



General Rate Act 1967

1967 CHAPTER 9

PART III

LIABILITY, VALUATION, RELIEFS, ETC.

Valuation of hereditaments—general provisions

19 Ascertainment of rateable value—general rule.

- (1) Subject to the provisions of this Part of this Act and of any scheme for the time being in force such as is mentioned in section 117(7) of this Act, the rateable value of a hereditament shall be taken to be the net annual value of that hereditament ascertained in accordance with subsections (2) to (4) of this section.
- (2) In the case of a hereditament consisting of one or more houses or other non-industrial buildings, with or without any garden, yard, court, forecourt, outhouse or other appurtenance belonging thereto, but without other land, the net annual value of the hereditament shall be ascertained by deducting from its gross value such amount, or an amount calculated in such manner, as may for the time being be specified by the Minister by order in relation to the class of such hereditaments to which the hereditament in question belongs.
- (3) The net annual value of any other hereditament shall be an amount equal to the rent at which it is estimated the hereditament might reasonably be expected to let from year to year if the tenant undertook to pay all usual tenant's rates and taxes and to bear the cost of the repairs and insurance and the other expenses, if any, necessary to maintain the hereditament in a state to command that rent.
- (4) Where, in the case of any hereditament, either its net annual value ascertained in accordance with subsection (2) or (3) of this section or, if different, its rateable value includes a fraction of a pound, that value shall be increased or reduced, as the case may be, to the nearest complete pound, or, if the fraction is ten shillings, the fraction shall be disregarded.

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- (5) No order shall be made under subsection (2) of this section unless a draft of the order has been laid before Parliament and approved by a resolution of each House of Parliament.
- (6) In this section, the following expressions have the following meanings respectively, that is to say—
- " appurtenance ", in relation to a dwelling, or to a school, college or other educational establishment, includes all land occupied therewith and used for the purposes thereof;
 - " gross value ", in relation to a hereditament, means the rent at which the hereditament might reasonably be expected to let from year to year if the tenant undertook to pay all usual tenant's rates and taxes and the landlord undertook to bear the cost of the repairs and insurance and the other expenses, if any, necessary to maintain the hereditament in a state to command that rent;
 - " house " includes part of a house ;
 - " non-industrial building " means a building, or part of a building, of any description other than—
 - (a) factories, mills and other premises of a similar character used wholly or mainly for industrial purposes; or
 - (b) premises forming part, and taken into account in the valuation for rating purposes, of— (i) a railway, dock, canal, gas, water or electricity undertaking; or
 - (i) any public utility undertaking not falling within sub-paragraph (i) of this paragraph.

20 Valuation according to tone of list.

- (1) For the purposes of any alteration of a valuation list to be made under Part V of this Act in respect of a hereditament in pursuance of a proposal, the value or altered value to be ascribed to the hereditament under section 19 of this Act shall not exceed the value which would have been ascribed thereto in that list if the hereditament had been subsisting throughout the year before that in which the valuation list came into force, on the assumptions that at the time by reference to which that value would have been ascertained—
- (a) the hereditament was in the same state as at the time of valuation and any relevant factors (as defined by subsection (2) of this section) were those subsisting at the last-mentioned time ; and
 - (b) the locality in which the hereditament is situated was in the same state, so far as concerns the other premises situated in that locality and the occupation and use of those premises, the transport services and other facilities available in the locality, and other matters affecting the amenities of the locality, as at the time of valuation.
- (2) In this section, the expression " relevant factors " means any of the following, so far as material to the valuation of a hereditament, namely—
- (a) the mode or category of occupation of the hereditament ;
 - (b) the quantity of minerals or other substances in or extracted from the hereditament; or
 - (c) in the case of a public house, the volume of trade or business carried on at the hereditament;

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and in paragraph (c) of this subsection the expression " public house " means a hereditament which consists of or comprises premises licensed for the sale of intoxicating liquor for consumption on the premises where the sale of such liquor is, or is apart from any other trade or business ancillary or incidental to it, the only trade or business carried on at the hereditament.

- (3) References in this section to the time of valuation are references to the time by reference to which the valuation of a hereditament would have fallen to be ascertained if this section had not been enacted.
- (4) This section does not apply to a hereditament which is occupied by a public utility undertaking and of which the value falls to be ascertained on the profits basis.
- (5) This section shall not apply to any proposal remaining to be settled which was served on or made by the valuation officer before 3rd December 1965; and the provisions of Schedule 2 to this Act shall have effect where a proposal in respect of a hereditament was—
 - (a) served on or made by the valuation officer on or after 3rd December 1965; and
 - (b) settled before 13th December 1966.

21 Hereditaments containing plant and machinery.

- (1) For the purpose of the valuation of any hereditament under section 19 of this Act otherwise than on the profits basis—
 - (a) subject to any order under subsection (5) of this section, all such plant or machinery in or on the hereditament as belongs to any of the classes set out in the statement for the time being having effect under subsection (4) of this section shall be deemed to be a part of the hereditament;
 - (b) except as provided in the foregoing paragraph, no account shall be taken of the value of any plant or machinery in or on the hereditament.
- (2) The valuation officer shall, on being so required in writing by the occupier of any hereditament, furnish to him particulars in writing showing what machinery or plant, or whether any particular machinery or plant, has been treated in pursuance of subsection (1) of this section as forming part of the hereditament.
- (3) From time to time, at such intervals as the Minister may direct, a committee consisting of five persons appointed by the Minister shall transmit to the Minister a statement setting out in detail all the machinery and plant which at the date of the preparation of the statement appears to the committee to fall within any of the classes specified in Schedule 3 to this Act.
- (4) The Minister shall cause any statement transmitted to him under subsection (3) of this section to be published in such manner as he thinks fit and, after considering the statement and any representations which may be made to him with respect thereto, may if he thinks fit make an order, to come into operation on such date as may be specified therein, confirming that statement with or without modifications ; and the statement as confirmed by the order shall as from the said date have effect for the purposes of this section in substitution for any statement previously so having effect.
- (5) The Minister may by order provide for excluding from the plant and combinations of plant and machinery which, under the statement for the time being having effect under subsection (4) of this section, are to be treated as comprised in Class 4 in Schedule 3

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to this Act any item or part of an item which satisfies the following conditions, that is to say—

- (a) that it is the practice of the trade for which the item is provided to move the item or part from one hereditament, or situation in a hereditament, to another ; and
- (b) that the weight, greatest dimension, and volume (each being measured as provided by the order) do not exceed such limits as may be prescribed by the order ;

and an order under this subsection may be made either generally or as respects specified descriptions of items or parts of items of plant or of combinations of plant and machinery, and may make different provision under paragraph (b) of this subsection for different cases.

- (6) Any order made under subsection (4) or (5) of this section shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (7) Nothing in subsections (1) to (4) of this section or in section 22 of this Act shall affect the law or practice with respect to the valuation of hereditaments on the profits basis, or be taken to extend the class of property which was under the law and practice as in force immediately before the commencement of this Act deemed to be provided by the occupier and to form part of his capital.

22 Determination of certain questions as to plant and machinery.

- (1) If on or in connection with any proposal or objection made or appeal brought with respect to the valuation list a question is raised whether any particular plant or machinery falls within any of the classes or descriptions specified in the statement for the time being having effect under section 21(4) of this Act, that question may, with the consent in writing of the parties to the proceedings, be referred by the valuation officer or court, as the case may be, to, and determined by, such member of a panel of referees constituted for the purposes of this section as may be agreed on by the parties or, in default of agreement, as may be selected in accordance with the rules hereinafter mentioned.
- (2) The panel referred to in the foregoing subsection shall consist of persons appointed by the Lord Chief Justice of England, who may make rules—
 - (a) fixing the fees to be charged in respect of proceedings before a referee ; and
 - (b) with respect to the procedure on and in connection with references under this section ; and
 - (c) with respect to the selection of a referee in cases where the parties fail to agree as to the member of the panel to be appointed;
 and provision may be made by the rules for applying to references under this section (subject to the express provisions thereof) any of the provisions of the Arbitration Act 1950, but except in so far as it may be so applied that Act shall not apply to such references.
- (3) A referee under this section may, and if so required by any party to the reference shall, before making his award inspect the plant or machinery in respect of which the question arises, and the award of the referee shall be final and conclusive.

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23 Adjustment of gross value by reference to provision of or payment for services, etc.

- (1) The provisions of this section shall have effect for ascertaining for the purposes of section 19 of this Act the gross value of a hereditament in cases where it falls to be ascertained by reference to the rent payable in respect of that or some other hereditament (hereafter in this section referred to as the "standard hereditament") and either or both of the following conditions are fulfilled, that is to say—
 - (a) the rent of the standard hereditament is partly attributable to the provision by the landlord of services in relation to that hereditament (including the repair, maintenance or insurance of premises not forming part of that hereditament); or
 - (b) the tenant, in addition to the rent, contributes towards the cost of any such services.
- (2) Where the rent of the standard hereditament is partly attributable to the provision by the landlord of such services, the sum falling to be deducted from that rent for the said purpose as being the amount attributable to the provision of those services shall not include any amount in respect of—
 - (a) any profit made, or which might be expected to be made, by the landlord in providing those services ;
 - (b) the cost of repairs to, and maintenance and insurance of, premises not forming part of that hereditament.
- (3) Where the tenant of the standard hereditament, in addition to the rent—
 - (a) makes payments to the landlord in consideration of the landlord undertaking to provide any such services in relation to that hereditament; or
 - (b) otherwise contributes (directly or indirectly and whether in pursuance of an undertaking to do so or not) to the cost of repairing, maintaining or insuring other premises not forming part of that hereditament but belonging to or occupied by the landlord, being premises which the landlord has not undertaken to repair, maintain or insure, as the case may be,the rent shall for the purpose of ascertaining gross value be treated as increased by the amount of the payments or other contributions made by the tenant or, where those amounts vary from time to time, by a sum which on a proper estimate equals the average annual amount so paid or contributed.
- (4) Nothing in subsection (3) of this section shall be taken to prejudice any right to make a deduction from the rent of a hereditament, for the purpose of ascertaining gross value, in respect of services provided by the landlord or other matters.
- (5) Any reference in the foregoing provisions of this section to premises includes a reference to any plant or machinery which by virtue of section 21 of this Act is treated as part of those premises for rating purposes or would be so treated if those premises were a rateable hereditament.

24 Buildings occupied in parts.

Where a building which was constructed or has been adapted—

- (a) for the purposes of a single dwelling; or
- (b) as to part thereof for such purposes and as to the remainder thereof for any purpose other than that of a dwelling,

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is occupied in parts, the valuation officer, in preparing a new valuation list or in altering a current valuation list, may, if he thinks fit, having regard to all the circumstances of the case, including the extent, if any, to which the parts separately occupied have been severed by structural alterations, treat the building or any portion thereof as a single hereditament, and a building or portion of a building so treated as a single hereditament shall, for the purposes of rating, be deemed to be a single hereditament in the occupation of the person who receives the rents payable in respect of the parts.

25 Hereditaments which are partly occupied.

- (1) If it appears to the rating authority that part of a hereditament included in the valuation list is unoccupied but will remain so for a short time only, the authority may request the valuation officer to apportion the rateable value of the hereditament between the occupied and unoccupied parts; and if the apportionment made by the valuation officer is agreed by the authority and the occupier, then as from—
 - (a) the date upon which the hereditament became partly occupied; or
 - (b) the commencement of the rate period in which the request was made,whichever is the later, until any of the unoccupied part is reoccupied or a further apportionment of the value of the hereditament takes effect under this subsection, the value apportioned to the occupied part shall be treated for rating purposes as if it were the value ascribed to the hereditament in the valuation list.
- (2) The foregoing subsection shall not apply in relation to any hereditament in the case of which, under section 55 or 56 of this Act, the owner is rated or has undertaken to pay the rates instead of the occupier, but shall apply in relation to a hereditament in the case of which, under the said section 56, the owner has undertaken to collect on behalf of the rating authority the rates due from the occupier.