(2) IF THERE IS A FAILURE TO COMPLY WITH A DECLARATION OF INTENT FILED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE AGRICULTURAL LAND TRANSFER TAX IS DUE AT THE RATE DETERMINED UNDER § 13-303(A) AND (B) OF THIS SUBTITLE ON THE INSTRUMENT OF WRITING THAT SUBSEQUENTLY TRANSFERS TITLE TO THE AGRICULTURAL LAND:

(I) WITHOUT THE REDUCTION THAT IS AUTHORIZED UNDER § 13-303(C) OF THIS SUBTITLE; OR

(II) IF PROPERTY TAX WAS PAID ON THE BASIS OF AN ASSESSMENT OTHER THAN THE FARM OR AGRICULTURAL USE ASSESSMENT UNDER § 8-209 OF THIS ARTICLE, FOR 5 FULL CONSECUTIVE TAXABLE YEARS FROM THE DATE OF FAILURE TO COMPLY WITH A DECLARATION OF INTENT, BEGINNING WITH THE 6TH YEAR THE RATE SHALL BE REDUCED BY 1 PERCENTAGE POINT FOR EACH FULL CONSECUTIVE TAXABLE YEAR THAT PROPERTY TAX ON REAL PROPERTY CONTINUES TO BE PAID ON THE BASIS OF A NONAGRICULTURAL USE ASSESSMENT.

(D) SAME -- LESS THAN 20 ACRES OF LAND.

(1) AN INSTRUMENT OF WRITING THAT TRANSFERS TITLE TO LESS THAN 20 ACRES OF AGRICULTURAL LAND THAT IS ELIGIBLE FOR FARM OR AGRICULTURAL USE ASSESSMENT UNDER § 8-209 OF THIS ARTICLE IS NOT SUBJECT TO THE AGRICULTURAL LAND TRANSFER TAX, IF THE TRANSFEREE:

(I) FILES WITH THE SUPERVISOR BEFORE THE TRANSFER A DECLARATION OF INTENT TO FARM THE LAND AND THE DECLARATION ~~THAT~~ SPECIFIES THAT:

1. THE AGRICULTURAL LAND WILL REMAIN IN FARM OR AGRICULTURAL USE FOR AT LEAST 5 FULL CONSECUTIVE TAXABLE YEARS; AND

2. THE NATURE OR TYPE OF AGRICULTURAL ACTIVITY ON THE AGRICULTURAL LAND TOGETHER WITH THE AMOUNT OF THE AGRICULTURAL LAND THAT IS IN FARM OR AGRICULTURAL USE IS REASONABLY EXPECTED TO PRODUCE AN AVERAGE ANNUAL GROSS INCOME OF $2,500; AND

(II) APPLIES FOR FARM OR AGRICULTURAL USE ASSESSMENT FOR THE AGRICULTURAL LAND THAT IS TRANSFERRED.

(2) IF THERE IS A FAILURE TO COMPLY WITH A DECLARATION OF INTENT FILED UNDER PARAGRAPH (1) OF THIS SUBSECTION OR A FAILURE TO QUALIFY FOR THE FARM OR AGRICULTURAL USE ASSESSMENT UNDER § 8-209 OF THIS ARTICLE DURING THE TIME THAT A DECLARATION OF INTENT IS IN EFFECT, THE AGRICULTURAL LAND TRANSFER TAX THAT WOULD HAVE BEEN PAYABLE AT THE DATE OF TRANSFER IS DUE PLUS INTEREST AT AN ANNUAL RATE OF 12%.

(3) THE TAX AND INTEREST DUE UNDER PARAGRAPH (2) OF THIS SUBSECTION ARE A LIEN ON THE AGRICULTURAL LAND THAT WAS