

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; proposing coding for new law in Minnesota Statutes, chapter 327A.

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.

2.1 Sec. 2. [327A.09] CHOICE OF REMEDY.

2.2 A person who recovers damages under sections 327A.01 to 327A.08 may not
2.3 recover the same costs or damages under any other law. A person who recovers damages
2.4 under any other law may not recover for the same costs or damages under sections
2.5 327A.01 to 327A.08.