



Local Government in Scotland Act 2003

2003 asp 1

PART 5

RATING AND COUNCIL TAX

28 Rate relief on former agricultural premises etc.

- (1) In section 5 of the Local Government and Rating Act 1997 (c. 29) (which provides that Schedule 2 to that Act (which gives rate relief for certain lands and heritages in rural settlements) is to have effect), the words “in rural settlements” are repealed.
- (2) In section 8(2) of that Act (procedure for orders under that Schedule), after “3(2)(c)(ii)” there is inserted “and 3A(9)”.
- (3) After paragraph 3 of that Schedule there is inserted—
 - “3A (1) For any period (“the relevant period”) in a financial year beginning on or after 1st April 2003 where sub-paragraph (2) applies to lands and heritages, the non-domestic rate leviable in respect of the lands and heritages is to be one half of the non-domestic rate which would have been leviable apart from this paragraph.
 - (2) This sub-paragraph applies where—
 - (a) the rateable value of the lands and heritages shown in the valuation roll at the beginning of the financial year in which the relevant period falls is not more than any amount prescribed by the Scottish Ministers by order,
 - (b) the lands and heritages consist wholly or mainly of land or a building which, on at least 183 days during the period of one year which ends immediately before this sub-paragraph comes into effect, was (or was, by virtue of any enactment, treated as being) agricultural lands and heritages for the purposes of section 7(3) (no agricultural lands and heritages to be entered in the valuation roll) of the Valuation and Rating (Scotland) Act 1956 (c. 60), and
 - (c) during the relevant period, the land or building—
 - (i) is not (and is not, by virtue of any enactment, treated as being) agricultural lands and heritages for those purposes, and

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- (ii) is occupied by a relevant person.
- (3) For the purposes of sub-paragraph (2)(b)—
- (a) any part of the lands and heritages which was, on the days which are taken into account for the purposes of determining whether the condition set out in that sub-paragraph is met, a dwelling (within the meaning of Part II (council tax) of the Local Government Finance Act 1992 (c. 14)) is to be disregarded for the purposes of determining whether that condition is met, and
 - (b) a building which has replaced a building which was, on those days, an agricultural building (within the meaning of section 7(2) of that Act of 1956) is to be treated as if it were the original building.
- (4) For the purposes of sub-paragraph (2)(c), land or a building is occupied by a relevant person if it is occupied by—
- (a) the person who occupied the land or building on the days which are taken into account for the purposes of determining whether the condition set out in sub-paragraph (2)(b) is met, or
 - (b) a member of that person's family.
- (5) If the land or building was occupied, on the days which are taken into account for the purposes of determining whether the condition set out in sub-paragraph (2)(b) is met, by a body corporate or a partnership, the reference in subsection (4)(a) above to a person is to be treated as a reference to—
- (a) any person who, on each of those days, had (alone or together with members of that person's family)—
 - (i) more than half the voting rights in the company, or
 - (ii) the right to appoint or remove a majority of the directors of the company, or, as the case may be
 - (b) any person who, together with members of that person's family, were, on each of those days, both, all or a majority of the partners in the partnership.
- (6) In determining, for the purposes of sub-paragraph (4)(b) or (5), whether a person is a member of the same family as another—
- (a) a person is to be so treated if that person is—
 - (i) the spouse or a brother or sister of the spouse,
 - (ii) a parent or other ascendant or child (or step-child) or other descendant,
 - (iii) a brother or sister or the spouse of a brother or sister, or
 - (iv) an uncle, aunt, niece, nephew or cousin,
 of the other, and
 - (b) a person is to be treated as another's spouse if they live together—
 - (i) as if they were husband and wife, or
 - (ii) in a relationship which has the characteristics of the relationship between husband and wife except that the persons are of the same gender.
- (7) Sub-paragraph (2) does not apply to land and heritages during any period in which section 7B (rate relief for certain buildings used for breeding or rearing horses) of that Act of 1956 applies in relation to the land and heritages.

- (8) Subject to sub-paragraph (9), this paragraph ceases to have effect at the end of the period of five years beginning with the day on which this paragraph comes into effect.
- (9) The Scottish Ministers may by order extend or further extend the period mentioned in sub-paragraph (8).
- (10) If the period is extended or further extended sub-paragraph (2) does not apply to lands and heritages after the end of the period of five years beginning with the day on which it first applied to the lands and heritages.”.
- (4) In paragraph 4 (discretionary rate relief) of that Schedule—
- (a) in sub-paragraph (1), for the words “the condition mentioned in sub-paragraph (2) applies to the lands and heritages” there is substituted “any of the conditions mentioned in sub-paragraphs (2) to (2B) applies”;
- (b) in sub-paragraph (2), for the words “The condition” there is substituted “The first of those conditions”;
- (c) after that sub-paragraph there is inserted—
- “(2A) The second of those conditions is that paragraph 3A(2) applies in relation to the lands and heritages.
- (2B) The third of those conditions is that—
- (a) section 7B (rate relief for certain buildings used for breeding or rearing horses) of that Act of 1956 applies in relation to the lands and heritages,
- (b) that section did not apply in relation to the lands and heritages before 1st April 2003, and
- (c) the rateable value of the lands and heritages shown in the valuation roll at the beginning of the financial year is not more than any amount prescribed by the Scottish Ministers by order.”; and
- (d) after sub-paragraph (3) there is inserted—
- “(4) The amendments to this paragraph made by section 28 of the Local Government in Scotland Act 2003 ([asp 1](#)) (which allow discretionary relief to be given to certain former agricultural premises and certain buildings used for breeding or rearing horses) are to have effect only as respects financial years beginning on or after 1st April 2003.”.

29 Rate relief for food stores in rural settlements

In paragraph 3 (mandatory rate relief for general stores etc. in rural settlements) of that Schedule—

- (a) in sub-paragraph (2)(c)(i), after the word “store” there is inserted “, qualifying food store”;
- (b) after sub-paragraph (3) there is inserted—
- “(3A) The whole or part of lands and heritages is used as a qualifying food store for any period in a financial year if a trade or business consisting wholly or mainly of the sale by retail of food for human consumption (excluding confectionery and excluding the supply of food in the course of catering) is carried on there.

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(3B) In subsection (3A) above, the supply of food in the course of catering includes—

- (a) any supply of food for consumption on the premises on which it is supplied; and
- (b) any supply of hot food for consumption off those premises; and for the purposes of paragraph (b) above “hot food” means food which, or any part of which—
 - (i) has been heated for the purposes of enabling it to be consumed at a temperature above the ambient air temperature; and
 - (ii) is at the time of supply above that temperature.”; and
- (c) after sub-paragraph (5) there is inserted—

“(6) The amendments to this paragraph made by section 29 of the Local Government in Scotland Act 2003 (asp 1) (which extend mandatory relief to certain food stores) are to have effect only as respects financial years beginning on or after 1st April 2003.”.

30 Derating of automatic telling machine sites

After section 8B of the Valuation and Rating (Scotland) Act 1956 (c. 60) there is inserted—

“8C Exclusion of automatic telling machine sites from valuation roll

- (1) There shall not, subject to subsection (2) of this section, be entered in the valuation roll for any year beginning on or after 1st April 2003 any lands or heritages which—
 - (a) are within a settlement identified in a rating authority’s rural settlement list (compiled and maintained under paragraph 1 of Schedule 2 to the Local Government and Rating Act 1997 (c. 29)) having effect in the year; and
 - (b) consist of a building, or any part of a building, which is used only for purposes connected with the use of an automatic telling machine situated therein.
- (2) Subsection (1) of this section does not apply in relation to a building, or any part of a building, occupied by the bank or building society to which the automatic telling machine situated therein relates if that bank or building society otherwise provides services in that building or that part of that building.
- (3) For the purposes of this section, an “automatic telling machine” is a machine which provides automatic telling and other services on behalf of a bank or building society.”.

31 Derating of certain buildings used in connection with agricultural operations

In section 14 (which provides that certain buildings used in connection with agricultural operations are not to be entered on the valuation roll) of the Local Government (Financial Provisions) (Scotland) Act 1963 (c. 12)—

- (a) in subsection (1)(a), the words “being agricultural land occupied by that person,” are repealed;

- (b) in subsection (2)(b)—
 - (i) the word “for” is repealed; and
 - (ii) for the words from “occupied”, where it first occurs, to “land”, where it second occurs, there is substituted “is to be treated as a reference to such land only so far as it is”;
- (c) in subsection (3), the words “not more than twenty” are repealed; and
- (d) after subsection (4) there is inserted—

“(5) The amendments to subsections (1)(a) and (2)(b) (which removed, in relation to persons but not in relation to associations, the requirement that the building must be used in connection with agricultural operations on land occupied by the occupier of the building) and (3) above (which removed the upper limit of members of an association) made by section 31 of the Local Government in Scotland Act 2003 (asp 1) are to have effect only as respects the year 2003-04 and subsequent years.”.

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

- (1) In section 6A (power of Scottish Ministers to combine and divide lands and heritages) of the Valuation and Rating (Scotland) Act 1956 (c. 60)—
 - (a) in subsection (1)(a), after the word “entry” there is inserted—

“(aa) lands and heritages so specified which would, apart from the order, be treated as justifying separate entries in two or more valuation rolls shall, subject to subsection (1B)(b) below, be treated as if they justified only one entry in a single valuation roll;”; and
 - (b) after subsection (1A) there is inserted—

“(1B) An order specifying lands and heritages for the purposes of paragraph (aa) of subsection (1) above may provide that the lands and heritages are to be entered—

 - (a) in the valuation roll for the area of the rating authority specified in the order; or
 - (b) subject to subsection (1C) below, in each of the valuation rolls in which they would, apart from the order, be entered separately at a proportion, calculated in the manner set out in the order, of the rateable value assessed by virtue of paragraph (aa) above.

“(1C) An order specifying lands and heritages for the purposes of paragraph (aa) of subsection (1) above may not permit a rateable value assessed by virtue of paragraph (aa) above to be apportioned so as to cause the total of the apportioned values to amount to a value other than the rateable value so assessed.

“(1D) Before making an order specifying lands and heritages for the purposes of paragraph (aa) of subsection (1) above, the Scottish Ministers shall consult such associations of local authorities and such other persons as they think appropriate.”.
- (2) In section 27 (valuation areas and appointment of assessors etc.) of the Local Government etc. (Scotland) Act 1994 (c. 39)—

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- (a) after subsection (6) there is inserted—
- “(6A) The Scottish Ministers may, if lands and heritages specified in an order made under section 6A(1)(aa) of the Valuation and Rating (Scotland) Act 1956 (c. 60) (power of Scottish Ministers to combine lands and heritages) are situated in more than one valuation area, provide, by order, that an assessor appointed by a valuation authority is to—
- (a) value those lands and heritages; and
 - (b) if the order under that section of that Act so requires, apportion their rateable value in the manner set out in the order.
- (6B) An order under subsection (6A) above may include such incidental, consequential and supplemental provision as the Scottish Ministers consider necessary or expedient for bringing the order into operation and for giving full effect thereto.
- (6C) Without prejudice to the generality of subsections (6A) and (6B) above, an order under subsection (6A) above may provide—
- (a) that the assessor to whom the order relates is, for the purposes of giving effect to the order, to have such powers in relation to each valuation area in which there is situated lands and heritages to be valued in pursuance of the order as he has in relation to the area of the valuation authority which appointed him; and
 - (b) that a valuation appeal committee constituted in relation to the area of the local authority which appointed the assessor may hear and determine appeals and complaints under the Valuation Acts in relation to the assessment of the lands and heritages to be valued in pursuance of the order.
- (6D) Before making an order under subsection (6A) above, the Scottish Ministers shall consult such associations of local authorities and such other persons as they think appropriate.”; and
- (b) for the words “this section”, where they appear in subsections (8), (9) and (10), there is substituted “subsection (7) above”.

33 Council tax: discount for unoccupied dwellings

- (1) The Scottish Ministers may, by regulations—
- (a) repeal paragraph (a) (daily discount from council tax of twice the “appropriate percentage” for chargeable dwellings of which there is no resident) of subsection (2) of section 79 of the Local Government Finance Act 1992 (c. 14); and
 - (b) provide (whether by amendment of that section or otherwise) that the amount of council tax payable in respect of a chargeable dwelling and any day is to be subject to a discount if, on that day, there is no resident of the dwelling and for the calculation of the amount of that discount.
- (2) Regulations made under paragraph (b) of subsection (1) above may, in particular—
- (a) provide in relation to some circumstances in which there is no resident of a chargeable dwelling but not in relation to others;

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- (b) confer on local authorities powers—
 - (i) to disapply the regulations from their respective areas or from such parts of those areas as are specified in the instrument of disapplication;
 - (ii) to modify the application of the regulations within their respective areas so that they make provision in relation to some circumstances in which there is no resident of a chargeable dwelling but not in relation to others (and to make different modifications for different cases or different classes of case, including for different areas);
 - (c) make different provision for different cases or different classes of case, including different provision for different areas or for different local authorities.
- (3) The circumstances referred to in subsections (2)(a) and (b)(ii) above include—
- (a) those deriving from the use to which a chargeable dwelling is put; and
 - (b) the personal circumstances of the owner of the dwelling.
- (4) A power conferred under subsection (2)(b)(ii) above may not permit local authorities to modify regulations under this section so as to set the amount of the discount, for their respective areas, at an amount outwith any maximum or minimum amount as may be specified in the regulations.
- (5) Expressions used in this section and in section 79 of the Local Government Finance Act 1992 (c. 14) have in this section the same meaning as they have in that one.
- (6) Regulations under this section shall be made by statutory instrument but no such regulations shall be made unless a draft of them has been approved by a resolution of the Scottish Parliament.
- (7) Before making such regulations, the Scottish Ministers shall consult such associations of local authorities and such other persons as they think fit.