

2015 No. (W.)

**RATING AND VALUATION,
WALES**

**Non-Domestic Rating (Definition
of Domestic Property) (Wales)
Order 2015**

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends section 66 of the Local Government Finance Act 1988 (“the 1988 Act”), which defines domestic property for the purposes of Part III (non-domestic rating) of that Act.

Section 66 of the 1988 Act also defines self-catering accommodation and provides that such accommodation is not domestic property. Article 2(2) of this Order amends that definition so as to add further circumstances in which a building or self-contained part of a building is self-catering accommodation and therefore is not domestic property.

Where a building or self-contained part of a building is let for at least 70 days during the previous year and the remainder of section 66(2BB)(a) to (c) has been complied with, the building or self-contained part of a building will continue not to be domestic property.

However the definition is amended so that where a building or self-contained part of a building is let for less than 70 days over the previous year by a person (a “relevant person”) as part of a business which lets a number of such buildings or self-contained parts of a building at the same location or within very close proximity of each other, it may nevertheless in some circumstances not be domestic property. Where the average number of days in which each of the buildings or self-contained parts of buildings at the same location or within a very close proximity of each other is let over the previous year is at least 70, each building or self-contained part of a building is not to be domestic property.

But a building or self-contained part of a building may only be included in one calculation in the relevant

year. For example, a relevant person lets three buildings, A, B and C, at the same location (and the remainder of section 66(2BB) has been complied with). Building A is let for 95 days and buildings B and C are let for 45 days each. Building A may be included in a calculation under section 66(2BB)(d)(ii) with either building B or C. The combined days let of buildings A and B, or A and C is 140 days, resulting in an average of 70 days, meaning that in either case, both buildings are not domestic property. The remaining building (not included in the calculation) does not fulfil the conditions and is therefore domestic property. If the relevant person includes building A in a calculation with building B, the relevant person cannot then include building A in a calculation with building C.

Article 2(3) and (4) corrects a drafting error in section 66(2C).

The Welsh Ministers' Code of Practice on the carrying out of Regulatory Impact Assessments was considered in relation to this Order. As a result, a regulatory impact assessment has been prepared as to the likely costs and benefits of complying with this Order. A copy can be obtained from the Local Government Finance and Performance Division, Welsh Government, Cathays Park, Cardiff, CF10 3NQ.

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Made ***

Laid before the National Assembly for Wales

Coming into force 1 April 2016

The Welsh Ministers, in exercise of the power conferred on the Secretary of State by section 66(9) of the Local Government Finance Act 1988(1), and now vested in them(2), make the following Order:

Title and commencement

1. The title of this Order is the Non-Domestic Rating (Definition of Domestic Property) (Wales) Order 2015 and it comes into force on 1 April 2016.

Definition of domestic property

2.—(1) Section 66 of the Local Government Finance Act 1988 is amended as follows.

(2) For subsection (2BB)(d), substitute—

“(d) the short periods for which it was so let—

(i) amounted in total to at least 70 days; or

(1) 1988 c. 41.

(2) This power, in so far as it was exercisable in relation to Wales, was transferred to the National Assembly for Wales by the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672) and was subsequently transferred to the Welsh Ministers by virtue of section 162 of, and paragraph 30 of Schedule 11 to, the Government of Wales Act 2006 (c. 32).

- (ii) taken together with the short periods for which one or more other buildings or self-contained parts of a building so let by the relevant person, amounted to an average of at least 70 days for each building or self-contained part of a building included within the calculation; where each building or self-contained part of the building included in the calculation—
 - (aa) is not included in another calculation under this subparagraph for the year in question,
 - (bb) is situated at the same location or in very close proximity to all of the other buildings or self-contained parts of a building included in the calculation, and
 - (cc) is so let as part of the same business or connected businesses by the relevant person.”

(3) In subsection (2BC), for “subsection (2B)”, insert “subsections (2B) and (2BB)”.

(4) Omit subsection (2C).

Name

Minister for Economy, Science and Transport, one of the Welsh Ministers

Date