

## **EXPLANATORY MEMORANDUM TO**

### **The New NAV List (Time of Valuation) Order (Northern Ireland) 2013**

SR 2013 No. 45

#### **1. Introduction**

- 1.1. This Explanatory Memorandum has been prepared by the Department of Finance and Personnel to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made under Article 39A(1) of the Rates (Northern Ireland) Order 1977 (S.I. 1977/2157 (N.I. 28)) (“the 1977 Order”) and is subject to the negative resolution procedure.

#### **2. Purpose**

- 2.1. This Order specifies 1 April 2013 as the time by reference to which net annual values (NAVs) are to be ascertained for the new rating valuation list coming into force on 1 April 2015.

#### **3. Background**

- 3.1. The Minister announced on 5 April 2012 that the next revaluation of hereditaments listed in the net annual value (NAV) list (non-domestic properties) is to be effective from 1 April 2015.
- 3.2. Hereditaments listed in the capital value list (domestic properties) are not being revalued.
- 3.3. The occupiers of non-domestic properties pay non-domestic rates and individual rate bills are based on the NAVs of each non-domestic property.
- 3.4. The new NAV list containing these values will be prepared and published by the Commissioner of Valuation for Northern Ireland. For the purposes of a new NAV list, the NAV of a property has to be ascertained by reference to a common date known as the antecedent valuation date (AVD).
- 3.5. Due to the time needed to revalue all the non-domestic property in Northern Ireland the AVD has to be set well in advance of the date on which the new NAV list will come into force. Consequently this Order specifies the AVD as 1 April 2013. It is established practice in Northern Ireland and the rest of the UK to fix the valuation date two years before the date on which a new valuation list came into force. This will provide Land and Property Services with a legislative basis for gathering the necessary information .

#### **4. Consultation**

- 4.1. Consultation is considered unnecessary in respect of this Statutory Rule. As a result of the cancellation of the non-domestic revaluation in 2010 a review of the net annual values of non-domestic properties is overdue and is now required to redistribute the burden of rates among non-domestic properties.

## **5. Equality Impact**

5.1. There are no equality impact implications as the rule is technical.

## **6. Regulatory Impact**

6.1. A regulatory impact assessment has not been prepared for this Order as it does not directly impose any costs on business, charities or voluntary bodies.

## **7. Financial Implications**

7.1. There are no financial implications associated with this particular Statutory Instrument. The cost of Land and Property Services undertaking the associated Revaluation exercise has been approved by the NI Executive.

## **8. Section 24 of the Northern Ireland Act 1998**

8.1. As this Order is technical and is unrelated to Community law, there are no section 24 implications.

## **9. EU Implications**

9.1. There are no EU implications associated with this Order.

## **10. Parity or Replicatory Measure**

10.1. The proposed non-domestic revaluation should have coincided with similar exercises in the rest of the UK. However England and Scotland have announced the postponement of their 2015 revaluation until 2017.

## **11. Additional Information**

11.1. Not applicable.