
EXPLANATORY NOTE

(This note is not part of the Order)

This is the fifth commencement order made by the Welsh Ministers under the Housing (Wales) Act 2014 (“the Act”).

This Order brings into force section 139 of the Act. Section 139 amends the Local Government Finance Act 1992 (“the 1992 Act”) by inserting new sections 12A and 12B and making other consequential amendments to it.

The new section 12A of the 1992 Act 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 new section 12B of the 1992 Act 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 under section 12A and 12B is an additional 100% of the standard council tax charge.

Section 139 of the Act is brought into force on the day after the day on which this Order is made (subject to article 2(2)). Billing authorities will be able to make a determination to charge a higher amount of council tax under section 12A or 12B of the 1992 Act from that date but only in relation to a financial year that begins on or after 1 April 2017.

The effect of article 2(2) of the Order is that, in determining whether a dwelling is a long-term empty dwelling under section 12A(12) of the 1992 Act, no account is to be taken of any period before 1 April 2016.

A billing authority must make its first determination under section 12B of the 1992 Act at least one year before the financial year to which it relates. Billing authorities will, therefore, be able to determine to apply a higher amount of council tax in relation to second homes under section 12B of the 1992 Act for a financial year beginning on or after 1 April 2017.

This Order also enables the Welsh Ministers to make regulations under section 12A(4) and 12B(5) of the 1992 Act and to issue guidance under sections 12A(3) and 12B(4) of the 1992 Act. It also brings into force Part 4 of Schedule 3 to the Act which makes consequential amendments to the 1992 Act.