

**§ 3757. Land use change tax**

(a) (1) Land that has been classified as agricultural land or managed forestland pursuant to this chapter shall be subject to a land use change tax upon the development of that land, as defined in section 3752 of this chapter.

(2) If the changed land is an entire parcel, the tax shall be at the rate of 10 percent of the listed value full fair market value of the changed land, determined without regard to the use value appraisal and adjusted by the common level of appraisal.

(3) If changed land is a portion of a parcel, the ~~fair market~~ value of the changed land shall be the listed fair market value of the enrolled changed land prorated on the basis of acreage and adjusted by the common level of appraisal. Such ~~fair market~~ value shall be determined as of the date the land is no longer eligible for use value appraisal. The tax rate shall be determined based on the acres enrolled prior to development or withdrawal and the number of acres developed or withdrawn, as follows:

(A) If the acres enrolled total 25 or fewer, the tax rate shall be 35% if the acres developed or withdrawn are 25 or fewer.

(B) If the acres enrolled total between more than 25 acres but less than 90 acres, the tax rate shall be 40% if the acres developed or withdrawn are 25 or fewer, 20 percent if the developed or withdrawn acres are more than 25 but no more than 90.

(C) If the acres enrolled total more than 90 acres, the tax rate shall be 60% if the acres developed or withdrawn are 25 or fewer, 30% if the acres developed or withdrawn are more than 25 acres but no more than 90, and 15% if the acres developed or withdrawn are more than 90.

(4) This tax shall be in addition to the annual property tax imposed upon such property.  
Nothing in this section shall be construed to require payment of an additional land use change tax

upon the subsequent development of the same land, nor shall it be construed to require payment of a land use change tax merely because previously eligible land becomes ineligible, provided no development of the land has occurred.

(b) Any owner of eligible land who wishes to withdraw land from use value appraisal shall notify the Director, who shall in turn notify the local assessing official. In the alternative, if the Director determines that the land is no longer eligible for use value appraisal or that development has occurred, the Director shall notify the owner, the local assessing official, and, if there is managed forest land, the Department of Forests, Parks and Recreation of his or her determination.

Thereafter, land that has been withdrawn, ~~or developed,~~ or is no longer eligible shall be appraised and listed at its full fair market value in accordance with the provisions of chapter 121 of this title and subsection 3756(d) of this title, according to the appraisal model and land schedule of the municipality.

~~(c) For the purposes of the land use change tax, the determination of the fair market value of the land shall be made by the local assessing officials in accordance with the provisions of subsection (b) of this section and divided by the municipality's most recent common level of appraisal as determined by the Director. The determination shall be made within 30 days after the Director notifies the local assessing officials of the date that the owner has petitioned for withdrawal from use value appraisal or that the Director or local assessing official has determined that development has occurred. The local assessing officials shall notify the Director and the owner of their determination, and the provisions for appeal relating to property tax assessments in chapter 131 of this title shall apply.~~

(d) The land use change tax shall be due and payable by the owner 30 days after the tax notice is mailed to the owner~~taxpayer~~. The tax shall be paid to the Commissioner, who shall remit to the municipality the lesser of one-half the tax paid or \$2,000.00. The Director shall deposit three-quarters of the remainder of the tax paid in the Education Fund, and one-quarter of the remainder of the tax paid in the General Fund. Upon payment of the land use change tax, ~~t~~The Commissioner shall notify~~issue a form to~~ the owner, local assessing officials, and the register of deeds of the municipality in which the land is located and ~~that~~ shall provide ~~for~~ a description of the land on which the lien is released~~developed~~, the amount of tax paid~~payable~~, and the fair market value of the land at the time of development or withdrawal from use value appraisal. ~~The owner shall fill out the form and shall sign it under the penalty of perjury. After receipt of the completed and signed form, the Commissioner shall furnish the owner with one copy, shall retain one copy, and shall forward one copy to the local assessing officials, one copy to the register of deeds of the municipality in which the land is located, and one copy to the Secretary of Agriculture, Food and Markets if the land is agricultural land and in all other cases to the Commissioner of Forests, Parks and Recreation.~~