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WELSH STATUTORY INSTRUMENTS

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**2004 No. 1000 (W.106)**

**RATING AND VALUATION, WALES**

**The Non-Domestic Rating (Miscellaneous Provisions) (Amendment) (Wales) Regulations 2004**

*Made - - - - 30th March 2004*

*Coming into force - - 1st April 2004*

The National Assembly for Wales makes the following Regulations in exercise of the powers conferred on the Secretary of State by sections 143(1) and 143(4A) of, and paragraph 2(8) of Schedule 6 to, the Local Government Finance Act 1988(1) now vested in the National Assembly for Wales so far as exercisable in relation to Wales(2).

**Application, name and commencement**

1. These Regulations, which apply to Wales only, are called The Non-Domestic Rating (Miscellaneous Provisions) (Amendment) (Wales) Regulations 2004 and shall come into force on the 1st April 2004.

**Valuation on the contractor's basis**

2.—(1) Regulation 2 of the Non-Domestic Rating (Miscellaneous Provisions) (No. 2) Regulations 1989(3) is amended as follows.

(2) After paragraph (1B) there is inserted—

“(1C) Paragraph (2C) of this regulation applies in relation to a hereditament shown in a non-domestic rating list compiled on or after the 1st of April 2005 the rateable value of which is being ascertained using the contractor's basis of valuation.”

(3) After paragraph (2B) there is inserted—

“(2C) In applying the provisions of the Act referred to in paragraph (2) of this regulation in circumstances where paragraph (1C) of this regulation applies, the appropriate rate shall be assumed to be—

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(1) 1988 c. 41.

(2) The powers of the Secretary of State under sections 143(1) and 143(4A) of, and paragraph 2(8) of Schedule 6 to the Local Government Finance Act 1988 were transferred to the National Assembly for Wales pursuant to article 2(2) of, and Schedule 1 to, the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672).

(3) S.I. 1989/2303.

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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- (a) in the case of a defence hereditament, an educational hereditament or a healthcare hereditament, 3.3%; and
- (b) in any other case, 5.0%”.

Signed on behalf of the National Assembly for Wales under section 66(1) of the Government of Wales Act 1998(4).

30th March 2004

*D. Elis-Thomas*  
The Presiding Officer of the National Assembly

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(4) 1998 c. 38.

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

Paragraph 2 of Schedule 6 to the Local Government Finance Act 1988 (“the 1988 Act”) provides that the rateable value of a non-domestic hereditament shall be ascertained by reference to the rent at which it is estimated the hereditament might reasonably be expected to be let from year to year.

In those cases where there is no more direct evidence of rental value, the rateable value of a non-domestic hereditament is instead ascertained by decapitalising the estimated total capital value of the hereditament (this is known as “the contractor’s basis of valuation”). The decapitalisation rates are prescribed by Regulations made by the Secretary of State under paragraph 2(8) of Schedule 6 to the 1988 Act. The principal Regulations made under this power are the Non-Domestic Rating (Miscellaneous Provisions) (No 2) Regulations 1989 (as amended) (“the 1989 Regulations”), Regulation 2 of which prescribes the current rates.

Insofar as it relates to Wales, the power to make Regulations under paragraph 2(8) of Schedule 6 to the 1988 Act has been transferred to the National Assembly for Wales by virtue of the National Assembly for Wales (Transfer of Functions) Order 1999. In reliance on this power, the National Assembly for Wales is making these Regulations to amend, with effect from the 1st of April 2005, the decapitalisation rates prescribed by Regulation 2 of the 1989 Regulations.