

296A.03 DISTRIBUTOR'S LICENSE.

Subdivision 1. **General rule.** No person shall produce, manufacture, or refine petroleum products in this state, or receive, distribute, sell, or use in this state petroleum products which have not been received in this state by a licensed distributor, or in any manner act as a distributor as defined in section 296A.01 without having been licensed by the commissioner as a distributor.

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

Subd. 3. **License fee.** An application for a distributor's license must be accompanied by an initial fee of \$25. Once licensed, a distributor must remit a \$25 fee annually to maintain the license.

Subd. 4. **Licensing period; expiration.** Each license period shall be for one year ending each June 30.

Subd. 5. **Form of application; bond.** (a) A written application shall be made in the form and manner prescribed by the commissioner.

(b) The commissioner shall also require the applicant or licensee to deposit with the commissioner of management and budget securities of the United States government or the state of Minnesota or to execute and file a bond, with a corporate surety approved by the commissioner, to the state of Minnesota in an amount to be determined by the commissioner and in a form to be fixed by the commissioner and approved by the attorney general, and which shall be conditioned for the payment when due of all excise taxes, fees, penalties, and accrued interest arising in the ordinary course of business or by reason of any delinquent money which may be due the state. The bond shall cover all places of business within the state where petroleum products are received by the licensee. The applicant or licensee shall designate and maintain an agent in this state upon whom service may be made for all purposes of this section.

(c) An initial applicant for a distributor's license shall furnish a bond in a minimum sum of \$3,000 for the first year.

(d) The commissioner, on reaching the opinion that the bond given by a licensee is inadequate in amount to fully protect the state, shall require an additional bond in such amount as the commissioner deems sufficient.

(e) A licensee who desires to be exempt from depositing securities or furnishing such bond shall furnish to the commissioner an itemized financial statement showing the assets and the liabilities of the applicant. If it appears to the commissioner, from the financial statement or otherwise, that the applicant is financially responsible, then the commissioner may exempt the applicant from depositing such securities or furnishing such bond until the commissioner otherwise orders.

(f) When the surety upon any bond issued under the provisions of this chapter have fulfilled the conditions of such bond and compensated the state for any loss occasioned by any act or omission of any licensee under this chapter, such surety shall be subrogated to all the rights of the state in connection with the transaction where such loss occurred.

Subd. 6. Surrender of license. When the licensee shall voluntarily or involuntarily sell, dispose of, or discontinue business during the term of a license, the licensee shall immediately notify the commissioner in writing and shall within ten days surrender the license at the commissioner's office in St. Paul, Minnesota.

History: 1998 c 299 s 3; 2000 c 490 art 13 s 13; 2003 c 112 art 2 s 50; 2009 c 101 art 2 s 109