

that conveyances to the State or any agency thereof or any political subdivision of the State shall not be subject to the tax or charge imposed by this section. The term "instruments of writing" shall include deeds, mortgages, chattel mortgages, bills of sale, leases, deeds of trust, contracts and agreements, and shall also include a filed financing statement under the Uniform Commercial Code used to publicize any of such types of a secured transaction which prior to enactment hereof were subject to the tax hereby imposed but shall not include mechanic's liens, crop liens, or security agreements relating to farm products or equipment used in farming operations, purchase-money mortgages, assignments of mortgages, conditional sales contracts or other purchase-money security agreements or a security agreement relating to the assignment of contract rights, accounts, general intangibles or inventory as these terms are defined in the Uniform Commercial Code OR A FILED FINANCING STATEMENT UNDER THE UNIFORM COMMERCIAL CODE used to publicize any of the same, judgments, releases or others of satisfaction.

(s) Notwithstanding the other provisions of this section, where an instrument of writing is filed only with the State Department of Assessments and Taxation under article 95B, section 9-401(1)(c) (The Uniform Commercial Code-Filing), the Department shall collect the tax at the rate of \$1.65 for each \$500 of the principal amount of the debt secured under the instrument. Out of the proceeds of the tax so collected, the Department shall deduct the cost to it of collection and administration of the tax and shall pay the net amount remaining, not less frequently than quarterly, equally among the political subdivisions of this state in which the debtor has a place of business.

The Department of Assessments and Taxation shall have the authority to establish and enforce such reasonable rules and regulations as from time to time it may deem proper to effect the purposes of this subsection. THE DEPARTMENT SHALL PROMPTLY REMIT THE TAXES SO COLLECTED TO THE COMPTROLLER OF THE TREASURY. AFTER DEDUCTING THE COST TO THE DEPARTMENT OF ADMINISTERING THIS SUBSECTION, THE COMPTROLLER SHALL DISTRIBUTE THE NET PROCEEDS TO THE COUNTIES AND BALTIMORE CITY IN THE SAME RATIO AS THE RECORDATION TAX COLLECTED BY EACH OF THE COUNTIES AND BALTIMORE CITY IN THE NEXT PRECEDING FISCAL YEAR BEARS TO THE TOTAL RECORDATION TAXES COLLECTED BY ALL OF THE COUNTIES AND BALTIMORE CITY IN THAT YEAR, ALL AS DETERMINED BY THE COMPTROLLER. THE DEPARTMENT OF ASSESSMENTS AND TAXATION SHALL HAVE THE AUTHORITY TO ESTABLISH AND ENFORCE SUCH REASONABLE RULES AND REGULATIONS AS FROM TIME TO TIME IT MAY DEEM PROPER TO EFFECT THE PURPOSES OF THIS SUBSECTION.

SEC. 2. *And be it further enacted, That this Act shall take effect July 1, 1972.*

Approved May 26, 1972.