

DR 15-769 Use Value Appraisals
Section by Section Summary

Section 1. Land Use Change Tax (LUCT).

The LUCT is 10% all land that is developed. For a portion of parcel, the 10% is of the FMV of the resulting lot.

Adds many changes to require local officials to assess land subject to the LUCT, but the Division of Property Valuation and Review still remains the entity that receives the payments. After receiving payment, the Division of Property Valuation and Review sends half of the penalty money back to the municipalities.

Section 2. Conforming change.

Makes it clear that portions of parcels are now valued at the fair market value, either when they are coming into current use, or out.

Section 3. Technical correction.

The local assessing officials no longer rely on sales information from the director.

Section 4. Clarifying changes.

People are only required to file a management activity report if they do something, so the “required” language is inserted for clarity, and 30 days inserting for notice period.

Section 5 and 6. Easy out option.

Landowner may withdraw entire parcel and not have to pay the first \$100,000 in LUCT. Must withdraw by October 1, 2015. Owner cannot re-enroll part of the parcel for 5 years. If the owner withdraws only part of the parcel, the easy out provisions do not apply, and the normal LUCT is due. The easy out is not available for any parcel that is already developed when this act is passed.

Section 7. Study Committee.

Establishes a study committee to examine how reimbursement payments are made to the municipalities.

Section 8. Assessment of property.

Requires the Director of Property Valuation and Review to publish guidance on how to assess land subject to a conservation easement and land subject to a use

value appraisal, and how to do so consistently across the State. The guidance must be published by April 15, 2016.

Sec. 10. Effective dates and transition rules.

The changes to the LUCT take place on October 2, 2015. If an owner wants to take advantage of the easy out under the old rules for a portion of a parcel, he or she must do so before October 2, 2015.

The rest of the act goes into effect July 1, 2015.