

A bill for an act
relating to civil actions; statutory housing warranties; regulating recovery for
breaches; amending Minnesota Statutes 2008, section 327A.05.

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

Section 1. Minnesota Statutes 2008, section 327A.05, is amended to read:

327A.05 REMEDIES.

Subdivision 1. **New home warranties.** Upon breach of any warranty imposed by
section 327A.02, subdivision 1, the vendee shall have a cause of action against the vendor
for damages arising out of the breach, or for specific performance. If the vendee is the
prevailing party, the vendee must also be awarded the vendee's costs, disbursements, and
reasonable attorney fees. Damages shall be limited to:

- (a) the amount necessary to remedy the defect or breach; or
- (b) the difference between the value of the dwelling without the defect and the value
of the dwelling with the defect.

Subd. 2. **Home improvement warranty.** Upon breach of any warranty imposed by
section 327A.02, subdivision 3, the owner shall have a cause of action against the home
improvement contractor for damages arising out of the breach, or for specific performance.
If the owner is the prevailing party, the owner must also be awarded the owner's costs,
disbursements, and reasonable attorney fees. Damages shall be limited to the amount
necessary to remedy the defect or breach.

Sec. 2. EFFECTIVE DATE; APPLICATION.

Section 1 is effective the day following final enactment and applies to causes of
action pending on, or commenced on or after, that date.