

A bill for an act

relating to motor fuels; modifying provisions relating to petroleum product distribution; amending Minnesota Statutes 2006, sections 296A.01, subdivisions 44, 45; 296A.03, subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2006, section 296A.01, subdivision 44, is amended to read:

Subd. 44. **Received.** (a) Except as otherwise provided in this subdivision, petroleum products brought into this state shall be deemed to be "received" in this state at the time and place they are unloaded in this state. When so unloaded such products shall be deemed to be received in this state by the person who is the owner immediately after such unloading; provided, however, that if such owner is not licensed as a distributor in this state and if such products were shipped or delivered into this state by a person who is licensed as a distributor, then such products shall be deemed to be received in this state by the licensed distributor by whom the same were so shipped or delivered.

(b) Petroleum products produced, manufactured, or refined, at a refinery in this state and stored there, or brought into the state by boat ~~or~~ barge, or rail, or like form of transportation and delivered at a marine terminal in this state and stored there, or brought into the state by pipeline and delivered at a pipeline terminal in this state and stored there, or brought into the state by rail car, shall not be considered received until they are withdrawn from such refinery or terminal for sale or use in this state or for delivery or shipment to points within this state.

(c) When withdrawn such products shall be deemed received by the person who was the owner immediately prior to withdrawal; unless (1) such products are withdrawn for

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shipment or delivery to another licensed distributor, in which case the licensed distributor to whom such shipment or delivery is made shall be deemed to have received such products in this state, or (2) such products are withdrawn for shipment or delivery to a person not licensed as a distributor, under one or more sale or exchange agreements by or between persons one or more of whom is a licensed distributor, in which case the last purchaser or exchangee under such agreement or agreements, who is licensed as a distributor, shall be deemed to have received such products in this state.

(d) Petroleum products produced in this state in any manner other than as covered in this subdivision shall be considered received by the producer at the time and place produced.

Sec. 2. Minnesota Statutes 2006, section 296A.01, subdivision 45, is amended to read:

Subd. 45. **Refinery or terminal.** "Refinery" or "terminal" means any petroleum refinery, pipeline terminal, river terminal, storage facility, rail car, or other point of origin where petroleum products are manufactured, or imported by rail, truck, barge, or pipe; and held, stored, transferred, offered for distribution, distributed, offered for sale, or sold. For the purpose of restricting petroleum product blending, this definition includes all refineries and terminals within and outside of Minnesota. For the purpose of assessing fees, this definition does not include a licensed distributor's bulk storage facility that is used to store petroleum products for which the petroleum inspection fee charged under chapter 239 is either not due or has been paid.

Sec. 3. Minnesota Statutes 2006, section 296A.03, subdivision 2, is amended to read:

Subd. 2. **Qualifications.** (a) A distributor's license shall be issued to any responsible person who applies and qualifies as a distributor.

(b) Upon application to the commissioner, the commissioner must issue a distributor's license to any person who:

(1) receives petroleum products in this state for bulk storage and subsequent distribution by tank truck;

(2) produces, manufactures, or refines petroleum products in this state;

(3) holds an unrevoked license as a distributor as of July 1, 1994;

(4) imports petroleum products into this state via boat, barge, or pipeline for storage and subsequent delivery at or further transportation from boat, barge, or pipeline terminals in this state; ~~or~~

(5) imports petroleum products into this state via rail car for storage and subsequent delivery from the rail car in this state; or

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3.1 (6) holds a license and performs a function under the motor fuel tax law of an
3.2 adjoining state equivalent to that of a distributor under this chapter, who desires to ship
3.3 or deliver petroleum products from that state to persons in this state not licensed as
3.4 distributors in this state and who agrees to assume with respect to all petroleum products
3.5 so shipped or delivered the liabilities of a distributor receiving petroleum products in
3.6 this state; provided, however, that any such license shall be issued only for the purpose
3.7 of permitting such person to receive in this state the petroleum products so shipped or
3.8 delivered. Except as herein provided, all persons licensed as distributors under this clause
3.9 shall have the same rights and privileges and be subject to the same duties, requirements,
3.10 and penalties as other licensed distributors.