

LOCAL GOVERNMENT FINANCE (UNOCCUPIED PROPERTIES ETC) (SCOTLAND) ACT 2012

EXPLANATORY NOTES

COMMENTARY OF SECTIONS

Section 1 – Rating of unoccupied lands and heritages

4. This section relates to non-domestic (business) rates relief in respect of unoccupied premises.
5. Subsections (2) and (3) respectively amend sections 24 and 24A of the Local Government (Scotland) Act 1966¹ to allow the Scottish Ministers, by regulations (subject to the negative procedure), to vary the amount of rate relief in relation to unoccupied premises (or unoccupied parts of premises where there has been an apportionment under section 24A of the 1966 Act).
6. Before being amended by the Act, Section 24 of the 1966 Act provided that no rates were payable in respect of wholly unoccupied premises (meaning there is 100% rates relief). However, it also allowed the Scottish Ministers to provide, in regulations, that in respect of prescribed classes of premises a 50% relief applied. Section 24A of the 1966 Act provided a similar system of relief in respect of premises that were partly unoccupied for a short time. It permitted the temporary apportionment of the rateable value of the premises between the occupied and unoccupied parts. The default position was that a nil value was attributed to the unoccupied part (which means, in effect, 100% rates relief was given in relation to that part). Like section 24, section 24A allowed the Scottish Ministers to provide in regulations that a 50% relief applied to the unoccupied part in respect of prescribed classes of premises.
7. Thus, before section 1 of the Act came into force, sections 24 and 24A of the 1966 Act allowed regulations to vary the level of relief in respect of prescribed classes of unoccupied premises from the default 100% to 50%. Section 1 amends those sections to permit regulations made under them to vary the percentage of relief that applies to the classes of premises prescribed. The power to vary the percentage of relief is however subject to the limitation that the level of relief cannot be reduced to less than 10% (i.e. unoccupied premises, or unoccupied parts of premises, cannot be charged more than 90% of the rates that would be payable were the premises, or the part, occupied).
8. Section 1(4) of the Act amends section 24B of the 1966 Act to enable the Scottish Ministers, by regulations (subject to the negative procedure), to provide for classes of properties which were previously unoccupied to continue to be treated as unoccupied and so continue to receive unoccupied property relief for a prescribed period after they become occupied.

¹ <http://www.legislation.gov.uk/ukpga/1966/51/contents>