

A bill for an act
relating to real estate; permitting homeowners to recover certain damages
incurred due to faulty construction; 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. Damages
shall be limited to:

~~(a)~~ (1)(i) the amount necessary to remedy the defect or breach; or
~~(b)~~ (ii) the difference between the value of the dwelling without the defect and the
value of the dwelling with the defect; and
(2) reasonable costs for short-term housing made necessary as a result of the breach,
not to exceed the current maximum per diem rate set by the United States General Services
Administration that applies to the location of the property.

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.
Damages shall be limited to the amount necessary to remedy the defect or breach, plus
costs referenced in subdivision 1, clause (2).

EFFECTIVE DATE. This section is effective the day following final enactment
and applies to actions commenced on or after that date.