

LOCAL GOVERNMENT IN SCOTLAND ACT 2003

EXPLANATORY NOTES

THE ACT – SECTION BY SECTION

Part 5 – Rating and council tax

Section 28 – Rate Relief on former agricultural premises

82. This section establishes, with effect from 1 April 2003, a 50 per cent mandatory rate relief scheme for lands and buildings used for non-agricultural purposes on what had previously been agricultural lands and buildings. The section also gives local authorities a discretionary power to increase the relief to 100 per cent. This section sets out the conditions that the lands and heritages must meet if they are to qualify for the 50 per cent mandatory rate relief.
83. This section also places a 5 year limit on the relief from the date the provision comes into effect. It also gives the Scottish Ministers power to extend the life of the scheme for a further period or periods and if the period is extended, limits the mandatory relief for lands and heritages that include land and buildings already qualifying for relief, to a 5 year period from the date this provision comes into effect.
84. The mandatory relief described above will not be available to stud farms, which already benefit from an existing concession that reduces their rateable value. Under existing legislation, local authorities have a discretionary power to increase rate relief to 100 per cent. Stud farms newly established on or after 1 April 2003 will be able to qualify for this discretionary relief by virtue of section 28. However, this will be subject to the rateable value of the lands and heritages occupied by the stud farm, shown in the valuation roll at the beginning of the financial year, not being more than the amount prescribed by the Scottish Ministers.

Section 29 – Rate relief for food stores in rural settlements

85. This section extends 50 per cent mandatory rate relief, currently only available to the sole village general store and post office under the rural (village shop) rate relief scheme, to qualifying food stores. This section defines a qualifying food store as one that wholly or mainly sells food on a retail basis for human consumption. The supply of confectionery and of hot food in the course of catering is excluded. The amendments made by this section have effect from 1 April 2003.

Section 30 – Derating of automatic telling machine sites

86. This section provides that for any financial year beginning on or after 1 April 2003, the sites of automatic telling machine which are within a settlement identified in a rating authority's rural settlement list shall not be entered in the valuation roll. This provision does not apply to the sites of automatic telling machines which are located within buildings occupied by a bank or a building society which provides other services.

Section 31 – Derating of certain buildings used in connection with agricultural operations

87. This section amends section 14 of the [Local Government \(Financial Provisions\) \(Scotland\) Act 1963 \(c.12\)](#) to further extend the current exemption from rates available to certain buildings used in connection with agricultural operations to reflect modern farming practices so that where farmers work on other agricultural land, perhaps on a share or contract basis, or through the pooling of resources or machinery, the exemption will apply. This amendments made by this section will have effect from 1 April 2003.

Section 32 – Power to combine lands and heritages situated in more than one valuation area

88. This section provides the Scottish Ministers with new order making powers to put in place procedures which will assist the Scottish Assessors in carrying out a conventional valuation of those industries which currently have their rateable value prescribed by order in as efficient and effective a manner as possible. This would be at the next revaluation in 2005 should the Scottish Ministers decide to return the prescribed industries to conventional valuation. The ‘prescribed’ industries are electricity, gas, water, rail, train operating companies and large docks and harbours. These industries currently have no right of appeal against the valuation. The intention to return the prescribed industries to conventional valuation is currently the subject of a consultation exercise. "*Non-domestic rates: Returning Prescribed Industries to Conventional Valuation - A consultation paper*" was issued on 18 December 2002 and the closing date for comments is 13 March 2003.
89. The Scottish Ministers may provide by order that a single Assessor can be appointed to value an industry as a whole. This "designated" Assessor would have the same powers of entry and right to request information throughout Scotland as the Assessor currently has within the Assessor's own valuation authority area. The Scottish Ministers may also provide by order that the valuation figure for each industry can be entered in one valuation roll or apportioned amongst valuation rolls. The Scottish Ministers may also provide by order that the Valuation Appeal Committee within the "designated" Assessor's own valuation authority area can hear and determine appeal and complaints under the Valuation Acts in relation to the valuation of these industries. Before making any such orders the Scottish Ministers are required to consult with such association of local authorities and other such persons, as they think appropriate.

Section 33 - Council tax: discount for unoccupied dwellings

90. This section provides the Scottish Ministers with regulation making powers in relation to the setting of the council tax on second and long-term empty homes. The powers will enable the regulations, which must be approved in draft by a resolution of the Scottish Parliament, to cover a wide number of outcomes.