

SUANCE OF EVERY ORIGINAL CERTIFICATE OF TITLE REQUIRED UNDER THIS ARTICLE FOR A VESSEL AND ON THE ISSUANCE OF EVERY SUBSEQUENT CERTIFICATE OF TITLE FOR THE SALE, RESALE OR TRANSFER OF THE VESSEL.

1. THE DEPARTMENT SHALL BE PAID A TAX BY THE APPLICANT FOR A CERTIFICATE OF TITLE AT THE RATE OF THREE PERCENTUM (3%) OF THE GROSS SALES PRICE, OR IF NO SALE IMMEDIATELY PRECEDES THE APPLICATION FOR TITLE, THE FAIR MARKET VALUE OF THE VESSEL FOR WHICH A CERTIFICATE OF TITLE IS APPLIED FOR AND ISSUED. THE DEPARTMENT MAY REQUIRE THE SUBMISSION TO IT OF PROOF SATISFACTORY TO IT IN ORDER TO ESTABLISH THE TAX DUE.

2. THE TAX IMPOSED BY THIS SECTION SHALL ACCOMPANY ALL APPLICATIONS FOR CERTIFICATES OF TITLE ISSUED ON AND AFTER JULY 1, 1965, AND SHALL BE IN LIEU OF THE COLLECTION OF ANY TAX ON THE SALE OF THE VESSEL REQUIRED UNDER SECTIONS 325 OR 373 OF ARTICLE 81 OF THIS CODE, AS AMENDED FROM TIME TO TIME UNLESS OTHERWISE EXEMPT FROM THE TAX.

3. NOTWITHSTANDING THE PROVISIONS OF THIS SUBSECTION, NO TAX SHALL BE PAID ON THE ISSUANCE OF ANY CERTIFICATE OF TITLE WHERE THE OWNER OF THE VESSEL FOR WHICH A CERTIFICATE OF TITLE IS APPLIED FOR WAS THE OWNER OF THE VESSEL PRIOR TO JUNE 1, 1965. THE DEPARTMENT MAY REQUIRE THE APPLICANT FOR TITLING TO SUBMIT PROOF SATISFACTORY TO IT TO PROVE THE OWNERSHIP OF THE VESSEL BY THE APPLICANT PRIOR TO JUNE 1, 1965.

(C) NO TAX OR FEE AS SET FORTH IN SUBSECTION (A) AND (B) OF THIS SECTION SHALL BE PAID FOR ISSUANCE OF A CERTIFICATE OF TITLE RESULTING FROM A TRANSFER BETWEEN SPOUSES, BETWEEN LICENSED DEALERS IN VESSELS FOR RESALE, ON THE SALE OR TRANSFER OF A VESSEL OR BOAT NOT REQUIRED TO BE TITLED UNDER THIS ARTICLE, VESSELS OWNED BY THE STATE OF MARYLAND OR ANY OF ITS POLITICAL SUBDIVISIONS, OR VESSELS OWNED BY ELEEMOSYNARY ORGANIZATIONS.

(D) NOTWITHSTANDING THE PROVISIONS OF SECTION 7 OF THIS ARTICLE, THE FUNDS FROM THE EXCISE TAX LEVIED UNDER THIS SECTION SHALL BE DEPOSITED BY THE DEPARTMENT WITH THE COMPTROLLER OF THE TREASURY IN A SPECIAL FUND TO BE KNOWN AS THE WATERWAYS IMPROVEMENT FUND AND SHALL BE EXPENDED ONLY FOR THE PURPOSES SPECIFIED.

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WHENEVER THE DEPARTMENT SHALL DETERMINE THAT THERE HAS BEEN AN OVERPAYMENT OF THE EXCISE TAX UPON TITLING A VESSEL, OR AN OVERPAYMENT HAS RESULTED FROM WHATEVER CAUSE, THE DEPART-