a special assessment that is equal to or at the same rate as the agricultural use assessment. In other words, lands meeting the special criteria are valued for assessment purposes at a maximum of $400 per acre. It should be noted that this value is determined without regard to the present actual use of the land and does not depend on the fair market value of the land for development.

Section 278F provides for the imposition of an Agricultural Transfer Tax upon the sale of land receiving the agricultural use assessment provided by Section 19(b). If the purchaser of the farmland refuses to sign a Declaration of Intent promising to maintain the land in its agricultural use, the Agricultural Transfer Tax is imposed at a rate ranging from 3% to 5% of the consideration paid for the land.

Senate Bill 778 amends Section 19(f) and Section 278F and provides that upon the sale of land receiving the planned development special assessment, the Agricultural Transfer Tax will be imposed in the same manner and to the same extent as it is imposed on the sale of agricultural land receiving the agricultural use assessment. The funds collected would be targeted for State and county agricultural land preservation programs. Thus, with certain exceptions, land that currently receives the planned development special assessment will be subject to the Agricultural Transfer Tax when it is sold should the provisions of this bill become law.

As expressly stated in Sections 19(b) and 19(f), the General Assembly intended the special and lower assessments provided in those independent provisions to accomplish quite different yet equally important land use strategies against urban sprawl.

In the instance of the agricultural use assessment, its purpose was to prevent forced farmland conversion and to preserve existing farms. On the other hand, in the case of the planned development special assessment, the General Assembly obviously intended the special assessment to serve as an incentive to landowners to forego quick profits and to encourage them to engage in orderly and staged development.

The differences between these two special assessment programs can also be seen in the nature of the penalty or "discouragement" taxes previously added to both programs. For example, in 1969 the General Assembly enacted Senate Bill 139 which not only imposed a recapture type tax on the conversion of land receiving the agricultural use assessment but also added provisions that allowed planned development lands a lower assessment. This same bill provided for a penalty tax when the planned development lands failed to continue to meet the special zoning criteria. Through enactment of these provisions in same bill, the General Assembly clearly indicated its intent that when the objectives of the two special assessment programs were no longer met, there should be some sort of penalty tax. Although the original deferred tax imposed on the conversion of