

balance of sections 145.4131 to 145.4135 shall remain effective notwithstanding such unconstitutionality. The legislature hereby declares that it would have passed sections 145.4131 to 145.4135, and each provision, section, subdivision, sentence, clause, phrase, or word thereof, irrespective of the fact that any one or more provision, section, subdivision, sentence, clause, phrase, or word be declared unconstitutional.

Presented to the governor April 10, 1998

Signed by the governor April 21, 1998, 9:40 a.m.

CHAPTER 408—S.F.No. 3396

An act relating to legislative enactments; correcting miscellaneous noncontroversial oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 1996, sections 62A.65, subdivision 5, as amended; 115C.08, subdivision 3; and 120.1701, subdivision 17, as amended; Minnesota Statutes 1997 Supplement, sections 241.015, as amended; 268.07, subdivision 2, as amended; Laws 1998, chapter 262, section 13, by adding a subdivision; Laws 1998, chapter 293, section 3; Laws 1998, chapter 299, section 15, subdivision 1; Laws 1998, chapter 319, section 2, subdivisions 2 and 7; Laws 1998, chapter 367, article 2, section 30, subdivision 3; article 2, section 31; article 2, section 34; article 7, section 15; article 11, section 27; House File 3840, article 8, section 44, subdivisions 1, 2, and 7; article 9, section 2, subdivision 2; article 11, section 23; Senate File 161, article 1, section 3; Senate File 3298, article 1, section 2; Senate File 3345, article 9, section 25; Senate File 3346, article 8, section 15; Senate File 3354, section 32; proposing coding for new law in Minnesota Statutes, chapter 241.

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

Section 1. Minnesota Statutes 1996, section 115C.08, subdivision 3, is amended to read:

Subd. 3. **PETROLEUM TANK RELEASE CLEANUP FEE.** A petroleum tank release cleanup fee is imposed on the use of tanks that contain petroleum products defined in section 296.01. On products other than gasoline, the fee must be paid in the manner provided in section 296.141 by the first licensed distributor receiving the product in Minnesota, as defined in section 296.01. When the product is gasoline, the distributor responsible for payment of the gasoline tax is also responsible for payment of the petroleum tank cleanup fee. The fee must be imposed as required under subdivision 3 2, at a rate of \$20 per 1,000 gallons of petroleum products, rounded to the nearest 1,000 gallons. A distributor who fails to pay the fee imposed under this section is subject to the penalties provided in section 296.15.

Sec. 2. **CORRECTION 1.** Laws 1998, chapter 262, section 13, is amended by adding a subdivision to read:

Subd. 1a. SECTION 9. Section 9 is effective August 1, 1998, and applies to the estate of a person dying on or after that date.

Sec. 3. **CORRECTION 2.** Minnesota Statutes 1997 Supplement, section 268.07, subdivision 2, as amended by Laws 1998, chapter 265, section 23, is amended to read:

Subd. 2. **WEEKLY BENEFIT AMOUNT AND MAXIMUM AMOUNT OF BENEFITS.** (a) To establish a reemployment insurance account, a claimant must have:

New language is indicated by underline, deletions by ~~strikeout~~.

- (1) wage credits in two or more calendar quarters of the claimant's base period;
- (2) minimum total wage credits equal to or greater than the high quarter wage credits multiplied by 1.25;

(3) high quarter wage credits of not less than \$1,000.

(b) If the commissioner finds that a claimant has established a reemployment insurance account, the weekly benefit amount payable during the claimant's benefit year shall be the higher of:

(1) 50 percent of the claimant's average weekly wage during the claimant's base period, to a maximum of $66\frac{2}{3}$ percent of the state's average weekly wage; or

(2) 50 percent of the claimant's average weekly wage during the high quarter, to a maximum of the higher of \$331 or 50 percent of the state's average weekly wage, ~~or \$331, whichever is higher.~~

The claimant's average weekly wage under clause (1) shall be computed by dividing the claimant's total wage credits by 52. The claimant's average weekly wage under clause (2) shall be computed by dividing the claimant's high quarter wage credits by 13.

(c) The state's maximum weekly benefit amount and the claimant's weekly benefit amount shall be computed to the nearest whole dollar.

(d) The maximum amount of benefits payable on any reemployment insurance account shall equal one-third of the claimant's total wage credits rounded to the next lower dollar, not to exceed 26 times the claimant's weekly benefit amount.

Sec. 4. **CORRECTION 4.** Laws 1998, chapter 319, section 2, subdivision 2, is amended to read:

Subd. 2. **OTHER INSURERS.** In order to be eligible to be governed by sections 60L.01 to 60L.15, an insurer other than a life insurer must meet the following requirements:

(a) For each calendar year during which sections 60L.01 to 60L.15 apply to the insurer, the insurer shall have had, as of the end of the immediately preceding calendar year:

- (1) total admitted assets of at least \$2,000,000,000; and
- (2) a total amount of capital plus surplus of at least \$200,000,000.

(b) For each calendar year during which sections 60L.01 to 60L.15 apply to the insurer, the insurer shall have had, as of the end of the immediately preceding calendar year, total adjusted capital equal to or greater than company action level risk-based capital, as defined in section 60A.60, subdivision 11. For purposes of this subdivision, "total adjusted capital" means total adjusted capital as defined in section 60A.60, subdivision 14, adjusted to deduct the value of capital notes and surplus notes as provided in the risk-based instructions as defined in section 60A.60, subdivision 10.

(c) For each calendar year during which sections 60L.01 to 60L.15 apply to the insurer, the mean of the ratio, calculated as of the end of each of the five immediately preceding calendar years, of total adjusted capital to company action level risk-based capital, as defined in section 60A.60, subdivision 11, must equal at least 1.0.

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(d) An insurer is considered to have met the requirements of this subdivision and subdivision 3 if the insurer participates in a 100 percent reinsurance pooling agreement which substantially affects the solvency and integrity of its reserves and cedes all of its direct and assumed business to the pool, and where the insurer with the largest share of pooled business subject to the agreement meets the requirements of this subdivision and subdivision 3.

Sec. 5. **CORRECTION 4A.** Laws 1998, chapter 319, section 2, subdivision 7, is amended to read:

Subd. 7. **TERMINATION.** (a) After sections 60L.01 to 60L.15 begin to govern an insurer, sections 60L.01 to 60L.15 apply to the insurer unless:

(1) the insurer has ceased to comply with the requirements of:

(i) subdivision 1, if the insurer is a life insurer; or;

(ii) subdivision 2, if the insurer is other than a life insurer, and with the requirements of; or

(iii) subdivision 3

and the insurer has failed to bring itself back into compliance with the requirements of the applicable subdivisions within 30 days of ceasing to comply; or

(2) the commissioner has issued an order under section 60L.14, subdivision 2, that sections 60L.01 to 60L.15 no longer govern the insurer, regardless of whether the insurer is contesting the order; or

(3) all of the following conditions have been met:

(i) the insurer's board of directors has adopted a resolution electing that sections 60L.01 to 60L.15 no longer apply to its investments and investment practices;

(ii) the insurer has notified the commissioner in writing of its intention that sections 60L.01 to 60L.15 no longer apply to the insurer's investments and investment practices; and

(iii) during the period ending 30 days after the receipt by the commissioner of the written notice, the commissioner has not issued an order under section 60L.14 prohibiting the insurer from ceasing to comply with sections 60L.01 to 60L.15.

(b) An insurer may not elect more than once in a 12-month period that sections 60L.01 to 60L.15 do not apply to the insurer's investments and investment practices.

(c) An investment which is held as an admitted asset by an insurer on the date on which sections 60L.01 to 60L.15 cease to govern the insurer and which qualified as an admitted asset immediately before the date remains qualified as an admitted asset of the insurer.

(d) If sufficient voting securities of the insurer or an affiliate are acquired to require a filing under section 60D.17, sections 60L.01 to 60L.15 cease to apply to the insurer 30 days following the completion of the acquisition of voting securities. If the board of directors of the insurer desires the insurer to continue to be governed by sections 60L.01 to 60L.15, it shall comply with the requirements of subdivision 4 and shall notify the com-

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missioner as required under and subject to subdivision 5. If the notification is received within 30 days of the completion of the acquisition, the insurer is governed by sections 60L.01 to 60L.15 during the time period allowed for the commissioner's disapproval.

(e) When sections 60L.01 to 60L.15 cease to govern an insurer, then, in the case of a life insurer, sections 61A.28; 61A.282, subdivision 2; 61A.283; 61A.29; 61A.31; and 61A.315, and, in the case of an insurer other than a life insurer, section 60A.11, apply to the insurer.

Sec. 6. **CORRECTION 5.** Laws 1998, chapter 293, section 3, is amended to read:

Sec. 3. **EFFECTIVE DATE.**

Section 1 is effective for policies issued or renewed on or after January 1, 1999. Section 2 is effective the day following final enactment.

Sec. 7. **CORRECTION 6.** 1998 S.F. No. 3345, article 9, section 25, if enacted, is amended to read:

Sec. 25. **EFFECTIVE DATE.**

Sections 1 to 3, 6 to 8, 12, and 18 are effective the day following final enactment. Sections 11 and 17 are effective January 1, 1999. Sections 13 to 15, 21, and 24 are effective July 1, 1999.

Sec. 8. **CORRECTION 7.** 1998 S.F. No. 3354, section 32, if enacted, is amended to read:

Sec. 32. **[16D.045] STAFF.**

Any if there is an increase in the complement of collectors hired employed by the commissioner of revenue after June 30, 1998, to work for the Minnesota collection enterprise above the complement employed on June 30, 1998, the new complement of collectors must be located in the Ely office.

Sec. 9. **CORRECTION 8.** 1998 S.F. No. 3298, article 1, section 2, is amended to read:

Sec. 2. DEPARTMENT OF PUBLIC SAFETY			
	\$	200,000	\$ 4,170,000
Summary by Fund			
General	-0-		294,000
Trunk Highway	200,000		3,826,000
Highway User Tax			
Distribution Fund	-0-		50,000
(a) State Patrol			
Summary by Fund			
General	-0-		294,000
Trunk Highway	-0-		3,591,000
Highway User Tax			
Distribution Fund	-0-		50,000

These appropriations are added to the appropriation in Laws 1997, chapter 159, article 1, section 4, subdivision 3.

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\$50,000 from the highway user tax distribution fund is for the vehicle registration and insurance study.

\$294,000 from the general fund for fiscal year 1999 is for additional capitol complex security staff.

\$200,000 from the trunk highway fund for fiscal year 1998 1999 is for additional state patrol flight time to enhance law enforcement efforts through airborne enforcement.

\$2,697,000 from the trunk highway fund for fiscal year 1999 is for 29 additional state troopers and related support staff.

\$694,000 from the trunk highway fund for fiscal year 1999 is for replacement and maintenance of state patrol communications equipment.

(b) Driver and Vehicle Services

200,000	235,000
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\$200,000 for fiscal year 1998 and \$235,000 for fiscal year 1999 are added to the appropriations in Laws 1997, chapter 159, article 1, section 4, subdivision 4, for driver's license and identification card cost increases. This appropriation is from the trunk highway fund.

Sec. 10. **CORRECTION 9.** Laws 1998, chapter 299, section 15, subdivision 1, is amended to read:

Subdivision 1. **MONTHLY GASOLINE REPORTS; SHRINKAGE ALLOWANCE.** (a) Except as provided in paragraph (e), on or before the 23rd day of each month, every person who is required to pay a gasoline tax shall file with the commissioner a report, in the form and manner prescribed by the commissioner, showing the number of gallons of petroleum products received by the reporter during the preceding calendar month, and other information the commissioner may require. A written report is deemed to have been filed as required in this subdivision if postmarked on or before the 23rd day of the month in which the tax is payable.

(b) The number of gallons of gasoline must be reported in United States standard liquid gallons, 231 cubic inches, except that the commissioner may upon written application and for cause shown permit the distributor to report the number of gallons of gasoline as corrected to a temperature of 60-degrees Fahrenheit. If the application is granted, all gasoline covered in the application and 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

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gasoline must be reported as originally invoiced. Each report must show separately the number of gallons of aviation gasoline received by the reporter during each calendar month.

(c) Each report must also include the amount of gasoline tax on gasoline received by the reporter during the preceding month. In computing the tax a deduction of three percent of the quantity of gasoline received by a distributor shall be made for evaporation and loss. At the time of reporting, the reporter shall submit satisfactory evidence that one-third of the three percent deduction has been credited or paid to dealers on quantities sold to them.

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

(e) Under certain circumstances and with the approval of the commissioner, taxpayers may be allowed to file reports annually.

Sec. 11. **CORRECTION 10.** Laws 1998, chapter 367, article 7, section 15, is amended to read:

Sec. 15. REPEALER.

Minnesota Statutes 1996, section 401.02, subdivision 4; and Minnesota Statutes 1997 Supplement, section 244.19, subdivision 3a 4, are repealed.

Sec. 12. **CORRECTION 10A.** Laws 1998, chapter 367, article 11, section 27, is amended to read:

Sec. 27. REPEALER.

Minnesota Statutes 1996, sections section 299M.05; and 299M.11, subdivision 3, are, is repealed.

Sec. 13. **CORRECTION 11.** Minnesota Statutes 1997 Supplement, section 241.015, as amended by Laws 1998, chapter 367, article 9, section 4, is amended to read:

241.015 ANNUAL PERFORMANCE REPORTS REQUIRED.

Subdivision 1. ANNUAL REPORT. Notwithstanding ~~section 15.91~~, the department of corrections must issue a performance report by November 30 of each year. ~~The issuance and content of the report must conform with section 15.91.~~

Subd. 2. RECIDIVISM ANALYSIS. ~~The report required by subdivision 1 must include an evaluation and analysis of the programming in all department of corrections facilities. This evaluation and analysis must include:~~

(1) ~~a description of the vocational, work, and industries programs and information on the recidivism rates for offenders who participated in these types of programming;~~

(2) ~~a description of the educational programs and information on the recidivism rates for offenders who participated in educational programming; and~~

(3) ~~a description of the chemical dependency, sex offender, and mental health treatment programs and information on the recidivism rates for offenders who participated in these treatment programs.~~

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The analysis of recidivism rates must include a breakdown of recidivism rates for juvenile offenders, adult male offenders, and adult female offenders.

Sec. 14. CORRECTION 11A. Subdivision 1. [241.016] AGENCY PERFORMANCE REPORTING; RECIDIVISM ANALYSIS.

The report required by section 15.91 must include an evaluation and analysis of the programming in all department of corrections facilities. This evaluation and analysis must include:

(1) a description of the vocational, work, and industries programs and information on the recidivism rates for offenders who participated in these types of programming;

(2) a description of the educational programs and information on the recidivism rates for offenders who participated in educational programming; and

(3) a description of the chemical dependency, sex offender, and mental health treatment programs and information on the recidivism rates for offenders who participated in these treatment programs.

The analysis of recidivism rates must include a breakdown of recidivism rates for juvenile offenders, adult male offenders, and adult female offenders.

Subd. 2. EFFECTIVE DATE. Subdivision 1 is effective July 1, 1998.

Sec. 15. CORRECTION 12. Laws 1998, chapter 367, article 2, section 30, subdivision 3, is amended to read:

Subd. 3. LEGISLATIVE REPORT. The prosecuting authorities specified in subdivision 2 shall cooperate in compiling a report containing the information required to be collected under subdivision 2 and shall submit the report by December 15, 1998, to the chairs and ranking minority members of the senate crime prevention committee and the house judiciary committee.

Sec. 16. CORRECTION 12A. Laws 1998, chapter 367, article 2, section 31, is amended to read:

Sec. 31. PENALTY ASSESSMENTS FOR PROSTITUTION CRIMES; REPORT.

(a) On or before December 15, 1998, the commissioner of corrections shall submit a report to the chairs and ranking minority members of the senate crime prevention committee and the house judiciary committee concerning the use of money appropriated to the commissioner from the penalty assessment authorized by Minnesota Statutes, section 609.3241. The report shall provide information on the amount of money appropriated to the commissioner from this source since fiscal year 1995, and the ways in which the money has been used to assist individuals who have stopped or wished to stop engaging in prostitution.

(b) On or before December 15, 1998, the supreme court is requested to report to the chairs and ranking minority members of the senate crime prevention committee and the house judiciary committee concerning the use of money collected since fiscal year 1995 from penalty assessments under Minnesota Statutes, section 609.3241, and used for the purposes described in Minnesota Statutes, section 626.558, subdivision 2.

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Sec. 17. **CORRECTION 12B.** Laws 1998, chapter 367, article 2, section 34, is amended to read:

Sec. 34. **EFFECTIVE DATE.**

Sections 4 and 22 are effective January 1, 1999, and apply to crimes committed on or after that date. Section 9 is effective June 1, 1998, and applies to crimes committed on or after that date. Section 27 is effective the day following final enactment. Section 29 applies to the city of Minneapolis upon its acceptance by the Minneapolis city council pursuant to Minnesota Statutes, section 645.021, and applies to Hennepin county upon its acceptance by the Hennepin county board pursuant to Minnesota Statutes, section 645.021. Sections 1 to 3, 5 to 8, 10 to 21, 23, 24, 26, 32, and 33 are effective August 1, 1998, and apply to crimes committed on or after that date.

Sec. 18. **CORRECTION 13.** 1998 H.F. No. 3840, article 8, section 44, subdivision 1, if enacted, is amended to read:

Subdivision 1. **SALES AND USE TAX AUTHORIZED.** Notwithstanding Minnesota Statutes, section 477A.016, or any other provision of law, ordinance, or city charter, the cities of St. Cloud, Sauk Rapids, Sartell, Waite Park, and St. Joseph may impose by ordinance a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 3. This tax, and the taxes described in subdivisions 2 to 4, may be imposed in any of these cities only if approved by the voters of the city at a general election held within one year of the date of final enactment of this act, or at an election held on the first Tuesday in November of 1999. The provisions of Minnesota Statutes, section 297A.48, govern the imposition, administration, collection, and enforcement of the taxes authorized under this subdivision.

Sec. 19. **CORRECTION 13A.** 1998 H.F. No. 3840, article 8, section 44, subdivision 2, if enacted, is amended to read:

Subd. 2. **EXCISE TAX AUTHORIZED.** Notwithstanding Minnesota Statutes, section 477A.016, or any other provision of law, ordinance, or city charter, the cities identified in subdivision 1 may impose by ordinance, for the purposes specified in subdivision 3 5, an excise tax of up to \$20 per motor vehicle acquired from any person engaged within the city in the business of selling motor vehicles at retail.

Sec. 20. **CORRECTION 13B.** 1998 H.F. No. 3840, article 8, section 44, subdivision 7, if enacted, is amended to read:

Subd. 7. **TERMINATION OF TAXES.** The taxes imposed by each city under subdivisions 1 to 4 expire when sufficient funds have been received from the taxes to finance the obligations under ~~subdivision 3~~ subdivisions 5, paragraph (a), and 6, and to prepay or retire at maturity the principal, interest, and premium due on the original bonds issued for the initial acquisition, construction, and improvement of the Central Minnesota Events Center as determined under an applicable joint powers agreement or by a governing entity in charge of administering the project. Any funds remaining after completion of the project and retirement or redemption of the bonds may be placed in the general funds of the cities imposing the taxes. The taxes imposed by a city under this section may expire at an earlier time by city ordinance, if authorized under the applicable joint powers agreement or by the governing entity in charge of administering the project.

If the cities that pass a referendum required under subdivision 6 determine that the revenues raised from the sum of all the taxes authorized by referendum under this subdivi-

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vision will not be sufficient to fund the project in subdivision 5, none of the authorized taxes may be imposed.

Sec. 21. **CORRECTION 14.** 1998 H. F. No. 3840, article 11, section 23, if enacted, is amended to read:

Sec. 23. GARRISON; TAX INCREMENT FINANCING.

The reduction in state aid under Minnesota Statutes, section 273.1399, for the city of Garrison as a result of tax increment financing district number 1 does not apply for aids paid in fiscal years 1999 and 2000. ~~The aid reduction for fiscal years 1999 and 2000 must be deducted from aid payable to the city in the year or years after the remainder of the aid reduction for tax increment financing district number 1 has been made.~~

Sec. 22. **CORRECTION 15.** 1998 H. F. No. 3840, article 9, section 2, subdivision 2, if enacted, is amended to read:

Subd. 2. **PRIORITIES.** If on the basis of a forecast of general fund revenues and expenditures after November 1 in 1998, the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money as follows:

(1) first, to the budget reserve until the total amount in that account equals \$622,000,000; then

(2) second, to the tax reduction and reform account until the amount allocated equals \$200,000,000; and

(3) third, to reduce the need to borrow money to finance state building projects as provided in subdivision 3 until the amount allocated equals \$400,000,000.

Sec. 23. **CORRECTION 16.** Minnesota Statutes 1996, section 120.1701, subdivision 17, as amended by 1998 H.F. No. 2874, article 2, section 18, if enacted, is amended to read:

Sec. 18. Minnesota Statutes 1996, section 120.1701, subdivision 17, is amended to read:

Subd. 17. **MEDIATION PROCEDURE.** The commissioner, or the commissioner's designee, of the state lead agency shall use federal funds to provide mediation for the activities in paragraphs (a) and (b).

(a) A parent may resolve a dispute regarding issues in subdivision 16, paragraph (b), clause (5), through mediation. If the parent chooses mediation, all public agencies involved in the dispute shall participate in the mediation process. The parent and the public agencies must complete the mediation process within 30 calendar days of the date the office of dispute resolution receives a parent's written request for mediation. The mediation process may not be used to delay a parent's right to a due process hearing. The resolution of the mediation is not binding on any party.

(b) Resolution of a dispute through mediation, or other form of alternative dispute resolution, is not limited to formal disputes arising from the objection of a parent or guardian and is not limited to the period following a request for a due process hearing.

(c) The commissioner shall provide training and resources to school districts to facilitate early identification of disputes and access to mediation.

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(d) The local primary agency may request mediation on behalf of involved agencies when there are disputes between agencies regarding responsibilities to coordinate, provide, pay for, or facilitate payment for early intervention services.

Sec. 24. **CORRECTION 17.** 1998 S.F. No. 161, article 1, section 3, if enacted, is amended to read:

Sec. 3. **SCHEDULE AND QUESTION.**

The proposed amendment shall be submitted at the 1998 general election. If approved, the office of treasurer will be abolished on the first Monday in January 2003. The question proposed shall be:

“Shall the Minnesota Constitution be amended to abolish the office of state treasurer on the first Monday in January 2003?”

Yes
No ”

Sec. 25. **CORRECTION 19.** Minnesota Statutes 1996, section 62A.65, subdivision 5, as amended by 1998 S.F. No. 3346, article 8, section 1, if enacted, is amended to read:

Subd. 5. **PORTABILITY OF COVERAGE.** (a) No individual health plan may be offered, sold, issued, or with respect to children age 18 or under renewed, to a Minnesota resident that contains a preexisting condition limitation, preexisting condition exclusion, or exclusionary rider, unless the limitation or exclusion is permitted under this subdivision, provided that, except for children age 18 or under, underwriting restrictions may be retained on individual contracts that are issued without evidence of insurability as a replacement for prior individual coverage that was sold before May 17, 1993. The individual may be subjected to an 18-month preexisting condition limitation, unless the individual has maintained continuous coverage as defined in section 62L.02. The individual must not be subjected to an exclusionary rider. An individual who has maintained continuous coverage may be subjected to a one-time preexisting condition limitation of up to 12 months, with credit for time covered under qualifying coverage as defined in section 62L.02, at the time that the individual first is covered under an individual health plan by any health carrier. Credit must be given for all qualifying coverage with respect to all preexisting conditions, regardless of whether the conditions were preexisting with respect to any previous qualifying coverage. The individual must not be subjected to an exclusionary rider. Thereafter, the individual must not be subject to any preexisting condition limitation, preexisting condition exclusion, or exclusionary rider under an individual health plan by any health carrier, except an unexpired portion of a limitation under prior coverage, so long as the individual maintains continuous coverage as defined in section 62L.02.

(b) A health carrier must offer an individual health plan to any individual previously covered under a group health plan issued by that health carrier, regardless of the size of the group, so long as the individual maintained continuous coverage as defined in section 62L.02. Beginning January 1, 1999, if the individual has available any continuation coverage provided under sections 62A.146; 62A.148; 62A.17, subdivisions 1 and 2; 62A.20; 62A.21; 62C.142; 62D.101; or 62D.105, or continuation coverage provided under federal law, the health carrier need not offer coverage under this paragraph until the individual

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has exhausted the continuation coverage. The offer must not be subject to underwriting, except as permitted under this paragraph. A health plan issued under this paragraph must be a qualified plan as defined in section 62E.02 and must not contain any preexisting condition limitation, preexisting condition exclusion, or exclusionary rider, except for any unexpired limitation or exclusion under the previous coverage. The individual health plan must cover pregnancy on the same basis as any other covered illness under the individual health plan. The initial premium rate for the individual health plan must comply with subdivision 3. The premium rate upon renewal must comply with subdivision 2. In no event shall the premium rate exceed 90 percent of the premium charged for comparable individual coverage by the Minnesota comprehensive health association, and the premium rate must be less than that amount if necessary to otherwise comply with this section. An individual health plan offered under this paragraph to a person satisfies the health carrier's obligation to offer conversion coverage under section 62E.16, with respect to that person. Coverage issued under this paragraph must provide that it cannot be canceled or nonrenewed as a result of the health carrier's subsequent decision to leave the individual, small employer, or other group market. Section 72A.20, subdivision 28, applies to this paragraph.

Sec. 26. **CORRECTION 19A.** 1998 S.F. No. 3346, article 8, section 15, if enacted, is amended to read:

Sec. 15. **EFFECTIVE DATES.**

(a) Sections 2 and 4 are effective January 1, 1999.

(b) Section 3 is effective ~~January 1, 1999~~ July 1, 1998, and applies to any individual who has continuation coverage available on or after that date.

(c) Section 12 is effective upon compliance with Minnesota Statutes, section 645.021, subdivision 2.

(d) Section 13 is effective the day following final enactment without local approval according to Minnesota Statutes, section 645.023, subdivision 1, clause (a).

(e) Section 14, paragraph (a), is effective January 1, 1999.

(f) Section 14, paragraph (b), is effective the day following final enactment.

Sec. 27. **EFFECTIVE DATE.**

Unless provided otherwise, each section of this act takes effect at the time the provision being corrected takes effect.

Presented to the governor April 10, 1998

Signed by the governor April 20, 1998, 11:10 a.m.

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