

the road, and may appropriate to the county from any funds available such sums of money as may be agreed upon.

Approved March 16, 1951.

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CHAPTER 87—H. F. No. 637

*An act relating to tax on gasoline and gasoline substitutes; amending Minnesota Statutes 1949, Sections 296.01, Subdivisions 4, 6, 9, and adding Subdivisions 17, 18, 19, 296.025, 296.07, 296.10, 296.12, 296.15, Subdivision 6, 296.16, Subdivision 3, 296.18, Subdivision 1, 296.21, 296.25, Subdivision 2, 296.27; and repealing Minnesota Statutes 1949, Section 296.22, Subdivision 9.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1949, Section 296.01, Subdivision 4, is amended to read:

Subd. 4. **Fuel oil.** "Fuel oil" means any petroleum product other than gasoline *as herein defined* which is received in this state *by a licensed distributor for sale* and which when tested with a Cleveland open cup tester shall not flash below 120 degrees Fahrenheit and which has a viscosity of not more than 40 seconds at 100 Fahrenheit by the Saybolt universal process.

Sec. 2. Minnesota Statutes 1949, Section 296.01, Subdivision 6, is amended to read:

Subd. 6. **Special fuel.** "Special fuel" means (1) all combustible gases and liquid petroleum products or substitutes therefor, except gasoline, *which are delivered into the supply tank of a licensed motor vehicle or into storage tanks maintained by an owner or operator of a licensed motor vehicle as a source of supply for such vehicle*; and (2) all combustible gases and liquid petroleum products or substitutes therefor, *except gasoline, which are used as aviation fuel.*

Sec. 3. Minnesota Statutes 1949, Section 296.01, Subdivision 9, is amended to read:

Subd. 9. **Dealer.** "Dealer" means any person, except a distributor, engaged in the business of buying and selling gasoline and other petroleum products in this state.

Sec. 4. Minnesota Statutes 1949, Section 296.01, is amended by adding thereto three new subdivisions to be numbered 17, 18 and 19, to read:

*Subd. 17. Special fuel dealer. "Special fuel dealer" means any person engaged in the business of selling and delivering special fuel into the supply tank of a licensed motor vehicle.*

*Subd. 18. Licensed motor vehicle. "Licensed motor vehicle" means (1) any vehicle subject to a motor vehicle license tax in which the power is produced with any fuel other than gasoline in an internal combustion engine, and (2) motor vehicles not required to be licensed as motor vehicles on which is mounted a corn shelling, feed grinding, well drilling, or sawing machine.*

*Subd. 19. Bulk purchaser. "Bulk purchaser" means any person not principally engaged in buying and selling petroleum products or combustible gases who receives special fuel for storage and subsequent delivery into the supply tank of a licensed motor vehicle operated by him.*

Sec. 5. Minnesota Statutes 1949, Section 296.025, is amended to read:

**296.025. Excise tax on gasoline substitutes.** Subdivision 1. There is hereby imposed an excise tax of the same rate per gallon as the gasoline excise tax on all special fuel. This tax shall be payable at the time, in the manner and by persons specified in this chapter.

Subd. 2. There is hereby imposed an excise tax of the same rate per gallon as the gasoline excise tax on all special fuel received, sold, stored or withdrawn from storage in this state, for use as substitutes for aviation gasoline and not otherwise taxed as gasoline.

Subd. 3. The provisions of subdivision 2 of this section do not apply to special fuel purchased and placed in the fuel

tanks of an aircraft outside this state, even though such special fuel may be consumed within this state.

Subd. 4. The tax imposed by subdivision 2 of this section is expressly declared not to be a tax upon consumption of special fuel by an aircraft.

Sec. 6. Minnesota Statutes 1949, Section 296.07, is amended to read.

**296.07 Certificate of registration. Subdivision 1.**

**Application for certificate.** No person shall engage in or purport to be engaged in or hold himself out as being engaged in the business of buying and selling gasoline or aviation gasoline as a dealer in this state unless he shall make application for and secure from the commissioner a dealer's certificate of registration. *The application shall be made in a manner approved by the commissioner. The dealer shall display the certificate in a conspicuous manner in his place of business.*

**Subd. 2. Surrender of certificate.** *If any dealer discontinues, sells or disposes of his business in any manner, he shall surrender the certificate to the commissioner at his office in St. Paul, Minnesota.*

Sec. 7. Minnesota Statutes 1949, Section 296.10, is amended to read:

**296.10. Transport permits.** Any person who transports petroleum products into this state or within this state for storage, sale, distribution or use therein, in truck transports, shall make application for and secure from the commissioner a transport permit which shall bear a distinctive number for each cargo tank so used. The permit shall be carried in an accessible container attached to the cargo tank while the transport is in this state, and the permit number shall be painted in six inch letters in a conspicuous place on the left front and right rear ends of the cargo tank for which the permit number is issued. The permit shall expire annually on *January 31*.

Sec. 8. Minnesota Statutes 1949, Section 296.12, is amended to read:

296.12. **Special fuels.** Subdivision 1. *No person except a licensed distributor shall engage in the business of selling or delivering special fuel as a special fuel dealer unless he shall have applied for and secured from the commissioner a special fuel dealer's license. The application shall be made in a manner approved by the commissioner and shall be accompanied by the payment of \$1.00, which shall be the license fee. The license shall be displayed in a conspicuous manner in the place of business and shall expire annually on January 31.*

*If at any time a special fuel dealer discontinues, sells or disposes of his business in any manner, he shall surrender his special fuel dealer's license to the commissioner at his office in St. Paul, Minnesota.*

Subd. 2. *No person shall receive special fuel as a bulk purchaser unless he shall have applied for and secured from the commissioner a bulk purchaser's license. The application shall be made in a manner approved by the commissioner and shall be accompanied by the payment of \$1.00, which shall be the license fee. The license shall be displayed in a conspicuous manner in the place of business and shall expire annually on January 31.*

*If at any time a bulk purchaser discontinues, sells or disposes of his business in any manner, he shall surrender his bulk purchaser's license to the commissioner at his office in St. Paul, Minnesota.*

Subd. 3. *All distributors and special fuel dealers selling or delivering special fuel into the supply tank of a licensed motor vehicle shall collect, report and pay the excise tax thereon to the commissioner.*

*Bulk purchasers shall report and pay the excise tax on all special fuel purchased by them to the commissioner.*

*Any person delivering special fuel on which the excise tax has not previously been paid, into the supply tank of a licensed motor vehicle shall report such delivery and pay the excise tax on the special fuel so delivered, to the commissioner.*

Subd. 4. *On or before the 23rd day of each month, the persons subject to the provisions of this section shall file in the office of the commissioner at St. Paul, Minnesota, a report in the following manner:*

(1) Distributors and special fuel dealers shall report the total number of gallons of special fuel sold or delivered into the supply tank of a licensed motor vehicle by them during the preceding calendar month, and the report shall be accompanied by the special fuel tax due thereon and such other information as the commissioner may require;

(2) Bulk purchasers shall report and pay the special fuel excise tax on all special fuel purchased by them during the preceding calendar month and the report shall contain such other information as the commissioner may require;

(3) In computing the special fuel excise tax due under Clauses (1) and (2) a deduction of one per cent of the quantity of special fuel sold or purchased during the preceding calendar month shall be made for evaporation and loss.

Subd. 5. A sales ticket shall be issued for each delivery to a bulk purchaser or into the supply tank of a licensed motor vehicle and shall show the name and address of purchaser, motor vehicle license number if delivered into the supply tank of a licensed motor vehicle, date of sale, number of gallons, price per gallon, amount of tax and total amount of sale. A separate sales ticket book shall be maintained for special fuel sales by a special fuel dealer. Invoices, including sales tickets, shall include the words, "Special Fuel."

Subd. 6. All special fuel except that used for aviation fuel shall be deemed to be intended for use in a licensed motor vehicle in this state at the time of sale or delivery.

Subd. 7. The provisions of Section 296.06, Subdivision 2, Clauses (1), (3), (4) and (5) relating to bonds shall apply to special fuel dealers and bulk purchasers.

Subd. 8. When an application for registration of a motor vehicle discloses that such motor vehicle uses special fuel, the registrar of motor vehicles shall notify the commissioner of taxation, in written form, of the name and address of the owner and the make, model, year and license number of the vehicle.

Sec. 9. Minnesota Statutes 1949, Section 296.15, Subdivision 6, is amended to read:

Subd. 6. **Limitation of actions.** No action shall be brought for the collection of delinquent *excise taxes* and inspection fees *under the provisions of this chapter* unless commenced within six years after the date of filing of the *required reports* in the office of the commissioner, provided that in the case of a false or fraudulent report with intent to evade tax or inspection fee or of a failure to file a report, action may be commenced at any time.

Sec. 10. Minnesota Statutes 1949, Section 296.16, Subdivision 3, is amended to read:

Subd. 3. **Collectors in a fiduciary relationship.** The authorization for the collection of *the excise taxes provided for by this chapter* by persons other than the commissioner for and in behalf of the State of Minnesota; shall be deemed to establish a fiduciary relation, for the violation of which, in failure to make payment when due and payable, the person so authorized to collect *these excise taxes* shall be deemed guilty of larceny by embezzlement, and punished accordingly.

Sec. 11. Minnesota Statutes 1949, Section 296.18, Subdivision 1, is amended to read:

296.18. **Certain reimbursements.** Subdivision 1. **Use, other than for motors or aircraft.** Any person who shall buy and use gasoline for any purpose other than use in motor vehicles, or *special fuel for any purpose other than use in licensed motor vehicles*, and who shall have paid the excise tax directly or indirectly through [though] the amount of the tax being included in the price of the gasoline or *special fuel*, or otherwise, shall be reimbursed and repaid the amount of the tax paid by him upon filing with the commissioner a verified claim in such form and containing such information as the commissioner shall require and accompanied by the original invoice thereof. The claim shall set forth the total amount of the gasoline so purchased and used by him other than in motor vehicles, or *special fuel so purchased and used by him other than in licensed motor vehicles*, and shall state when and for what purpose it was used. *When a claim contains an error in computation or preparation, the commissioner is authorized to adjust the claim in accordance with the evidence shown on the claim or other information available to him.* If the commissioner be satisfied that the claimant is entitled to payment, he shall approve the claim and transmit it to the state auditor. No repayment shall be made unless the claim and invoice shall be

filed with the commissioner within *four* months from the date of the purchase. The claim and invoices shall be deemed to have been filed with the commissioner as herein required if postmarked within the *four* months period. The words "gasoline" or "*special fuel*" as used in this subdivision do not include aviation gasoline or *special fuel for aircraft*.

Sec. 12. Minnesota Statutes 1949, Section 296.21, is amended to read:

296.21. **Accurate records, who to keep.** Subdivision 1. All distributors, dealers and *special fuel dealers* shall keep a true and accurate record of all purchases, transfers, sales and use of petroleum products and special fuel in a manner approved by the commissioner, and shall retain all such records for four years.

Subd. 2. The books and records of all carriers of petroleum products, distributors, dealers, and persons selling or using special fuel shall be made accessible to the commissioner or his authorized representative.

Subd. 3. On or before the 10th day of each month every common and every contract carrier of petroleum products shall file with the commissioner in a manner approved by him a report showing the unloading [unloading] date of all shipments of petroleum products and such other information as he may require.

Sec. 13. Minnesota Statutes 1949, Section 296.25, Subdivision 2, is amended to read:

Subd. 2. *It is unlawful and punishable as provided by this subdivision for any person to operate a licensed motor vehicle on the public highways of this state on special fuel on which the excise tax provided by this chapter has not been paid when due.*

*Every person who is convicted of a violation of this subdivision shall be punished by imprisonment for not less than ten nor more than 90 days or by a fine of not less than \$25 nor more than \$100. On a second conviction he shall be punished by imprisonment for not less than 30 nor more than 90 days or by a fine of \$100. On a third or subsequent conviction he shall be punished by imprisonment for not less than 90 days.*

Sec. 14. Minnesota Statutes 1949, Section 296.27, is amended to read:

296.27. **Rules.** The commissioner may make rules and regulations relating to the administration and enforcement of laws regulating the sale, distribution, and use of petroleum products and special fuel. The rules and regulations shall be reasonable and not inconsistent with the law.

Sec. 15. Minnesota Statutes 1949, Section 296.22, Subdivision 9, is hereby repealed.

Sec. 16. This act shall take effect July 1, 1951.

Approved March 16, 1951.

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#### CHAPTER 88—H. F. 667

*An act relating to motor vehicles, providing for the regulation and taxation thereof; amending Minnesota Statutes 1949, Section 168.165.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1949, Section 168.165, is amended to read as follows:

168.165. **Changing class of registration.** Upon application by the owner, the registrar of motor vehicles may convert the registration of any truck, truck-tractor, trailer or semi-trailer, or bus, from one class of registration to any other class of registration, provided that the owner pays the *additional tax* if the unused portion of the *annual tax already* paid on the vehicle does not equal or exceed the tax on the vehicle in the new registration class for the portion of the year remaining after the first day of the month of the year in which the conversion is made. *As used in this section the phrase "unused portion of the tax" means the portion of the annual tax already paid in any class to cover the months of the calendar year remaining after the month in which the conversion is made. As used in this section the term "new tax" shall mean the tax on the vehicle in the new registration class for the portion of the year remaining after the first day of the month of the year in which the conversion is made. If "the new tax"*