

HOUSING (WALES) ACT 2014

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 7 Council Tax for Certain Types of Dwellings

Section 139 - Amount of tax payable for certain types of dwelling

247. This amends the Local Government Finance Act 1992 as set out in Schedule 3, Part 4. It inserts new sections 12A and 12B into that Act.
248. New section 12A provides billing authorities in Wales (which are the county and county borough councils) with the discretion to increase the council tax payable on long-term empty dwellings in their areas. The maximum increase is an additional 100 per cent of the standard council tax charge i.e. a 100 per cent council tax premium. There is scope to adopt a stepped approach to the premium with incremental increases applying over time.
249. A “long-term empty dwelling” is defined as one that has been both unoccupied and substantially unfurnished for a continuous period of at least one year. The Welsh Ministers may, by regulations, substitute a different time period of not less than one year, for that period. In determining whether a dwelling is a long-term empty dwelling, no account is to be taken of any period which pre-dates the coming into force of the section. In addition, no account is to be taken of any one or more periods of not more than 6 weeks during which the property is either occupied or substantially furnished (or both occupied and substantially furnished). The Welsh Ministers may, by regulations, substitute a different time period of not less than 6 weeks, for the 6 week period.
250. New section 12B provides billing authorities in Wales with the discretion to increase the council tax payable on dwellings occupied periodically in their areas (these dwellings are often termed “second homes”). The maximum increase is an additional 100 per cent of the standard council tax charge i.e. a 100 per cent council tax premium. A “second home” is defined as a home that is not a person’s sole or main residence and which is substantially furnished. On the first occasion that a billing authority decides to charge a second homes council tax premium, it must make its determination at least one year before the beginning of the financial year in which the premium will be charged.
251. A determination by a billing authority under new section 12A or new section 12B to charge a council tax premium will also disapply the discount available under section 11(2)(a) of the Local Government Finance Act 1992 (a discount on the amount of council tax payable in respect of dwellings in which there are no residents).
252. The Welsh Ministers may make regulations prescribing categories of dwelling in relation to which the council tax premium on empty properties or second homes cannot be charged. They may also, by regulations, vary the maximum council tax premium which can be charged on empty homes or second homes.
253. Billing authorities must have regard to guidance issued by the Welsh Ministers when applying the council tax premium on empty properties or second homes.

*These notes refer to the Housing (Wales) Act 2014 (c.7)
which received Royal Assent on 17 September 2014*

254. The arrangements for making, varying or revoking a determination to charge a premium in respect of long-term empty dwellings are set out in subsections (7) to (9) of new section 12A; and the arrangements for making, varying or revoking a determination to charge a second homes premium are contained in subsections (8) to (10) of new section 12B. In either case, a determination must be made before the start of the financial year in which it will apply. A determination can be varied or revoked, but only before the start of the financial year in which it will apply. Where a determination is made, the billing authority must publish a notice in at least one newspaper circulating in its area. The notice must be published within 21 days of the date of the determination.