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**AN BILLE UM LÁITHREÁIN THRÉIGTHE (LEASÚ), 2021  
DERELICT SITES (AMENDMENT) BILL 2021**

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**EXPLANATORY MEMORANDUM**

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**Purpose of Bill**

The Derelict Sites Act 1990 enables a local authority, where in its opinion it is necessary to do so in order to prevent land from becoming or continuing to be a derelict site, to serve a notice in writing on the owner or occupier of the land.

Under section 11 of the Act, where the person on whom the notice has been served does not comply with it within a specified period, the local authority may take such steps (including entry on land by authorised persons) as it considers reasonable and necessary to give effect to the terms of the notice. The authority may also recover any expenses incurred from the person on whom the notice was served as a simple contract debt in a court of competent jurisdiction.

However, if the derelict site belongs to an insolvent company and a liquidator is appointed who sells the land, then the proceeds of the sale must be distributed according to the rules relating to priority of debts. Secured creditors come first and unsecured creditors are at the end of the queue. At the end of the process there may be nothing left to pay unsecured creditors including the local authority.

This Bill proposes a short amendment to the Act, so as to convert the expenses incurred by the local authority into a charge on the land, making the authority a secured creditor for the purposes of a subsequent liquidation.

**Provisions of Bill**

*Section 1* of the Bill amends section 11 of the Derelict Sites Act 1990 by inserting a new subsection (5A). The new subsection provides that expenses incurred by a local authority in giving effect to the terms of a notice served under the section shall become, and shall remain until payment, a charge on the land concerned.

*Section 1(2)* provides that the amendment effected by *subsection (1)* applies to expenses incurred by a local authority in giving effect to the terms of a notice served under section 11 of the Derelict Sites Act 1990 after the passing of this Act.

*Section 2* provides for the short title and collective citation and construction of the Bill when passed.

*Seán Sherlock, TD,*

*Feabhra, 2021.*

Wt. —. 145. 1/21. Essentra. (86252). Gr. 30-15.