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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Non-Domestic Rating (Unoccupied Property) (Scotland) Regulations 1994 (“the principal Regulations”) mainly to extend the classes of properties that qualify for rates relief under the scheme known as “Fresh Start”.

Regulation 4(a) provides a non-domestic rate relief for property that was last used as a hotel, public house or restaurant and has been unoccupied for at least a year before again becoming occupied. Where other qualifying criteria in the principal Regulations are met, such property will be deemed to be unoccupied, notwithstanding the actual occupation, for a period of up to one year. As a result, the rate payable will usually be 50% of the rate that would otherwise apply.

This rate relief is also applied, by regulation 4(b), to premises that have not previously been occupied, where the first use is as a hotel, public house or restaurant.

Regulation 4(c) raises the rateable value threshold at which eligibility for “Fresh Start” relief ceases, to allow property with a rateable value up to £65,000 to qualify (instead of £45,000).

Regulation 4(d) provides that no rate relief is to be granted where “payday lending”, within the terms of the definition inserted into the principal Regulations by regulation 3(b), is carried out on the property. This exclusion of relief will, from 1st April 2014, apply in respect of the classes of properties that already qualify for relief and to the classes of properties that these Regulations will allow to qualify for relief from that date.