13	1373	£1,480.09
Lonan	0	0	0
Malew	10	3045	£6,059.55
Marown	14	2011	£4,806.29
Maughold	1	264	£524.59
Patrick	8	718	£1,780.64
Rushen	11	458	£838.14
Santon	0	0	0
Castletown	13	2865	£11,402.70
Douglas	68	15786	£95,031.72
Peel	16	4948	£13,458.56
Ramsey	40	7550	£38,036.90
Laxey	7	708	£1,450.76
Michael	1	48	£77.28
Onchan	12	2432	£10,481.92
Port Erin	12	1627	£6,263.95
Port St Mary	2	520	£2,178.80
Total	263		£231,660.02

⁵ Only Charities that have filled in an 'exemption form' (from around 2015) are treated as exempted where they are not already covered under Section 74



NOTES:

- The figures exclude any payments listed separately on the rates invoice, including:
 - Swimming Pool Rate
 - Burial Ground Rate
 - Refuse Rate
 - Fixed Refuse Rate
 - Sewerage Rate
- This table does not include other charity properties as covered under S74 exemption such as churches, chapels etc.
- Braddan, Onchan, Douglas (who collect their own rates) may charge rates for charities – and Treasury do not hold this information
- Date of calculation: [11/12/25] showing 2025/26 to date Gross Values /Rateable Value; subject to change on supplementary lists or due to other circumstances during the remainder of the rating year
- This list was compiled after the 3rd Supplemental List of 2025 (list published on 01/12/25)

ISSUES REQUIRING FURTHER CONSIDERATION/CLARIFICATION

Based on comments received, Treasury notes the following:

- Appropriate guidance around any amendments/clarifications/policies should be considered
- Treasury may wish to consider test sampling on exemptions for property owned by charitable organisations to increase compliance procedures

TREASURY RESPONSE & NEXT STEPS

There was strong support for proposed option *a: exempt charities from paying rates on property that they hold.*

Treasury will further consider any issues raised as appropriate before proceeding to prepare draft legislation and/or Government policy incorporating this amendment and producing guidance as required.

Appendix A⁶: Proposed amendment (s) wording and extracts of original wording within the Rating and Valuation Act 1953 related to the three proposed amendments

Proposal 1: Proposed amendment (s):

75A Rating of buildings ceasing to be capable of occupation

(1) A rateable building which has ceased to be capable of occupation continues to be a rateable hereditament for the purposes of any enactment relating to rating.

(2) A building referred to in subsection (1) is rateable by reference to its most recent total gross value.

(3) The Treasury may by order amend subsection (1).

Tynwald procedure - approval

Original wording

Section 75A Rating of dangerous or ruinous buildings

(1) A building which has been rateable but which has ceased to be capable of occupation must notwithstanding any rule of practice to the contrary continue to be treated as a rateable hereditament for the purposes of any enactment relating to rating where any of the circumstances mentioned in subsection (2) apply.

(2) The circumstances are that —

- (a) An order under section 22 of the Building Control Act 1991 has been made in relation to the building or any part of it; or
- (b) A notice requiring the carrying out of work under section 24(1)(a) or (b)(i) of the Building Control Act 1991 has been served in relation to the building.

(3) Where following an appeal an order or notice mentioned in subsection (2) is set aside, the court setting the order or notice aside may give directions about liability to rates under this section.

(4) The Treasury may by order amend subsection (2).

(5) An order under subsection (4) may not come into operation unless it is approved by Tynwald.

⁶ The proposed amended wording has been updated from the Public Consultation Document; it includes proposed wording for proposal 4. All the proposed amended wording stated in Apdx A is subject to change at the draft bill stage.

Proposal 2: Proposed amendment (s):

63A Rate rebates

(1) The Treasury may make regulations enabling a local authority to make a scheme (a "rebate scheme") providing for the grant of rebates in respect of rates levied by the authority.

(1A) A rebate may consist of the total amount of the rate that would otherwise be levied.

(1B) A scheme may specify when, and if, the Treasury is required to pay the authority an amount in respect of a grant of a rebate but, if it does not, subsection (3) applies.

(1C) The amount referred to in subsection (1A) may be equivalent to, or less than, the amount of the rebate in question.

(2) The Regulations shall not have effect unless they are approved by Tynwald.

(3) The Treasury shall pay to each local authority out of money provided by Tynwald, at such times and in such manner as the Treasury may determine, the amount by which rates levied by and paid to the authority are reduced by the grant of rebates under a rebate scheme.

Original wording

Section 63A Rate rebates

(1) The Treasury may make regulations enabling a local authority to make a scheme (a "rebate scheme") providing for the grant of rebates in respect of rates levied by the authority.

(2) The Regulations shall not have effect unless they are approved by Tynwald.

(3) The Treasury shall pay to each local authority out of money provided by Tynwald, at such times and in such manner as the Treasury may determine, the amount by which rates levied by and paid to the authority are reduced by the grant of rebates under a rebate scheme.

Proposal 4: Proposed amendment (s)⁷:

Section 74 Churches, chapels or property owned by Registered Charities not to be liable to rates

This section applies to the following-

- (a) a church, chapel, meeting-house or similar premises exclusively dedicated to public religious worship;
- (b) a building or premises referred to in paragraph (a) and used for a Sunday School or for charitable purposes;
- (c) a building or premises used and occupied (whether exclusively or mainly) for charitable purposes;
- (d) a building or premises owned by a charity registered in accordance with Part 3 of the Charities Registration and Regulation Act 2019⁸ and used exclusively or mainly for charitable purposes.

References to a building or premises include a part of such a building or premises.

No person shall be rated, or shall be liable to be rated, or to pay any rates, for and in respect any building or premises to which this section applies.

Original wording

Section 74 Churches or chapels not to be liable to rates

No person shall be rated, or shall be liable to be rated, or to pay any rates, for and in respect of any church, chapel, meeting-house or premises, or such part thereof as shall be exclusively appropriated to public religious worship, or for or in respect of any building solely or principally occupied and used for charitable purposes: Provided always, that no person shall be hereby exempted from any such rates for and in respect of any parts of such church, chapel, meeting-house, or other premises which are not so exclusively appropriated, and from which parts not so exclusively appropriated, such person shall receive any rent, or shall derive profit or advantage: Provided always, that no person shall be liable to any such rates because the church, chapel, meeting-house or other premises, or any vestry rooms belonging thereto, or any part thereof, may be used for a Sunday School or for the charitable education of the poor.

⁷ The proposed amended wording for Proposal 4 has been included post-public consultation related to the preferred option a: *exempt charities from paying rates on property that they hold*. This wording is subject to change at the draft bill stage as per other proposed amended wording included in this Appendix.

⁸ This is an Isle of Man Act (AT 7 of 2019).