

Visitor Accommodation (Register and Levy) Etc. (Wales) Bill Bill Summary

January 2025



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Visitor Accommodation (Register and Levy) Etc. (Wales) Bill

Bill Summary

January 2025

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The **Visitor Accommodation (Register and Levy) Etc. Bill** will give local authorities in Wales a power to charge a levy on overnight visitors staying in visitor accommodation in their area. The levy **will be discretionary**, with local authorities deciding whether to introduce it following consultation with their communities and local businesses.

The levy will be a **per person per night charge**, applying to all people who pay to stay in overnight accommodation, which **will be capped** at 31 days with **certain overnight** stays being excluded, not payable or subject to a refund. It will be collected and managed by the Welsh Revenue Authority (WRA).

The Bill also establishes a **register of visitor accommodation providers** operating in Wales. Providers are required to register, regardless of whether the local authority area they are operating in has implemented the levy. The Bill grants the Welsh Ministers powers to publish information from the register.

This document summarises the provisions of the Bill to support scrutiny of the legislation.



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1. Introduction

The **Visitor Accommodation (Register and Levy) Etc. Bill** was introduced to the Senedd on 25 November 2024.

In its Programme for Government for this Senedd term, the Welsh Government **committed to** ‘introduce legislation permitting local authorities to raise a tourism levy’. The Co-operation Agreement between the Welsh Government and Plaid Cymru in 2021 **also referenced** the introduction of local tourism levies.

Introducing the Bill to the Senedd, the Cabinet Secretary for Finance and Welsh Language (“the Cabinet Secretary”), Mark Drakeford MS, **said the** “Bill provides a permissive power to local authorities to decide whether or not they want to introduce a visitor levy in their local areas based on their local circumstances”.

In his written statement to introduce the Bill, the Cabinet Secretary referenced **visitor levies in other countries**, saying:

Visitor levies play a crucial role in supporting communities and protecting the environment all over the world. Many countries have seen real benefits from the reinvestment of visitor levy funds. We believe such success can be replicated in Wales.

The Bill’s Explanatory Memorandum (‘the EM’) **notes the levy** will be a per person per night charge, applying to all people who pay to stay in overnight accommodation, which will be collected and managed by the WRA. There will be a **cap of 31 days** on the number of chargeable nights and certain overnight stays will be excluded, not payable or subject to a refund.

The Bill **also establishes** a register of visitor accommodation providers operating in Wales, which will detail the type and location of the premises they operate across Wales. Providers will be required to register, regardless of whether the local authority area they are operating in has implemented the levy.

The EM **further states**:

There is also a power for Welsh Ministers to publish information derived from the register. This information may be of interest to local authorities, visitors, businesses and researchers.

The Cabinet Secretary **gave evidence** before the Finance Committee on 5 December 2024. The Committee **launched a consultation** on the Bill, which will close on 10 January 2025.

2. The Bill at a glance

The Bill has 45 sections arranged into four parts (six chapters in part 3) with one schedule.

- **Part 1** - Overview of Act and key terms used in Act
- **Part 2** - Register of visitor accommodation providers
- **Part 3** - Visitor levy
 - **Chapter 1** - Application, operation and rates of levy
 - **Chapter 2** - Accounting for, and payment of, the levy
 - **Chapter 3** - Use of proceeds of levy by principal councils
 - **Chapter 4** - Introducing, changing or abolishing the levy
 - **Chapter 5** - Special cases
 - **Chapter 6** - Miscellaneous provision relating to the levy
- **Part 4** - Miscellaneous and general provision
- **Schedule 1** - Amendments to the Tax Collection and Management (Wales) Act 2016

The **EM lists** the purpose and intended effect of the legislation, details of the consultation undertaken and the subordinate legislation included in the Bill. It also includes a Regulatory Impact Assessment ('the RIA'), **which sets out** the estimated costs and benefits of the legislation.

The Statement of Policy Intent **provides further details** of the subordinate legislation in the Bill **which intends** "to assist Committees during the scrutiny of the Bill".

3. Summary of provisions

Part 1 – Overview of Act and key terms used in Act

Section 1 **shows how** the Parts of the Bill are arranged and provides a brief description of what each Part does.

Visitor accommodation

Section 2 **defines “visitor accommodation”** for both the register of visitor accommodation and the visitor levy (‘the levy’). It defines what is visitor accommodation, along with the exceptions such as a Gypsy and Traveller site or a mobile home, vessel or other vehicle that is not permanently or semi-permanently situated in one place. It also contains a regulation making power for the Welsh Ministers to amend the list of visitor accommodation.

Visitor accommodation provider

Section 3 **states that** for the purposes of the Bill, a person is a visitor accommodation provider if, in the course of a trade or business, they provide or offer to provide visitor accommodation at premises in Wales that allows one or more people to stay at the accommodation for at least one night, and they are the occupier of the premises.

Part 2 – Register of visitor accommodation providers

Duty to maintain a register of visitor accommodation providers

Section 4 **places a duty** on the Welsh Ministers to keep a register of visitor accommodation providers. The register must include the following:

- the name of the visitor accommodation provider;
- any trading name used by the visitor accommodation provider;
- the proper address of the visitor accommodation provider;
- a statement as to whether the visitor accommodation provider is an individual, a partnership, a body corporate or an unincorporated body;
- the type of accommodation; and
- the name, address and principal council area of the premises at which that visitor accommodation is provided.

Section 4 **also provides** the Welsh Ministers with a regulation making power enabling them to add, vary or remove a description of the information that is required in the register.

Duty of visitor accommodation providers to be registered

Section 5 **states that** visitor accommodation providers as defined in Section 3 must be registered on the register kept by the Welsh Ministers in respect of the visitor accommodation they either provide or offer to provide.

It **also gives** the Welsh Ministers the power to make regulations to exempt certain descriptions of visitor accommodation provider.

Publication of information in the register

Section 6 **allows the** Welsh Ministers to publish, as deemed appropriate, any information derived from the register of visitor accommodation providers. This **includes**, but is not limited to, names and addresses of visitor accommodation premises in Wales, the type of accommodation provided, and registered details of visitor accommodation providers.

Registration: powers to make supplementary etc. provision

Section 7 **confers a** regulation-making power on the Welsh Ministers to make supplementary provision regarding the register and registration requirements. This may include:

- provision for partnerships and unincorporated bodies;
- registration procedures, (including variation and cancellation of registration);
- data sharing; and
- enforcement measures, including offences or penalties for non-compliance, reviews and appeals.

On 26 November 2024, following introduction of the Bill, the Cabinet Secretary **wrote** to the Finance Committee enclosing **indicative registration provisions** which, the letter notes, the Government intends to table at stage 2.

The additional provisions supplied by the government **establish a system of penalties** for visitor accommodation providers failing to comply with the requirement to register or failing to provide information to correct inaccuracies in the register.

The provisions **also contain rights of appeal** to a tribunal on penalty decisions and **further regulation-making powers** for the Welsh Ministers to make provision regarding penalty amounts and assessment.

Part 3 – Visitor levy

Chapter 1 – Application, operation and rates of levy

Power of principal council to introduce levy on overnight stays in visitor accommodation

Section **8 sets out** that a ‘principal council’ (local authority) may charge a levy on overnight stays in visitor accommodation located in its area. The levy is to be collected and managed by the WRA on behalf of a principal council. The WRA must collect and manage the levy in accordance with the provisions of the Bill and the **Tax Collection and Management (Wales) Act 2016** (the ‘2016 Act’).

Overnight stays in visitor accommodation

Section 9 **defines an overnight stay** in visitor accommodation for the purposes of a levy becoming payable. An overnight stay in visitor accommodation occurs when individuals reside for one or more nights under a contract, the accommodation is provided in the course of a trade or business, and it is not their main residence.

The section **contains exceptions** to the circumstances in which an overnight stay is deemed to take place. These include stays longer than 31 nights and accommodation arranged under specific legislation relating to immigration, asylum, bail or probation.

Section 9 also **enables the Welsh Ministers**, through regulations, to amend the descriptions of circumstances in which an overnight stay in visitor accommodation does or does not occur.

Liability to pay the levy

Section 10 **establishes** that the visitor accommodation provider is liable to pay the levy when the person commences their stay at the accommodation.

Calculating the amount of the levy that is payable

Section 11 **outlines the** method for calculating the amount of levy that is chargeable in respect of a stay. The amount of levy is calculated by firstly

establishing the number of persons entitled to stay and multiplying that number by the total number of nights they are entitled to stay. That number is then multiplied by the applicable rate.

Rates of the levy

Section 12 **sets out** the three rates of the levy: the lower rate of £0.75; the higher rate of £1.25; and the nil rate. The section also draws attention to the possibility that a principal council may also introduce a premium rate (outlined in Section 14).

It also **gives the** Welsh Ministers the power to change the lower, higher or both rates through regulations.

Determining which rate applies

Section 13 **defines which** types of visitor accommodation are subject to the lower, higher or nil rates of the levy. The lower rate applies to stays in hostels and those staying in tents on campsites. The higher rate applies to all other types of visitor accommodation unless the nil rate applies.

A nil rate **can be applied** to overnight stays provided or arranged by a local housing authority within visitor accommodation for those who are homeless.

Section 13 also **provides regulation-making powers** to the Welsh Ministers to add new types, amend or remove existing types, of visitor accommodation to which each rate applies, and to set out evidence requirements that must be met before a provider can apply the nil or lower rates. Regulations may also make arrangements for and relating to the issuing of vouchers for the purpose of proving that the nil rate applies to a particular overnight stay in visitor accommodation.

Adding a premium to the levy rate

Section 14 **enables a** principal council to add an additional levy amount (a premium) to the lower and/or the higher rate of the levy to apply in its area. It also **permits the** Welsh Ministers, through regulations, to limit the amount of premium that a principal council may charge.

Application for repayment of amount equivalent to the levy

Section 15 **outlines the process** for applying for a repayment of an amount equivalent to the levy payable for an overnight stay in visitor accommodation.

It also **establishes that** a person may apply to the WRA for repayment if they paid the levy for an overnight stay in visitor accommodation if:

- the person stayed in the accommodation because they were unable to reside in their sole or main residence due to a risk to their health, safety, or welfare;
- the accommodation was provided to a person who was homeless at the time of the stay within the meaning of section 55 of the Housing (Wales) Act 2014; or
- the person who stayed overnight was receiving a disability benefit and was accompanied by another person.

Section 15 **requires an** application for a repayment of an amount equivalent to the levy to be made within 30 days of the last day the person was entitled to stay in the accommodation.

Under this section, **if the application is granted**, the WRA will repay an amount equivalent to the levy payable for the stay. The WRA also must pay an amount they consider should be paid if the whole application for every person and/or every night of the stay is not appropriate.

Section 15 **defines the disability benefits** an individual accompanied on an overnight stay by another person would be required to receive in order to be eligible to apply for repayment.

This section **also gives the** Welsh Ministers powers through regulations to add, remove, or change descriptions of circumstances for making an application or to amend the definition of ‘disability benefit’.

Chapter 2 - Accounting for, and payment of, the levy

Duty to make levy return in respect of accounting period

Section 16 **requires a** visitor accommodation provider to make a return to the WRA for each accounting period they are operating a visitor accommodation business (whether or not any overnight stays have taken place in that period).

It **states the** return must contain an assessment of the amount of levy payable for the accounting period and also either a declaration by the provider that the information in the return is correct or for the provider’s agent to certify that the provider has made such a declaration to that effect.

This section also **establishes filing dates for** annual returns: 30 April in the financial year following the end of the financial year to which it relates. For quarterly returns,

the filing date is the last day of the month following the end of the accounting period.

Annual or quarterly return

Under section 17, **visitor accommodation providers may choose** between making annual or quarterly returns for a financial year if their expected levy liability does not exceed £1,000 and their liability for the previous financial year did not exceed £1,000.

However, if a provider's levy liability is expected to exceed £1,000 for that year, or exceeded £1,000 in the previous year, they must make quarterly returns.

The Welsh Ministers, through regulations, **are able to amend** the annual or quarterly filing amount threshold and specify the information a visitor accommodation provider must provide to the WRA if they wish to make annual returns.

A change from annual to quarterly return obligations, or quarterly to annual return obligations, **may take effect** only at the start of a financial year. However, if a provider has penalty points, the provider may not change the frequency with which they make returns.

Meaning of “accounting period”: annual and quarterly returns

Sections 18 and 19 define the accounting period **for annual** and **quarterly returns**. This includes periods for commencing or ceasing operations during a financial year or calendar quarter.

Payment of the levy

Section 20 **details the** rules for payment of the visitor levy to the WRA by visitor accommodation providers. Visitor accommodation providers must pay the levy amount specified in their return by the filing date for the return.

The section **also refers** to additional provisions in the 2016 Act that address levy payments required to be made by visitor accommodation providers in other situations, such as corrections to a tax return, amendments made to a tax return during or after the completion of an enquiry, WRA determinations and assessments.

Collection and management of the levy by the WRA

Section 21 **introduces Schedule 1** to the Bill which contains amendments to the 2016 Act regarding the WRA's functions in relation to the levy and other miscellaneous amendments to that Act.

Chapter 3 - Use of proceeds of levy by principal councils

Principal council account for proceeds of the levy

Section 22 **requires a** principal council that has introduced a visitor levy to maintain a separate account for the net proceeds of that levy paid to it by the WRA.

Use of proceeds of the levy for destination management and improvement

Section 23 **requires the** principal council to use the revenues generated by the levy for the purposes of destination management and improvement in its area.

It **also provides** a non-exhaustive list of the types of spending by the principal council that will meet the requirement for spending on destination management and improvement, which includes:

- mitigating the impact of visitors;
- maintaining and promoting use of the Welsh language;
- promoting and supporting the sustainable economic growth of tourism and other kinds of travel;
- providing, maintaining and improving infrastructure, facilities and services for use by visitors (whether or not they are also for use by local people).

Report on use of proceeds of the levy

Section 24 **places a responsibility** on a principal council to publish a report on the proceeds of the levy for each financial year the levy is charged in its area.

The report **must include information** about the amount of levy collected, the proceeds of the levy (after the costs of collection are deducted by the WRA) and how the proceeds have been or will be spent on destination management and improvement.

The council **must publish** the report on its website as soon as possible after 30

June in the financial year following the financial year to which the report relates and no later than the end of the financial year following the financial year to which the report relates.

Section 24 **also enables** the Welsh Ministers to set out requirements through regulations for the content of principal councils' reports, and to change the number of reports that must be published for a financial year, the frequency of publication and the date by which they must be published.

Chapter 4 - Introducing, changing or abolishing the levy

Consultation before introducing, changing or abolishing the levy

Section 25 **provides the steps** a principal council must take before it introduces, changes or abolishes the levy, or any premium, within its area.

As well as **notifying the WRA** of its intentions in respect to the levy, the principal council must publish a report that sets out the relevant proposals and their anticipated financial implications. The principal council must also send its report to the WRA.

The principal council **must consult a series** of mandatory consultees, or other appropriate persons, on its proposals in respect of the levy. Those consultees include:

- local people;
- town and community councils;
- the public services board for the principal council's area;
- principal councils for a contiguous area;
- relevant national park authorities if the principal council's area covers any part of a national park;
- corporate joint committees of which the principal council is a member; and
- organisations that represent businesses that work in tourism, or are engaged in activities related to tourism or that promote tourism in the principal council's area.

Having considered views expressed during the consultation, the principal council **must then notify** the WRA of its intention whether to proceed with its proposals in relation to the levy, publish a final report confirming whether it will proceed with the proposals (or revised proposals), and send that report to the WRA.

The final report **must also include** a summary of the consultation responses.

Introduction of levy and changes to or abolition of the levy

Section 26 **outlines the** process for introducing, changing, or abolishing the visitor levy (or premium) by a principal council after it complies with the requirements of section 25.

The principal council **must publish a notice** detailing the relevant steps to be taken, including: the levy rates (unless the levy is to be abolished), the effective date when a levy will either come into force, cease to have effect or change in the area, and any other relevant information.

The **effective date for the levy** to come into effect or cease to have effect must be at least 12 months after the notice is published, or a shorter period if agreed upon by the principal council and WRA, and must be either 1 April or 1 October.

Notices of **changes to the levy** (i.e. the introduction, removal or other change in relation to a premium) must be published at least 6 months in advance and must take effect on either the 1 April or 1 October.

Overnight stays that are unaffected by the introduction of, or changes to, the levy

Section 27 **outlines the effect** of the introduction of or change to the levy on existing overnight stays.

The levy **does not apply** if the relevant contract for the overnight stay was made before the date that the principal council decided to introduce the levy.

If there is a **change to the levy**, it does not apply to an overnight stay if the relevant contract was made before the date that the principal council decided to change the levy.

Interpretation of Chapter

Section 28 **provides definitions** and interpretations for terms used in the Bill, including “local people”, “proceeds of the levy”, and where references to changing the levy is defined.

Chapter 5 – Special cases

Meaning of “relevant business” in this Chapter

Section 29 **defines ‘relevant business’** for the purpose of the Bill as a business, or a part of a business, in the course of which a person provides, or offers to provide, visitor accommodation at a premises in Wales and is the occupier of the premises at which the visitor accommodation is provided.

Duties and liabilities of partnerships and unincorporated bodies

Section 30 **outlines the responsibilities** and liabilities of partners and managing members of unincorporated bodies in relation to the levy.

Power to make further provision about partnerships and unincorporated bodies

Section 31 **gives the Welsh Ministers** the power to make regulations to add, repeal or revoke or otherwise amend any provision made by a piece of legislation relating to the levy about cases where persons carry on business in partnership or as an unincorporated body.

Death, incapacity and insolvency

Section 32 **outlines the process** and requirements regarding responsibility for the levy and associated notification requirements for a person (“A”) who carries on the relevant business of another person (“B”) who has died, becomes incapacitated, or becomes subject to an insolvency procedure.

Power to make further provision about death, incapacity and insolvency

Section 33 **states the Welsh Ministers** may by regulations add to, repeal, or revoke or amend any provision made by a piece of legislation relating to the levy surrounding death, incapacity and insolvency.

Power to make provision about transfers of businesses as going concerns

Section 34 **provides that the** Welsh Ministers may, by regulations, ensure legislation continues to apply when a relevant business is transferred from one person to another as a going concern.

The regulations **may introduce penalties** for failures to comply with the regulations

and they may also provide for reviews and appeals.

The regulations **may also amend or apply** (with or without modifications) any enactment relating to the levy.

Chapter 6 - Miscellaneous provision relating to the levy

Visitor accommodation at premises within the area of more than one principal council

Section 35 **states that if the premises** where visitor accommodation is provided are not entirely within the area of one principal council, for the purposes of the levy the premises are to be treated as being in the area where the greater or greatest part of the premises is situated.

Arrangements with third party to collect the levy etc. on behalf of provider

Section 36 **outlines the responsibilities** of a visitor accommodation provider in relation to the levy if they make arrangements for one or more persons to collect and pay the levy to the WRA or make visitor levy returns on their behalf. This may **include** for example, online travel agents or accountants.

The section **also confirms that** arrangements can be made for a third party to collect sums, file visitor levy returns and issue repayments in those circumstances.

Welsh Ministers' power to impose advertising and billing etc. requirements

Section 37 **provides the Welsh Ministers** with a regulation making power to impose requirements on visitor accommodation providers in relation to the invoicing of the visitors' stay and provision of information in relation to the levy's existence, nature and amount.

The Welsh Ministers by regulations **may also impose** civil sanctions, including financial penalties, discretionary requirements, stop notices and enforcement undertakings on those visitor accommodation providers who fail to comply with the requirements set out in any regulations made under this section and also make provisions for appeals against such civil sanctions.

Exercise by a principal council of its functions under this Part etc.

Section 38 **specifies that functions** of a principal council in respect of the levy are not executive functions.

This section **provides definitions for** "executive" and "executive arrangements" and adds functions relating to the visitor levy into the list of functions not to be the responsibility of the executive in the Local Authorities (Executive Arrangements) (Functions and Responsibilities) (Wales) Regulations 2007

Part 4 - Miscellaneous and general provision

Guidance issued by the Welsh Ministers

Section 39 **permits the Welsh Ministers** to issue guidance on the Act and any regulations made under it. Should the Welsh Ministers decide to publish guidance, this section also places a duty on them to consult such persons as they consider appropriate.

A principal council **must have regard** to any guidance issued under this section when considering whether to exercise or when exercising a function related to its levy.

Power to extend Act to berths and moorings

Section 40 **states that the** Welsh Ministers may, by regulations, amend the Bill (if enacted) and the 2016 Act to extend the levy (or registration requirements) to berths and moorings provided for vessels.

Power to make consequential, transitional etc. provision

Section 41 **provides that the** Welsh Ministers may make regulations that contain incidental, supplemental, consequential, transitional or saving provision of this Act.

Regulations under this Act

Section 42 **makes general provision** in relation to regulations made by the Welsh Ministers under the powers proposed in the Bill.

Interpretation

Section 43 **provides definitions** and interpretations for terms used in the Bill.

Coming into force

Section 44 **states provisions of the Bill** in Parts 1, 3 and 4 **will come into force** on the day after Royal Assent. Part 2 will come into force in accordance with a commencement order made by the Welsh Ministers.

Short title

Section 45 **establishes the Bill's title** as the 'Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025'.

Schedule 1 - Amendments to the Tax Collection and Management (Wales) Act 2016

The Schedule **includes amendments** to the 2016 Act to allow the WRA to collect and manage the visitor levy. It also contains other miscellaneous amendments to the 2016 Act.

4. Powers to make subordinate legislation

The **powers to make subordinate legislation under** the Bill are listed in the EM. The Bill gives the Welsh Ministers **20 powers to make regulations**.

17 powers are to be exercised under the **Senedd's draft affirmative procedure**¹ (with one requiring the draft affirmative procedure if amending primary legislation, otherwise it is subject to the negative procedure). **3 powers** are to be exercised under the negative procedure.

One power (see section 39(1) of the Bill) enables the Welsh Ministers to issue guidance on this legislation and any regulations made under this legislation with the Welsh Ministers consulting such persons as they consider appropriate before issuing any such guidance. This **does not require any Senedd procedure**.

¹ Under the draft affirmative procedure, the statutory instrument cannot become law until the Senedd votes to approve it and it is then made law by the Welsh Ministers. Under the negative procedure, the statutory instrument automatically becomes law when it is made by the Welsh Ministers, but the Senedd can vote to annul it within 40 days of it being laid.

5. Post implementation review

The EM **notes**, as the visitor levy is discretionary, it will be difficult to commit to a formal post implementation review as it may take several years for local authorities to decide if they wish to adopt a levy in their area, following consultation with their communities. The EM **adds**:

...the schemes effectiveness shall be monitored and assessed over time and how this will be done will likely evolve as the scheme progresses and evidence emerges.

However, **it provides information** about the performance of the levy and use of revenues will be available from local authorities on an annual basis.

The outcome of the legislation **will also be monitored** on an ongoing basis, with a combination of methods, including monitoring the Welsh economy and supply/demand indicators, use of existing data gathered from the relevant Visit Wales surveys, Tourism Barometer and additional engagement with local authorities and the tourism sector to understand the effectiveness of the legislation.

The EM **also notes**:

It is anticipated that the Welsh Revenue Authority will continually monitor and review the effectiveness of the register and levy administration through regular engagement with local authorities and tourism businesses. Alongside this, they will consider what data to report on, such as the amount of revenues collected.

6. Financial implications of the Bill

The **Regulatory Impact Assessment ('RIA')** sets-out a summary of costs over a ten-year appraisal period, 2025-26 – 2034-35. The estimated total cost of the Bill is between £313.9m to £576.6m. The RIA **notes there** are no additional costs to the business as usual option.

Table 1. Costs associated with the Visitor Accommodation (Register and Levy) Etc. (Wales) Bill

Cost description	Cost (£m)
Administrative costs	
Transitional costs	7.7 – 10.6
Recurrent costs	22.9 – 32.0
Total costs	30.6 – 42.6
Compliance costs	
Transitional costs	5.2 – 38.7
Recurrent costs	278.1 – 495.3
Total costs	283.3 – 534.0
Total Bill costs	313.9 – 576.6

Source: **Welsh Government, Regulatory Impact Assessment, Visitor Accommodation (Register and Levy) (Wales) Bill, November 2024**

The RIA **proposes two options** for the cost benefit analysis:

- **Option 1:** Business as usual.
- **Option 2:** Introduce legislation to grant local authorities a discretionary power to implement a visitor levy on overnight stays in visitor accommodation and establish a register of visitor accommodation providers (preferred option)

The costs associated with the Bill are predicted to fall on the following stakeholders:

- visitor accommodation providers;
- visitors;
- local authorities;
- Welsh Government; and
- Welsh Revenue Authority.

Visitor accommodation providers

The RIA **notes aggregate one-off costs** for existing visitor accommodation providers to register range from £40,000 to £815,000. Ongoing costs are estimated to be between £3,000 and £163,000 per annum.

For the visitor levy, aggregate costs suggest a maximum upfront cost of between £5.1m and £37.9m and annual ongoing costs of between £1.76m and £28.8m.

The Welsh Government highlights the uncertainty of these costs, **saying**:

The precise costs are highly uncertain given the lack of any direct comparator and the uncertainty regarding the exact number of establishments operating in Wales.

The RIA **highlights the lack of data available** regarding the number of visitor accommodation providers in Wales. It **mentions this is** “one of the reasons a register of visitor accommodation is included within the legislation”.

The RIA **estimates the costs** based on between 16,000 and 55,000 accommodation providers, meaning estimated costs are provided as a range throughout the RIA.

The RIA **also notes as the Bill** introduces a discretionary power to implement a visitor levy on overnight stays, it is likely that only some of Wales’ local authorities will introduce a visitor levy.

The Welsh Government **says it would be** “inappropriate” for it to assume particular decisions by local authorities, on whether or not to introduce a visitor levy in their area, for its estimates of the financial implications of the Bill. Consequently, the RIA **says**:

Therefore, to present an aggregate cost, we have presented estimates based on all 22 local authorities consulting and implementing the levy, when in reality, this outcome is unlikely. It is recognised that the costs presented are therefore likely to over-estimate the actual cost.

Visitors

The Bill legislates **for a fixed rate**, based on a per person per night, of £0.75 per person for tents on campsites and hostel accommodation and £1.25 per person for all other accommodation types. Based on assumptions that the levy is implemented by all local authorities in Wales, the RIA **estimates the levy** could raise up to £33 million per year in revenue, which would be incurred by visitors.

The RIA **includes examples of costs** to be incurred by visitors in different scenarios: a solo traveller staying in a hostel or campsite for 7 nights paying an additional £6.30 including VAT, whilst a family of 4 staying for 7 nights would incur an additional cost of £25.20 including VAT.

A solo traveller staying in any other accommodation, such as a hotel or guesthouse, for 7 nights would pay an additional £10.50 including VAT with a family of 4 paying an additional £42 including VAT.

Local authorities

The Bill **requires local authorities** to consult and assess impacts before it makes a decision to implement a visitor levy. There is a requirement for a 12-month notification period for accommodation providers and visitors (which could be shortened by agreement between the principal authority and WRA).

The RIA **states:**

Costs to local authorities have been estimated through a joint exercise between Welsh Government and individual local authorities, to identify and establish a range of initial estimates for the likely administrative and compliance costs associated with a visitor levy.

The **RIA notes if all 22 local authorities** were to consult on and implement the levy, upfront administration costs would be between £220,000 and £880,000 with annual ongoing costs of between £22,000 and £110,000. The Welsh Government **says** this is likely to be an overestimate as not all local authorities will implement the levy.

The **combined cost** for local authorities is: £0.396m - £1.76m over a 10 year period from 2025-2035, with one off costs assumed to be incurred in 2025-26 and 2026-27 and the annual ongoing costs incurred from 2027-28 (i.e. 8 years of the appraisal period).

The Welsh Government **also highlights** the degree of uncertainty with costs for local authorities, saying:

The cost of any consultation exercise is likely to vary depending on the format of the consultation, the number of questions asked, the number of responses received, the number of face-to-face engagements undertaken and whether the consultation is undertaken in-house or is contracted out to a third party. Therefore, there is some degree of uncertainty over the costs that might arise for a given local authority.

It **adds**:

The requirement to conduct impact assessments will also add to the decision-making costs for local authorities.

Welsh Government

The Welsh Government **will incur** transitional costs for:

- producing guidance for local authorities on operationalisation of the visitor levy;
- communication and marketing activity for registration and the visitor levy; and
- post implementation monitoring and evaluation.

The RIA **estimates total transitional costs** for the Welsh Government to develop guidance, communications and marketing and post implementation evaluation will range from £0.254m to £0.764m over a 10 year period, from 2025 to 2035. This reflects costs ranging from £94,000 to £154,000 in 2025-2026, up to £50,000 in 2026-27 and between £20,000 and £70,000 per annum from 2027-2028 onwards.

Part of these costs **include a public information campaign** for the registration scheme, which would cost in the region of £50,000 - £100,000, based on other Welsh Government campaigns on the same scale.

A budget of around £30,000 - £50,000 is **required to support** communications activity and public information and awareness campaigns for local authorities who chose to implement the levy. This is expected to be an annual cost which will be incurred from 2026-27 onwards.

Welsh Revenue Authority

Total **administrative costs** for the WRA to develop, collect and manage the levy over a 10 year period are estimated to range from £17.123m to £22.670m. The RIA **notes** “[w]ilst it is intended the register will be a function of Welsh Ministers, on the assumption it is delegated to the WRA, they have suggested total costs to develop and operate the register over a 10 year period range from £12.823m - £17.402m”.

Therefore, the **combined cost** for the collection and management of the visitor levy and operation and maintenance of the register ranges from £29.946m to £40.072m over a 10 year period, from 2025 – 2035.

Unquantified costs and disbenefits

The RIA **notes** “[t]here could be a possible reduction in visitors to Wales or to a certain local authority that adopts a levy (impact on demand). It is not possible to quantify this accurately”. However, the RIA **assumes this would be offset** by the additional revenue raised by the levy.

Benefits

The RIA **cites a specific total benefit** of £264m, which is based on the anticipated estimated revenues of up to £33 million per year generated by the levy. This **assumes all local authorities** in Wales will implement the visitor levy and from 2027-28 at the earliest, therefore operating over 8 years of the ten-year appraisal period.

The EM **states the estimated** £33 million per year in revenue raised by the visitor levy is based on data regarding the number of nights spent by both international and domestic visitors in Wales, as reported in the Welsh Government’s regional and local tourism profiles.

7. Scrutiny of the Bill

The Welsh Government **issued a written statement** when introducing the Bill on 25 November 2024 and the Cabinet Secretary gave **an oral statement** in Plenary on 26 November 2024.

There are four stages to the Senedd's scrutiny of Bills, which are explained in this **Guide to the legislative process**.

Stage 1

The Senedd's Business Committee **referred the Bill** to the Finance Committee and set a deadline of 21 March 2025 for the Committee to report on the general principles of the Bill.

The Finance Committee **launched a consultation** on the Bill, which runs until 10 January 2025. The Committee **held an oral evidence session** with the Cabinet Secretary on 5 December 2024 and will take evidence from stakeholders in January and February 2025.

Further information on scrutiny of the Bill is available on the **Bill webpage**.

The Legislation, Justice and Constitution Committee will also **scrutinise the Bill's provisions** and will produce its own report.

Stage 2 and beyond

Should the Bill proceed past its Stage 1 debate with Members of the Senedd supporting the general principles, it will be subject to **amendment at Stage 2**. The Finance Committee will consider these amendments. The Business Committee's **timetable for the Bill** notes Stage 2 proceedings should be completed by 6 June 2025.

The Bill would then be **subject to further amendment** by all Members of the Senedd in Plenary (Stage 3) before a final vote on whether to pass the legislation (Stage 4).