



Local Government (Financial Provisions etc.) (Scotland) Act 1962

1962 CHAPTER 9 10 and 11 Eliz 2

4 Reduction and remission of rates payable by charitable and other organisations.

- (1) This section shall apply to rates leviable for the year 1962–63 and any subsequent year.
- (2) If notice in writing is given to the rating authority ^{F1}... that any lands and heritages—
- (a) are occupied by, or by trustees for, a charity and are wholly or mainly used for charitable purposes (whether of that charity or of that and other charities);
 - [^{F2}(aa) are occupied by a registered community amateur sports club and are wholly or mainly used for the purposes of that club (or for the purposes of that and of other clubs which are, or are entitled to be registered as, such clubs);]
 - (b) are held on trust for use as an almshouse, [^{F3};or
 - (c) are within any such category as the Secretary of State may by order specify, being a category of lands and heritages which are not used for profit-making purposes, which are wholly or mainly used as residential accommodation for persons living separately from any family and in which certain facilities are shared by those persons,]

then, subject to the provisions of this section, any rate leviable in respect of the lands and heritages for [^{F4}a relevant period] during which the lands and heritages are within the categories described in—

- [^{F5}(i) [^{F6}any of paragraphs (a), (aa) and (b)] of this subsection, shall not exceed [^{F7}one-fifth]
- [^{F8}(ii) paragraph (c) of this subsection shall not exceed such fraction (and different fractions may be specified for different cases) as the Secretary of State may by the said order specify,]

of the rate which would be leviable apart from the provisions of this subsection:

Provided that where lands and heritages cease to be within the said categories, a previous notice given for the purposes of this subsection shall not have effect as respects any subsequent period during which the lands and heritages are within either of those categories.

Changes to legislation: There are currently no known outstanding effects for the Local Government (Financial Provisions etc.) (Scotland) Act 1962, Section 4. (See end of Document for details)

[^{F9}(2A) In subsection (2) of this section “ relevant period ” means—

- (a) in a case where the occupation and use, or as the case may be the holding, commenced on or after the first day of the financial year immediately preceding the financial year in which the notice is given, any period after that commencement;
- (b) in any other case, that first day and any period thereafter.]

^{F10}(3)

^{F10}(4)

(5) Without prejudice to the powers conferred by [^{F11}section 25A of the Local Government (Scotland) Act 1966], a rating authority shall have power to reduce or remit any rate leviable in respect of—

- (a) any lands and heritages within the categories described in [^{F12}any of paragraphs (a) to (c)] of subsection (2) of this section;
- (b) any lands and heritages occupied for the purposes of one or more institutions or other organisations (whether corporate or unincorporate) which are not established or conducted for profit and whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts;
- (c) any lands and heritages occupied for the purposes of a club, society or other organisation not established or conducted for profit, and which are wholly or mainly used for purposes of recreation,

for any such period as is mentioned in [^{F13}subsection (6) or, as the case may be, (6A) of this section]:

Provided that any such reduction or remission shall cease to have effect on a change in the occupation of the lands and heritages in respect of which it was granted.

(6) Any reduction or remission of rates determined under the foregoing subsection may, at the discretion of the rating authority, be granted—

- (a) for the year in which, or the year next following that in which, the determination to grant it is made; or
- (b) for a specified term of years, not exceeding five, beginning not earlier than the year in which the determination is made nor more than twenty-four months after the date of the determination; or
- (c) for an indefinite period beginning not earlier than the year in which the determination is made, subject, however, to the exercise by the rating authority of their powers under [^{F14}subsection (7) of this section].

[^{F15}(6A) Without prejudice to subsection (6) of this section, where any reduction or remission of rates is determined under subsection (5) of this section in the first six months of a year, the reduction or remission may be granted—

- (a) for the preceding year;
- (b) for a specified term of years, not exceeding five, beginning not earlier than the preceding year nor more than twenty four months after the date of the determination;
- (c) for an indefinite period beginning not earlier than the preceding year, subject to the exercise by the rating authority of their powers under subsection (7) of this section.]

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- (7) Where any such reduction or remission is granted for an indefinite period, the rating authority may, by not less than twelve months' notice in writing given to the occupiers of the lands and heritages, terminate or modify the reduction or remission as from the end of a year specified in the notice.
- [^{F16}(7A) The Scottish Ministers may issue guidance to rating authorities about the exercise of the powers conferred by subsections (5) to (7) in relation to lands and heritages of the type mentioned in subsection (5)(c).
- (7B) A rating authority must have regard to such guidance.
- (7C) Guidance under subsection (7A) may be—
- (a) general or for particular purposes,
 - (b) different in relation to different persons or otherwise for different purposes.
- (7D) Before issuing guidance under subsection (7A), the Scottish Ministers must—
- (a) lay a draft of the proposed guidance before the Scottish Parliament,
 - (b) consult—
 - (i) such person or persons as appear to the Scottish Ministers to represent the interests of local authorities, and
 - (ii) such other persons as they consider appropriate.
- (7E) The Scottish Ministers must not issue guidance under subsection (7A) until after a period of 40 days beginning with the day on which the draft guidance was laid before the Parliament under subsection (7D)(a).
- (7F) If, within that period, the Parliament resolves that the guidance proposed should not be issued, Ministers must not issue it.
- (7G) In calculating any period of 40 days for the purposes of subsection (7E) or (7F) above, no account is to be taken of any time during which the Parliament is dissolved or is in recess for more than 4 days.
- (7H) Subsection (7D) is complied with even if the consultation took place, or began, before section 18 of the Non-Domestic Rates (Scotland) Act 2020 comes into force.
- (7I) The Scottish Ministers must publish, in such manner as they consider appropriate, any guidance issued under subsection (7A).
- (7J) The power to issue guidance under subsection (7A) includes power to revise that guidance (and the references to guidance in subsections (7B) to (7I) include references to such revised guidance).]
- (8) Lands and heritages belonging to or held by or on behalf of a religious body, being the residence from which a full-time clergyman or minister of any religious denomination performs the duties of his office, or which are being held available to provide such a residence, shall be treated for the purposes of this section as occupied by a charity and wholly or mainly used for charitable purposes, whether apart from this provision they would be so treated or not.
- (9) The foregoing provisions of this section shall not apply to any lands and heritages described in ^{F17}... subsection (1) of section twenty-two of the Act of 1956, [^{F18} to lands and heritages which are wholly or mainly used for the purpose of carrying on an independent school other than a school falling within subsection (9A),] or to lands and heritages occupied by a local authority (otherwise than as trustee), ^{F19}...

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- [^{F20}(9A) The schools falling within this subsection are—
- (a) any independent school all the pupils of which—
 - (i) are selected on the basis of musical ability or potential, and
 - (ii) follow a curriculum which includes classes aimed at developing musical excellence,
 - (b) any independent school which is a special school.]
- (10) In this section—
- [^{F21}(a) “charity” means a body entered in the Scottish Charity Register,]
 - [^{F22}(aa) “independent school” has the meaning given by section 135(1) of the Education (Scotland) Act 1980,]
 - [^{F23}(b) “rate” means the non-domestic rate.]
 - [^{F24}(c) “registered community amateur sports club” means a registered club for the purposes of Schedule 18 to the Finance Act 2002 (c. 23); and the period during which a club is a registered club for those purposes is to be taken to begin with the date on which its registration takes effect and end on the date with effect from which its registration is terminated (whether or not it is registered, or its registration is terminated, with retrospective effect)] [^{F25},
 - (d) “special school” means a school falling within paragraph (a) of the definition of “special school” in section 29(1) of the Education (Additional Support for Learning) (Scotland) Act 2004.]
- [^{F26}(11) Without prejudice to the meaning of the expression “wholly or mainly used for charitable purposes”, lands and heritages shall be treated as so used, for the purposes of subsection (2) of this section, if—
- (a) they are used wholly or mainly for the sale of goods donated to a charity; and
 - (b) the proceeds of sale (after any deduction of expenses) are applied for the purposes of a charity.]
- [^{F27}(12) An order under subsection (2)(c) of this section shall have no effect until approved by resolution of each House of Parliament.]
- [^{F28}(13) The amendments to this section made by section 98 of the Charities and Trustee Investment (Scotland) Act 2005 (asp 10) (which extend mandatory relief to, and allow discretionary relief to be given to, registered community amateur sports clubs) have effect only as respects the year 2006–7 and subsequent years.]
- [^{F29}(14) Any reduction or remission of rates in respect of lands and heritages which are wholly or mainly used for the purpose of carrying on an independent school, other than a school falling within subsection (9A), granted under subsection (5) before the day on which section 17 of the Non-Domestic Rates (Scotland) Act 2020 comes into force ceases to have effect on that day.]

Textual Amendments

- F1** Words repealed (with saving) by [Local Government \(Miscellaneous Provisions\) \(Scotland\) Act 1981 \(c. 23, SIF 81:2\)](#), **ss. 5** (a) (i), 13, Sch. 4
- F2** S. 4(2)(aa) substituted for word "or" (1.4.2006) by [Charities and Trustee Investment \(Scotland\) Act 2005 \(asp 10\)](#), **ss. 98(2)(a)**, 107(2); S.S.I. 2005/644, art. 2(2)
- F3** Words inserted by [Local Government and Planning \(Scotland\) Act 1982 \(c. 43, SIF 81:2\)](#), **s. 5** (1) (a) (i)

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- F4** Words substituted (with saving) by Local Government (Miscellaneous Provisions) (Scotland) Act 1981 (c. 23, SIF 81:2), **ss. 5** (a) (ii), 13
- F5** Word inserted by Local Government and Planning (Scotland) Act 1982 (c. 43, SIF 81:2), **s. 5** (1) (a) (ii)
- F6** Words in s. 4(2) substituted (1.4.2006) by Charities and Trustee Investment (Scotland) Act 2005 (asp 10), **ss. 98(2)(b)**, 107(2); S.S.I. 2005/644, art. 2(2)
- F7** Words substituted by Local Government Finance Act 1988 (c. 41, SIF: 2), s. 137, **Sch. 12 Pt. II para. 7**
- F8** Sub-paragraph (ii) inserted by Local Government and Planning (Scotland) Act 1982 (c. 43, SIF 81:2), **s. 5** (1) (a) (iii)
- F9** S. 4 (2A) inserted (with saving) by Local Government (Miscellaneous Provisions) (Scotland) Act 1981 (c. 23, SIF 81:2), **ss. 5** (b), 13
- F10** S. 4 (3) (4) repealed by Local Government and Housing Act 1989 (c. 42, SIF 81:1), **ss. 145**, 194 (4), Sch. 6 para. 9 (a), Sch. 12 Pt. II
- F11** Words in s. 4(5) substituted (1.4.1995) by 1994 c. 39, s. 180, **Sch. 13 para. 57**; S.I. 1994/3150, art. 4, **Sch. 1**
- F12** Words in s. 4(5) substituted (1.4.2006) by Charities and Trustee Investment (Scotland) Act 2005 (asp 10), **ss. 98(3)**, 107(2); S.S.I. 2005/644, art. 2(2)
- F13** Words in s. 4(5) substituted (1.4.1997) by 1997 c. 29, s. 33(1), **Sch. 3 para. 2(a)**; S.I. 1997/1097, **art. 2**
- F14** Words in s. 4(6) substituted (1.4.1997) by 1997 c. 29, s. 33(1), **Sch. 3 para. 2(b)**; S.I. 1997/1097, **art. 2**
- F15** S. 4(6A) inserted (1.4.1997) by 1997 c. 29, s. 33(1), **Sch. 3 para. 2(c)**; S.I. 1997/1097, **art. 2**
- F16** S. 4(7A)-(7J) inserted (5.11.2020) by Non-Domestic Rates (Scotland) Act 2020 (asp 4), **ss. 18**, 44(2); S.S.I. 2020/327, **sch.**
- F17** Words in s. 4(9) omitted (1.4.1992) by virtue of Local Government Finance Act 1992 (c. 14), s. 117(1), **Sch. 13 para. 11** (with s. 118(1)(2)(4)); S.I. 1992/818, **art. 2(a)**.
- F18** Words in s. 4(9) inserted (1.4.2022) by Non-Domestic Rates (Scotland) Act 2020 (asp 4), **ss. 17(2)**, 44(2); S.S.I. 2020/327, **sch.** (as amended by S.S.I. 2021/120, regs. 1, 2)
- F19** Words repealed by Local Government (Scotland) Act 1975 (c. 30), **Sch. 7**
- F20** S. 4(9A) inserted (1.4.2022) by Non-Domestic Rates (Scotland) Act 2020 (asp 4), **ss. 17(3)**, 44(2); S.S.I. 2020/327, **sch.** (as amended by S.S.I. 2021/120, regs. 1, 2)
- F21** S. 4(10)(a) substituted (1.4.2006) by Charities and Trustee Investment (Scotland) Act 2005 (asp 10), s. 107(2), **Sch. 4 para. 2(1)**; S.S.I. 2006/189, Sch. Pt. 1
- F22** S. 4(10)(aa) inserted (1.4.2022) by Non-Domestic Rates (Scotland) Act 2020 (asp 4), **ss. 17(4)(a)**, 44(2); S.S.I. 2020/327, **sch.** (as amended by S.S.I. 2021/120, regs. 1, 2)
- F23** S. 4 (10) (b) substituted by Abolition of Domestic Rates Etc. (Scotland) Act 1987 (c. 47, SIF 103:2), s. 6, **Sch. 1 Pt. III para. 21**
- F24** S. 4(10)(c) inserted (1.4.2006) by Charities and Trustee Investment (Scotland) Act 2005 (asp 10), **ss. 98(4)**, 107(2); S.S.I. 2005/644, art. 2(2)
- F25** S. 4(10)(d) inserted (1.4.2022) by Non-Domestic Rates (Scotland) Act 2020 (asp 4), **ss. 17(4)(b)**, 44(2); S.S.I. 2020/327, **sch.** (as amended by S.S.I. 2021/120, regs. 1, 2)
- F26** S. 4 (11) added by Rating (Charity Shops) Act 1976 (c. 45, SIF 103:2), **s. 1** (2)
- F27** S. 4 (12) added by Local Government and Planning (Scotland) Act 1982 (c. 43, SIF 81:2), **s. 5** (1) (c)
- F28** S. 4(13) inserted (1.4.2006) by Charities and Trustee Investment (Scotland) Act 2005 (asp 10), **ss. 98(5)**, 107(2); S.S.I. 2005/644, art. 2(2)
- F29** S. 4(14) inserted (1.4.2022) by Non-Domestic Rates (Scotland) Act 2020 (asp 4), **ss. 17(5)**, 44(2); S.S.I. 2020/327, **sch.** (as amended by S.S.I. 2021/120, regs. 1, 2)

Modifications etc. (not altering text)

- C1** S. 4 modified by Rating (Disabled Persons) Act 1978 (c. 40, SIF 103:1, 2), **s. 5** (6)
- C2** S. 4 extended by National Heritage Act 1980 (c. 17, SIF 3), **s. 1** (4), Sch. 1 para. 2
- C3** S. 4 extended by Local Government (Scotland) Act 1966 (c. 51), **s. 25(5)**

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- C4** S. 4 modified (1.4.1995) by 1966 c. 51, **s. 24** (as substituted by 1994 c. 39, **s. 154**; S.I. 1994/3150, art. 4, **Sch. 1**)
- C5** S. 4(5) excluded (1.4.2019) by The Non-Domestic Rates (Levying) (Scotland) Regulations 2019 (S.S.I. 2019/39), regs. 1, **5(b)**

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