

CHAPTER 296

MOTOR FUELS

<p>296.01 Definitions.</p> <p>296.02 Gasoline, excise tax.</p> <p>296.026 Annual permit for vehicles using compressed natural gas or propane.</p> <p>296.028 Repealed.</p>	<p>296.14 Gasoline tax and inspection fee monthly reports.</p> <p>296.16 Use in motor vehicles.</p> <p>296.165 Untaxed gasoline and special fuel; seizure and forfeiture.</p> <p>296.421 Revenue provisions.</p>
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296.01 DEFINITIONS.

[For text of subs 1 to 24, see M.S.1990]

Subd. 25. **Alternate fuel permit.** "Alternate fuel permit" means a permit issued annually to a person owning a motor vehicle propelled by compressed natural gas, propane, or any other manner except gasoline or special fuel, for a fee imposed in lieu of payment of the gasoline excise tax imposed by sections 296.02 and 296.025.

History: 1991 c 291 art 9 s 8

296.02 GASOLINE, EXCISE TAX.

[For text of subs 1 to 7, see M.S.1990]

Subd. 8. **Tax reduction for agricultural alcohol gasoline sold to government or for school transportation.** A distributor shall be allowed a credit of 80 cents for every gallon of fuel grade alcohol blended with gasoline to produce agricultural alcohol gasoline which is sold to the state, local units of government, or for use in the transportation of pupils to and from school-related events in school vehicles. This reduction is in lieu of the reductions provided in subdivision 7.

History: 1991 c 302 s 3

296.026 ANNUAL PERMIT FOR VEHICLES USING COMPRESSED NATURAL GAS OR PROPANE.

Subdivision 1. **Annual alternate fuel permit.** A person owning a motor vehicle propelled by compressed natural gas, propane, or any other manner except gasoline or special fuel, shall obtain an annual permit for that vehicle in accordance with subdivision 2 or 2a. The period for which the alternate fuel permit is valid must coincide with the motor vehicle registration period of the vehicle. A person shall obtain all required permits within 30 days of becoming a user of compressed natural gas, propane, or any other method of propulsion except gasoline or special fuel.

Subd. 2. **Permit fees imposed.** The fees for annual alternate fuel permits are based on each vehicle's mileage in the preceding year and are as follows:

Gross Vehicle Weight	Fee
Under 6,001 pounds	\$ 8.80 per 1,000 miles
6,001 - 12,000 pounds	\$10.60 per 1,000 miles
12,001 - 18,000 pounds	\$18.80 per 1,000 miles
18,001 - 26,000 pounds	\$27.10 per 1,000 miles
26,001 - 36,000 pounds	\$31.80 per 1,000 miles
Over 36,000 pounds	\$40.00 per 1,000 miles

Subd. 2a. **Optional method of determining permit fees.** (a) The owner of a motor vehicle covered by this section may, at the owner's option, pay a permit fee determined under this subdivision if the vehicle is capable of being propelled by gasoline as well as compressed natural gas or propane.

(b) The fee for a permit under this subdivision is based on each vehicle's mileage

in the previous year while propelled by compressed natural gas or propane and are as follows:

- (1) for a vehicle with a gross vehicle weight under 6,001 pounds, .9 cents a mile; or
- (2) for a vehicle with a gross vehicle weight of 6,001 to 12,000 pounds, one cent a mile; or
- (3) for a vehicle with a gross vehicle weight of 12,001 to 18,000 pounds, 1.9 cents a mile; or
- (4) for a vehicle with a gross vehicle weight of 18,001 to 26,000 pounds, 2.7 cents a mile; or
- (5) for a vehicle with a gross vehicle weight of 26,001 to 36,000 pounds, 3.2 cents a mile; or
- (6) for a vehicle with a gross vehicle weight over 36,000 pounds, 4 cents a mile.

An owner opting to pay a fee calculated under this subdivision shall submit a log, with validating receipts pertaining to the vehicle's mileage while propelled by compressed natural gas or propane and its mileage while propelled by gasoline, to the commissioner of public safety upon application for the permit.

Subd. 2b. Mileage calculations. A log with validating receipts pertaining to the vehicle's out-of-state mileage may be supplied to the commissioner of public safety at the time of permit application to be subtracted from the actual mileage for the purpose of calculating the permit fee. If no true cumulative mileage figures are available for the preceding year, the fee must be based on 15,000 miles driven within the state for a fee determined under subdivision 2 or 7,500 miles driven within the state for a fee determined under subdivision 2a, if the vehicle is primarily used for nonbusiness purposes.

The fee for a permit required by this section must be calculated based on the number of unexpired months remaining in the registration year of the vehicle as measured from the date of the occurrence of the event requiring the permit.

[For text of subds 3 to 6, see M.S.1990]

Subd. 7. Fees in lieu of gas tax. The permit fees collected under subdivision 2 are in lieu of the gasoline excise tax imposed by sections 296.02 and 296.025. Compressed natural gas, propane, or any other method of propulsion sold as fuel for motor vehicles displaying valid annual alternate fuel permit stickers is not subject to any additional tax at the time of sale. All alternate fuel permit fees collected by the department of public safety must be deposited in the state treasury and credited to the highway user tax distribution fund.

History: 1991 c 291 art 9 s 9-13

296.028 [Repealed, 1991 c 291 art 9 s 46]

296.14 GASOLINE TAX AND INSPECTION FEE MONTHLY REPORTS.

Subdivision 1. Contents; payment of tax; shrinkage allowance. On or before the 23rd day of each month, every person who is required to pay gasoline tax or inspection fee on petroleum products and every distributor shall file in the office of the commissioner at St. Paul, Minnesota, a report in a manner approved by the commissioner showing the number of gallons of petroleum products received by the reporter during the preceding calendar month, and such other information as the commissioner may require. The number of gallons of gasoline shall be reported in United States standard liquid gallons (231 cubic inches), except that the commissioner may upon written application therefor and for cause shown permit the distributor to report the number of gallons of such gasoline as corrected to a 60 degree Fahrenheit temperature. If such application is granted, all gasoline covered in such application and as allowed by the commissioner must continue to be reported by the distributor on the adjusted basis for a period of one year from the date of the granting of the application. The number of gallons of petroleum products other than gasoline shall be reported as originally invoiced.

Each report shall show separately the number of gallons of aviation gasoline received by the reporter during such calendar month.

Each report shall be accompanied by remittance covering inspection fees on petroleum products and gasoline tax on gasoline received by the reporter during the preceding month; provided that in computing such tax a deduction of three percent of the quantity of gasoline received by a distributor shall be made for evaporation and loss; provided further that at the time of remittance the distributor shall submit satisfactory evidence that one-third of such three percent deduction shall have been credited or paid to dealers on quantities sold to them. The report and remittance shall be deemed to have been filed as herein required if postmarked on or before the 23rd day of the month in which payable.

Each report shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.

If the aggregate remittances made during a fiscal year ending June 30 equal or exceed \$240,000, all remittances in the subsequent calendar year must be made by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the remittance is due. If the date the remittance is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the remittance is due.

[For text of subs 2 to 4, see M.S.1990]

History: 1991 c 291 art 17 s 6

296.16 USE IN MOTOR VEHICLES.

[For text of subd 1, see M.S.1990]

Subd. 1a. Intent; forest roads. Approximately 0.116 percent of the total annual unrefunded revenue from the gasoline fuel tax on all gasoline and special fuel received in, produced, or brought into this state, except gasoline and special fuel used for aviation purposes, is derived from the operation of motor vehicles on state forest roads and county forest access roads. Of this amount, 0.0605 percent is annually derived from motor vehicles operated on state forest roads and 0.0555 percent is annually derived from motor vehicles operated on county forest access roads in this state.

[For text of subd 2, see M.S.1990]

History: 1991 c 298 art 5 s 3

296.165 UNTAXED GASOLINE AND SPECIAL FUEL; SEIZURE AND FORFEITURE.

Subdivision 1. Seizure. The commissioner or authorized designees may seize gasoline or special fuel being transported for delivery in violation of section 296.06, subdivision 1, and any vehicle or other method of conveyance used for transporting the gasoline or special fuel. Property seized under this subdivision is subject to forfeiture as provided in subdivisions 2 and 3.

Subd. 2. Inventory. Within two days after the seizure of gasoline or special fuel, the person making the seizure shall deliver an inventory of the property seized to the person from whom the seizure was made, if known, and file a copy with the office of the commissioner. Within ten days after the date of service of the inventory, the person from whom the property was seized or any person claiming an interest in the property may file with the commissioner a demand for a judicial determination of whether the property was lawfully subject to seizure and forfeiture. The commissioner, within 30 days of demand for a judicial determination, shall begin an action in the district court of the county where the seizure was made to determine the issue of forfeiture. The

action must be brought in the name of the state and prosecuted by the county attorney or by the attorney general. The court shall hear the action without a jury and shall try and determine the issues of fact and law involved. When a judgment of forfeiture is entered, the commissioner may, unless the judgment is stayed pending an appeal, either (1) cause the forfeited property to be destroyed; or (2) cause it to be sold at public auction as provided by law. Proceeds of a sale, after deducting the expense of keeping the gasoline or special fuel and costs of the sale, must be paid into the state treasury. The commissioner shall reimburse designees for costs incurred. If a demand for judicial determination is made and no action is commenced as provided in this subdivision, the property must be released by the commissioner and redelivered to the person entitled to it. If no demand is made, the property seized must be considered forfeited to the state by operation of law and may be disposed of by the commissioner as provided where there has been a judgment of forfeiture. When the commissioner is satisfied that a person from whom property is seized under this chapter was acting in good faith and without intent to evade the tax, the commissioner shall release the property seized, without further legal proceedings.

Subd. 3. Conveyances. (a) The commissioner or authorized designees shall file with the court a separate complaint against the vehicle or conveyance, describing it and charging its use in the specified violation, and specifying substantially the time and place of the unlawful use. A copy of the complaint must be served on the defendant or person in charge of the vehicle or conveyance at the time of seizure, if any. The court shall issue an order directed to any person known or believed to have a right or title to, interest in, or lien on the vehicle or conveyance and to persons unknown claiming a right, title, interest, or lien:

(1) describing the vehicle or conveyance and stating that it was seized and that a complaint against it, charging the specified violation, has been filed with the court;

(2) requiring the persons to file with the court administrator of the court their answer to the complaint, setting forth any claim they may have to a right or title to, interest in, or lien on the vehicle or conveyance, within ten days after the service of the order; and

(3) notifying them in substance that if they fail to file their answer within that time the vehicle or conveyance will be ordered sold by the commissioner.

(b) The court shall cause the order to be served on:

(1) the registered owner;

(2) any person who has duly filed a conditional sales contract, mortgage, or other lien instrument covering the property unless it has been released or satisfied;

(3) any other person known or believed to have a right, title, interest in, or lien upon, the vehicle or conveyance as in the case of a summons in a civil action; and

(4) on unknown persons by publication, as provided for service of summons in a civil action.

(c) If no answer is filed within the time prescribed, the court shall, on affidavit by the court administrator of the court setting forth that fact, order the vehicle or conveyance forfeited and direct that it be sold by the commissioner or the commissioner's agents. The proceeds of the sale, after deducting the expense of keeping the vehicle or conveyance and costs of the sale, including any costs incurred pursuant to paragraph (f), must be paid into the state treasury. The commissioner shall reimburse designees for costs incurred.

(d) If an answer is filed within the time provided, the court shall fix a time for hearing at least ten but no more than 30 days after the time for filing the answer expires. At the hearing, the matter must be heard and determined by the court, without a jury, as in other civil actions. If the court finds that the vehicle or conveyance, or any part of it, was used in a violation as specified in the complaint, it shall order the vehicle or conveyance forfeited and direct that it be sold, as provided in this section, unless the owner shows to the satisfaction of the court that the vehicle was being used without the owner's consent or that, when giving the consent, the owner had no notice or knowledge

or reason to believe that the vehicle or conveyance was intended to be used in a violation. After deducting the expense of keeping the vehicle or conveyance and costs of the sale, the officer making the sale shall pay, according to their priority, all liens established at the hearing as being bona fide and existing without the lienor having any notice or knowledge at the time the lien was created that the vehicle or conveyance was being used or was intended to be used in connection with any violation, and shall pay the balance of the proceeds into the state treasury. The commissioner shall reimburse designees for costs incurred. A sale under this section frees the conveyance sold from all liens.

(e) At any time after seizure and before the hearing, the vehicle or conveyance must be returned to the owner or person having a legal right to its possession on execution by that person of a valid bond to the state of Minnesota, with corporate surety, of at least \$100 but not more than double the value of the vehicle or conveyance seized, to be approved by the court in which the case is triable, or a judge of that court. The bond must guarantee compliance with the order and judgment of the court, and, if ordered by the court, payment of the full value of the vehicle or conveyance at the time of seizure.

(f) If the seized vehicle or conveyance is owned or operated by a for-hire common or contract motor carrier, and was being used without knowledge of the violation, the commissioner shall return the vehicle or conveyance to its owner or operator as soon as possible without need for court order, and shall provide to such owner or operator reasonable compensation for the time during which the vehicle or conveyance is held pursuant to seizure.

History: 1991 c 291 art 9 s 14

296.421 REVENUE PROVISIONS.

[For text of subs 2 to 5, see M.S.1990]

Subd. 8. **Computation and distribution of unrefunded taxes for forest roads.** The amount of unrefunded tax paid on gasoline and special fuel used to operate motor vehicles on forest roads, except gasoline and special fuel used for aviation purposes, is 0.116 percent of the total unrefunded revenue from the tax on all gasoline and special fuel received in, produced, or brought into the state, and this revenue is appropriated from the highway user tax distribution fund and must be transferred and credited in equal installments on July 1 and January 1 to the state forest road account established in section 89.70. An amount equal to 0.0555 percent of the unrefunded revenue must be annually transferred to counties for management and maintenance of county forest roads.

History: 1991 c 298 art 5 s 4