STATUTORY RULES OF NORTHERN IRELAND

2015 No. 32

RATES

The Valuation for Rating (Decapitalisation Rate) Regulations (Northern Ireland) 2015

Made - - - -	*2nd February 2015*
Coming into operation	*24th February 2015*

The Department of Finance and Personnel makes the following Regulations in exercise of the powers conferred by paragraphs 5 and 6 of Part 1 of Schedule 12 to the Rates (Northern Ireland) Order 1977(**1**).

Citation and commencement

1. These Regulations may be cited as the Valuation for Rating (Decapitalisation Rate) Regulations (Northern Ireland) 2015 and shall come into operation on 24th February 2015.

Interpretation

2.—(1) In these Regulations—

"the 1977 Order" means the Rates (Northern Ireland) Order 1977;

"capital value", in relation to a hereditament, means the price which a willing seller would reasonably expect to realise for the fee simple absolute in possession in the hereditament, in its actual state and with vacant possession, at the time by reference to which the estimate of net annual value falls to be made, on the assumption that there was then an adequate supply of similar properties available to meet a reasonable demand;

"church hereditament" means any hereditament which falls within Article 41(2)(b) of the 1977 Order;

"contractor's principle" means the method of ascertaining the net annual value of a hereditament by reference to the actual or notional cost of constructing or providing it or to its capital value;

"decapitalisation rate" means the percentage rate which is applied to the actual or notional cost of construction or provision or to the capital value of any hereditament for the purpose of the contractor's principle;

(**1**) S.I. 1977/2157 (N.I. 28); paragraphs 5 and 6 of Part I of Schedule 12 were inserted by Article 12(a) of the Rates (Amendment) (Northern Ireland) Order 1996 (S.I. 1996/3162 (N.I. 25))

"hereditament" means any hereditament or any part of it.

(2) In these Regulations "educational hereditament" means any hereditament—

(a) which is constructed or adapted for use, and which is wholly or mainly used, for the purposes of—

(i) a school within the meaning of Article 2(2) of the Education and Libraries (Northern Ireland) Order 1986(**2**);

(ii) an institution of further education within the meaning of Article 2(2) of the Further Education (Northern Ireland) Order 1997(**3**); or

(iii) a higher education institution within the meaning of Article 30(3) of the Education and Libraries (Northern Ireland) Order 1993(**4**); or

(b) which consists of premises with respect to which a person is registered under Article 118(1)(b) of the Children (Northern Ireland) Order 1995(**5**) and which are wholly or mainly used for the purpose of providing day care for children who have attained the age of two years.

(3) In these Regulations "healthcare hereditament" means any hereditament constructed or adapted wholly or mainly either—

(a) for the reception and treatment of persons suffering from any illness, injury or infirmity; or

(b) as a maternity home,

and used for such a purpose.

(4) Any reference in these Regulations to a hereditament used for any particular purpose includes a reference to a hereditament which is not for the time being in use but which when last in use was used for that purpose.

Application of Regulations

3. These Regulations apply in relation to the ascertainment of the net annual value of any hereditament for the purpose of any NAV list which comes into force on or after 1st April 2015.

Decapitalisation Rate

4. Where, for the purposes of paragraph 1 of Part 1 of Schedule 12 to the 1977 Order, the net annual value of a hereditament is ascertained by reference to the contractor's principle in circumstance where these Regulations apply, the decapitalisation rate shall be—

(a) 2.67 per cent in the case of a church hereditament, an educational hereditament or a healthcare hereditament; and

(b) 4 per cent in any other case.

Revocation and saving

5.—(1) Subject to paragraph (2), the Valuation for Rating (Decapitalisation Rate) Regulations (Northern Ireland) 2009(**6**) are revoked.

(2) The Valuation for Rating (Decapitalisation Rate) Regulations (Northern Ireland) 2003(**7**) shall continue to have effect in relation to the ascertainment of the net annual value of any hereditament for the purpose of the valuation list which came into force on 1st April 2003.

(**2**) S.I. 1986/594 (N.I. 3)
(**3**) S.I. 1997/1772 (N.I. 15)
(**4**) S.I. 1993/2810 (N.I. 12)
(**5**) S.I. 1995/755 (N.I. 2)
(**6**) S.R. 2009 No. 241
(**7**) S.R. 2003 No. 30