Council Tax (High Value Dwellings etc.) (Scotland) Bill

[AS INTRODUCED]

CONTENTS

Section

High value dwellings

1 New valuation bands for high value dwellings
2 Valuation of dwellings for purposes of new valuation bands
3 Alteration of valuation lists for purposes of new valuation bands
4 Exclusion of certain dwellings from new valuation bands
5 Transitional relief for dwellings moving to new valuation bands

Council tax reduction

6 Schemes for reduction of council tax

Persons subject to significant cognitive impairment

7 Exemptions and discounts: persons subject to significant cognitive impairment

Final provisions

8 Consequential modifications: regulations
9 Ancillary provision
10 Commencement
11 Short title

THE FOLLOWING ACCOMPANYING DOCUMENTS ARE ALSO PUBLISHED: Explanatory Notes (SP Bill 2-EN), a Financial Memorandum (SP Bill 2-FM), a Policy Memorandum (SP Bill 2-PM), a Delegated Powers Memorandum (SP Bill 2-DPM) and statements on legislative competence (SP Bill 2-LC).

Council Tax (High Value Dwellings etc.) (Scotland) Bill

[AS INTRODUCED]

An Act of the Scottish Parliament to create two new council tax valuation bands for high value dwellings; to enable councils to provide reductions in council tax; to modernise terminology around cognitive impairment; and for connected purposes.

High value dwellings

1 New valuation bands for high value dwellings

(1) The Local Government Finance Act 1992 (the "1992 Act") is modified as follows.

(2) In section 74 (different amounts for dwellings in different valuation bands)—

(a) in subsection (1)—

(i) for "different valuation bands" substitute "valuation bands A to J",

(ii) after "882" insert ": 1039: 1666",

(b) in subsection (2), for "The valuation bands" substitute "Valuation bands A to H",

(c) after subsection (2) insert—

"(2A) Valuation bands I and J for dwellings are set out in the following Table—

Range of values	**Valuation band**
Values exceeding £1,000,000 but not exceeding £2,000,000	I
Values exceeding £2,000,000	J

(2B) For the date—

(a) by reference to which the values set out in the Table in subsection (2) are to be assessed, see section 86(2),

(b) by reference to which the values set out in the Table in subsection (2A) are to be assessed, see section 86(2A).",

(d) in subsection (3)—

(i) in paragraph (b), for "subsection (2)" substitute "subsections (2) and (2A)",

(ii) after paragraph (b) insert—

"(c) make such other amendments of this Act or any provision made under it as are considered necessary or expedient in consequence of provision made by virtue of paragraph (a) or (b).".

(3) In section 84 (compilation and maintenance of valuation lists), in subsection (2)(b), after "74(2)" insert "and (2A)".

(4) In section 86 (valuation of dwellings), in subsection (1)—

(a) after "compile" insert "and maintain",

(b) after "74(2)" insert "and (2A)".

2 Valuation of dwellings for purposes of new valuation bands

(1) The 1992 Act is further modified as follows.

(2) In section 86 (valuation of dwellings)—

(a) in subsection (2), for "The" substitute "For the purposes of determining which, if any, of valuation bands A to H applies to a dwelling, the",

(b) after that subsection insert—

"(2A) For the purposes of determining which, if any, of valuation bands I or J applies to a dwelling, the valuation is to be carried out by reference to 1 April 2026 and on such assumptions and in accordance with such principles as may be prescribed.",

(c) in subsection (3), for "subsection (2)" substitute "subsections (2) and (2A)",

(d) after subsection (6) insert—

"(6A) Subsection (6B) applies where a local assessor determines—

(a) following a valuation carried out in accordance with subsection (2A), that valuation band I or J applies to a dwelling, or

(b) in accordance with subsection (3), that a dwelling falls clearly within valuation band I or J.

(6B) Where this subsection applies—

(a) any determination under this section that any of valuation bands A to H applies to that dwelling is to be disregarded, and

(b) accordingly, the valuation list is to show that valuation band I or, as the case may be, J applies to the dwelling.".

(3) In section 87 (alteration of lists), in subsection (3), after "86(2)" insert "or, as the case may be, (2A)".

(4) In section 88 (compilation and maintenance of new lists), in subsection (3)(b) after "86(2)" insert " and (2A)".

3 Alteration of valuation lists for purposes of new valuation bands

(1) The 1992 Act is further modified as follows.

(2) After section 87 (alteration of lists) insert—

"87A Alteration of lists in relation to bands I and J: financial year 2028-2029 onwards

(1) This section applies in respect of financial year 2028-2029 and each subsequent financial year.

(2) For the purpose of—

(a) requiring local assessors to—

(i) alter valuation lists for financial year 2028-2029 in consequence of the introduction of valuation bands I and J, and

(ii) then maintain valuation lists as so altered, and

(b) facilitating the alteration, and then maintenance, by the local assessors of those lists,

the provisions of this Part have effect with the modifications mentioned in subsection (3).

(3) The modifications are—

(a) references to compiling valuation lists are to be read as references to altering valuation lists and references to maintaining lists so compiled are to be read as references to maintaining lists as so altered,

(b) section 84 has effect as if—

(i) subsections (6) and (7) were omitted,

(ii) for subsection (8) there were substituted—

"(8) Any valuation of a dwelling carried by the local assessor by virtue of section 87A(2)(a)(i) must be carried out in accordance with section 86(2A).",

(c) section 85 has effect as if, for subsections (1) to (4), there were substituted—

"(4) As soon as reasonably practicable after altering a valuation list by virtue of section 87A(2)(a)(i), and no later than 15 March 2028, the local assessor must send to each council for which the assessor has been appointed to act as local assessor a copy of the list as so altered for that council's area.",

(d) for the purposes of determining for financial year 2028-2029 whether a valuation list should show that band I or J applies to a dwelling which is included in a valuation list on 1 January 2028, section 86(2A) has effect as if the assumptions mentioned there included the assumption that—

(i) the size and layout of the dwelling, and

(ii) the physical state of its locality,

as at 1 April 2026 were the same as they were as at 1 January 2028.

(4) This section is subject to—

(a) any order made under section 74(3),

(b) any regulations under section 86(2) or (2A),

(c) section 88 as it applies where any order under section 74(3) is made, and

(d) any order made under section 88(3)(b).".

4 Exclusion of certain dwellings from new valuation bands

(1) The 1992 Act is further modified as follows.

(2) In section 86 (valuation of dwellings), after subsection (6B) (inserted by section 2(2)(d)) insert—

"(6C) The Scottish Ministers may by regulations provide that, in relation to dwellings of a description specified in the regulations, the requirement imposed by subsection (6B) does not apply and that, accordingly—

(a) a local assessor may only determine that one of the valuation bands mentioned in section 74(2) applies to such a dwelling, and

(b) the valuation list is to show the valuation band so determined.

(6D) Regulations under subsection (6C) may provide that the disapplication of the requirement imposed by subsection (6B) has effect—

(a) indefinitely or for a period specified in the regulations,

(b) unconditionally or subject to conditions specified in the regulations.".

5 Transitional relief for dwellings moving to new valuation bands

(1) The 1992 Act is further modified as follows.

(2) In section 78 (basic amounts payable), after "sections" insert "78A,".

(3) After that section insert—

"78A Valuation bands I and J: transitional relief

(1) This section applies where—

(a) a dwelling is included in a valuation list on 31 March 2028,

(b) a local assessor determines, for the purposes of financial year 2028-2029, that a valuation list is to show that valuation band I or J applies to the dwelling, and

(c) the dwelling is the sole or main residence of a person.

(2) If, in financial year 2028-2029 and in any subsequent financial year, A minus B is greater than or equal to either—

(a) £1500, or

(b) B divided by 2,

section 78 has effect in relation to that dwelling as if, for A, there were substituted the amount determined in accordance with subsection (3).

(3) The amount determined for the purposes of subsection (2) is B plus the lesser of—

(a) £1500, or

(b) B divided by 2.

(4) For the purposes of this section—

"A" is the amount which, for financial year 2028-2029 or, as the case may be, a subsequent financial year, has been imposed by the local authority in whose area the dwelling is situated for dwellings in the valuation band listed for the dwelling,

"B" is—

(a) for the purposes of financial year 2028-2029, the amount which had been imposed by the local authority in whose area the dwelling is situated for dwellings in the valuation band listed for the dwelling in financial year 2027-2028,

(b) for the purposes of a subsequent financial year, the amount determined for the purposes of subsection (2) in relation to the previous financial year.".

Council tax reduction

6 Schemes for reduction of council tax

(1) The 1992 Act is further modified as follows.

(2) In section 80A (local authority's power to reduce amount of tax payable), for the section title substitute "Energy efficiency improvements reduction schemes".

(3) After section 80A insert—

"80B Local authority's power to reduce amount of tax payable

(1) A local authority may, in accordance with a scheme made by the authority for the purposes of this section, reduce the amount which a person is liable to pay to it in respect of council tax.

(2) The scheme may make such provision as the local authority considers appropriate including, in particular, provision about—

(a) publication of the scheme,

(b) the dwellings or classes of dwelling to which the scheme is to apply,

(c) the persons or classes of person to which the scheme is to apply,

(d) the circumstances in which the scheme is to apply,

(e) the period for which the scheme is to apply,

(f) the extent to which liability to council tax is to be reduced under the scheme, which may include reducing that liability to nil,

(g) the period for which a person's liability to pay council tax is to be reduced under the scheme,

(h) other circumstances in which a reduction in a person's liability to pay council tax under the scheme is to come to an end,

(i) the review of decisions by the local authority under the scheme.

(3) A reduction in a person's liability to pay council tax under a scheme made under this section is in addition to any other reduction or discount provided for by or under this Act.

(4) A local authority, in making a scheme under this section, must have regard to—

(a) the authority's expenditure and income, and

(b) the interests of persons liable to pay council tax set by the authority.".

Persons subject to significant cognitive impairment

7 Exemptions and discounts: persons subject to significant cognitive impairment

(1) The 1992 Act is further modified in accordance with subsections (2) to (5).

(2) In section 75 (persons liable to pay council tax), in subsection (4), for "the severely mentally impaired" substitute "persons subject to significant cognitive impairment".

(3) In section 77 (liability of spouses), in subsection (2)(a), for "the severely mentally impaired" substitute "persons subject to significant cognitive impairment".

(4) In section 77A (liability of civil partners), in subsection (2)(a), for "the severely mentally impaired" substitute "persons subject to significant cognitive impairment".

(5) In schedule 1 (persons disregarded for purposes of discount), in paragraph 2—

(a) for the heading, substitute "Persons subject to significant cognitive impairment",

(b) in sub-paragraph (1)(a), for "he is severely mentally impaired" substitute "the person is subject to significant cognitive impairment",

(c) in sub-paragraph (1)(b), for the words from "he" to "impaired" substitute "the person is stated in a certificate of a registered medical practitioner to have been or to be likely to be subject to significant cognitive impairment",

(d) in sub-paragraph (1)(c), for "the day he" substitute "the period or part of the period to which a certificate mentioned in paragraph (b) applies, the person",

(e) for sub-paragraph (2) substitute—

"(2) For the purposes of this paragraph a person is subject to significant cognitive impairment if the person has a severe and permanent mental condition or neurological change that impacts upon the brain's ability to function and has a significant impact on the person's daily life.",

(f) for sub-paragraph (3) substitute—

"(3) The Scottish Ministers may, by regulations—

(a) amend sub-paragraph (1) to substitute for the references to a person being subject to significant cognitive impairment such other references as they consider appropriate,

(b) amend sub-paragraph (2) to substitute for the definition there such other definition as they consider appropriate,

(c) make such other amendments to Part 2 of this Act that they consider necessary or appropriate in consequence of provision made under paragraph (a) or (b).".

(6) In the Council Tax (Exempt Dwellings) (Scotland) Order 1997 (S.I. 1997/728), in schedule 1, in paragraph 23, for the heading substitute "Dwellings occupied by persons subject to significant cognitive impairment".

(7) In the Council Tax (Discounts) (Scotland) Consolidation and Amendment Order 2003 (S.S.I. 2003/176), in paragraph 4, for the heading substitute "Persons subject to significant cognitive impairment".

Final provisions

8 Consequential modifications: regulations

(1) The 1992 Act is further modified as follows.

(2) In section 86 (valuation of dwellings), after subsection (11) insert—

"(12) Regulations under subsections (2A) and (6C) are subject to the negative procedure (see section 28 of the Interpretation and Legislative Reform (Scotland) Act 2010).".

(3) In section 113 (orders and regulations), after subsection (3) insert—

"(3A) But subsection (3) does not apply in relation to the power of the Scottish Ministers to make regulations under—

(a) section 86(2A) and (6C),

(b) schedule 1, paragraph 2(3).".

(4) In schedule 1 (persons disregarded for purposes of discount), in paragraph 2, after sub-paragraph (3) (as substituted by section 7(5)(f)), insert—

"(4) Regulations under sub-paragraph (3) are subject to the negative procedure (see section 28 of the Interpretation and Legislative Reform (Scotland) Act 2010).".

9 Ancillary provision

(1) The Scottish Ministers may by regulations make any incidental, supplementary, consequential, transitional, transitory or saving provision they consider appropriate for the purposes of, in connection with or for giving full effect to this Act.

(2) Regulations under this section may—

(a) modify any enactment (including this Act),

(b) make different provision for different purposes.

(3) Regulations under this section—

(a) are subject to the affirmative procedure if they add to, replace or omit any part of the text of an Act,

(b) otherwise are subject to the negative procedure.

10 Commencement

(1) This section and sections 9 and 11 come into force on the day after Royal Assent.

(2) The remaining sections of this Act come into force on the day appointed by the Scottish Ministers by regulations.

(3) Regulations under subsection (2) may—

(a) appoint different days for different purposes,

(b) make transitional, transitory or saving provision.

11 Short title

The short title of this Act is the Council Tax (High Value Dwellings etc.) (Scotland) Act 2027.

Council Tax (High Value Dwellings etc.) (Scotland) Bill

[AS INTRODUCED]

An Act of the Scottish Parliament to create two new council tax valuation bands for high value dwellings; to enable councils to provide reductions in council tax; to modernise terminology around cognitive impairment; and for connected purposes.

Introduced by: Jenny Gilruth
On: 18 November 2026
Bill type: Government Bill

© Parliamentary copyright. Scottish Parliamentary Corporate Body

Information on the Scottish Parliament's copyright policy can be found on the website -

www.parliament.scot

Produced and published in Scotland by the Scottish Parliamentary Corporate Body.

All documents are available on the Scottish Parliament website at:

www.parliament.scot/documents