

RATES (AMENDMENT) (NORTHERN IRELAND) ORDER 2006

S.I. 2006 2954

EXPLANATORY MEMORANDUM

COMMENTARY ON ARTICLES

Part II – General

Article 3: Regional rate and district rate

14. This Article takes account of the introduction of capital values and provides for a rate to be made and levied on the rateable value of every hereditament in the NAV and capital value lists, for the Department or a district council to disregard any alterations to a valuation list, after a date they set, to enable the rate in the pound to be fixed and, in a revaluation year, for the use of a new valuation list in fixing the rate even though it has not come into operation. It enables different rates to be made and levied on rateable NAVs and rateable capital values.

Article 4: Police purposes part of the regional rate

15. This Article allows for an amount of the regional rate to be specified for police purposes in the annual Rates (Regional Rates) (Northern Ireland) Order. This is subject to the approval of the Assembly and the devolution of policing functions.

Article 5: Rateable values

16. This Article defines the rateable values of a hereditament and provides that the rateable net annual value and rateable capital value of a hereditament will be its NAV and capital value respectively, except where provided to the contrary in Schedule 7 to the Rates (Northern Ireland) Order 1977 (S.I. 1977 No. 2157(N.I. 28)) ('the principal Order').

Article 6: Liability to be rated according to rateable values

17. This Article provides that the occupier of a hereditament shall be chargeable to rates on the basis of its rateable value. It also provides through regulations for rates to be chargeable on the basis of a maximum or minimum capital value threshold rather than a capital value for specified hereditaments.

Article 7: Liability to be rated in respect of hereditaments owned by the Housing Executive etc.

18. This Article provides that persons chargeable to rates on hereditaments in the social sector shall be chargeable on the basis of the proportion of the rent of the hereditament. Regulations, subject to affirmative resolution, will prescribe the organisations whose hereditaments are subject to this provision and such other conditions as necessary.

Article 8: Basis of valuation

19. This Article and Part I of Schedule 12 to the principal Order extend the basis of valuation to include capital value and list the hereditaments to be valued on that basis. They set

*This Explanatory Memorandum refers to the Rates
(Amendment) (Northern Ireland) Order 20062954*

out the general rules for determining capital value, how hereditaments will be valued for the purpose of a revision of the valuation list and the assumptions that will apply in determining whether a property is a comparable hereditament for the purpose of a revision. The relevant valuation date is 1 January 2005 or such other date as the Department may substitute.

20. They also list the assumptions that will be made in estimating the capital value of a hereditament and set out how mixed hereditaments (used for both domestic and non-domestic purposes) will be valued.

Article 9: Right to pay rates by instalments

21. This Article extends the right to pay rates by instalments to all non-domestic property.

Article 10: Agreement for deferred payment of rates on dwellings

22. This Article provides for the introduction of a scheme through regulations that allows the Department to enter into agreements with owner-occupiers of pensionable age (i.e. state pension age) to defer rates on domestic property in their name provided certain conditions are satisfied. This is subject to the approval of the Assembly.