DUE.

(2) THE TAX IMPOSED BY THIS SUBSECTION IS IN LIEU OF COLLECTING ANY TAX ON THE SALE OF VESSEL REQUIRED UNDER §§ 325 OR 373 OF ARTICLE 81 OF THE CODE UNLESS OTHERWISE EXEMPT FROM THE TAX.

(3) NOTWITHSTANDING THE PROVISIONS OF THIS SUBSECTION, NO TAX IS PAID ON ISSUANCE OF ANY CERTIFICATE OF TITLE IF THE OWNER OF THE VESSEL FOR WHICH A CERTIFICATE OF TITLE IS SOUGHT WAS THE OWNER OF THE VESSEL PRIOR TO JUNE 1, 1965, OR IF HE PAID MARYLAND SALES TAX ON THE VESSEL AS REQUIRED BY LAW AT THE TIME OF ACQUISITION. THE DEPARTMENT MAY REQUIRE THE APPLICANT FOR TITLING TO SUBMIT SATISFACTORY PROOF THAT HE OWNED THE VESSEL PRIOR TO JUNE 1, 1965.

(C) WHEN FEE OR TAX NOT REQUIRED TO BE PAID.—A PERSON IS NOT REQUIRED TO PAY THE TAX PROVIDED FOR IN SUBSECTION (A) TO OBTAIN A CERTIFICATE OF TITLE RESULTING FROM:

(1) A TRANSFER BETWEEN MEMBERS OF THE IMMEDIATE FAMILY AS DETERMINED BY DEPARTMENT RULES AND REGULATIONS;

(2) A TRANSFER BETWEEN LICENSED DEALERS IN VESSELS FOR RESALE;

(3) SALE OR TRANSFER OF A VESSEL OR BOAT NOT REQUIRED TO BE TITLED UNDER THIS SUBTITLE;

(4) PURCHASE OF A VESSEL BY THE STATE OR ANY POLITICAL SUBDIVISION; OR

(5) PURCHASE OF A VESSEL BY AN ELEEMOSYNARY ORGANIZATION WHICH THE SECRETARY HAS APPROVED.

(D) DEPOSIT AND EXPENDITURE OF FUNDS DERIVED FROM TITLE TAX.— NOTWITHSTANDING THE PROVISIONS OF § 8-724, THE DEPARTMENT DEPOSITS FUNDS FROM THE TITLE TAX LEVIED UNDER THIS SECTION WITH THE COMPTROLLER OF THE TREASURY IN THE WATERWAYS IMPROVEMENT FUND TO BE EXPENDED ONLY FOR THE PURPOSES SPECIFIED.

(E) OVERPAYMENT OF TITLE TAX.—IF THE DEPARTMENT DETERMINES THERE HAS BEEN AN OVERPAYMENT OF THE TITLE TAX ON A VESSEL, OR AN OVERPAYMENT HAS RESULTED FOR ANY OTHER REASON, IT MAY SUBMIT THE OVERPAYMENT AND