

# **Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Bill**

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## EXPLANATORY NOTES

Explanatory notes to the Bill, prepared by the Ministry of Housing, Communities and Local Government, are published separately as Bill 192-EN.

## EUROPEAN CONVENTION ON HUMAN RIGHTS

Secretary Sajid Javid has made the following statement under section 19(1)(a) of the Human Rights Act 1998:

In my view the provisions of the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Bill are compatible with the Convention rights.

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Make provision, where two or more hereditaments occupied or owned by the same person meet certain conditions as to contiguity, for those hereditaments to be treated for the purposes of non-domestic rating as one hereditament; and to increase the percentage by which a billing authority in England may increase the council tax payable in respect of a long-term empty dwelling.

**B**E IT ENACTED by the Queen’s most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

*Non-domestic rating in England*

**1 Hereditaments occupied or owned by the same person**

(1) In Part 3 of the Local Government Finance Act 1988 (non-domestic rating), in section 64 (hereditaments), after subsection (3) insert—

- “(3ZA) *In relation to England, where –* 5
- (a) *two or more hereditaments (whether in the same building or otherwise) are occupied by the same person,*
  - (b) *the hereditaments meet the contiguity condition (see subsection (3ZC)), and*
  - (c) *none of the hereditaments is used for a purpose which is wholly different from the purpose for which any of the other hereditaments is used,* 10
- the hereditaments shall be treated as one hereditament.*
- (3ZB) *In relation to England, where –*
- (a) *two or more hereditaments (whether in the same building or otherwise) are –* 15
    - (i) *owned by the same person, and*
    - (ii) *unoccupied,*
  - (b) *the hereditaments –*
    - (i) *ceased to be occupied on the same day, and* 20
    - (ii) *have each remained unoccupied since that day,*

- (c) *immediately before that day, the hereditaments were, or formed part of, a single hereditament by virtue of subsection (3ZA), and*
- (d) *the hereditaments meet the contiguity condition (see subsection (3ZC)),*
- the hereditaments shall be treated as one hereditament.* 5
- (3ZC) The hereditaments meet the contiguity condition if—
- (a) at least two of the hereditaments are contiguous, and
- (b) where not all of the hereditaments are contiguous with each other—
- (i) one or more of the other hereditaments is contiguous with one or more of the hereditaments falling within paragraph (a), and 10
- (ii) each of the remaining hereditaments (if any) is contiguous with at least one hereditament that falls within sub-paragraph (i) or this sub-paragraph. 15
- (3ZD) For the purposes of subsection (3ZC) two hereditaments are contiguous if—
- (a) some or all of a wall, fence or other means of enclosure of one hereditament forms all or part of a wall, fence or other means of enclosure of the other hereditament, or 20
- (b) the hereditaments are on consecutive storeys of a building and some or all of the floor of one hereditament lies directly above all or part of the ceiling of the other hereditament,
- and hereditaments occupied or owned by the same person are not prevented from being contiguous under paragraph (a) or (b) merely because there is a space between them that is not occupied or owned by that person.” 25
- (2) The amendments made by subsection (1) have effect for financial years beginning on or after 1 April 2010.
- Council tax in England* 30
- 2 Higher amount for long-term empty dwellings**
- (1) In section 11B of LGFA 1992 (higher amount for long-term empty dwellings: England), in subsection (1)(b) (maximum percentage by which council tax may be increased), for “50” substitute “100”.
- (2) The amendment made by subsection (1) has effect for financial years beginning on or after 1 April 2019 (and it does not matter whether the period mentioned in section 11B(8) of LGFA 1992 begins before this section comes into force). 35
- (3) In this section “LGFA 1992” means the Local Government Finance Act 1992.
- General provisions*
- 3 Extent, interpretation and short title** 40
- (1) This Act extends to England and Wales.

- (2) In this Act “financial year” means a period of 12 months beginning with 1 April.
- (3) This Act may be cited as the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018.

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To make provision, where two or more hereditaments occupied or owned by the same person meet certain conditions as to contiguity, for those hereditaments to be treated for the purposes of non-domestic rating as one hereditament; and to increase the percentage by which a billing authority in England may increase the council tax payable in respect of a long-term empty dwelling.

*Presented by Secretary Sajid Javid  
Supported by  
The Prime Minister,  
The Chancellor of the Duchy of Lancaster,  
The Chancellor of the Exchequer,  
Secretary Greg Clark,  
Mel Stride and Rishi Sunak.*

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