A bill for an act

relating to construction; requiring residential written contract performance guidelines be provided to subcontractors; amending Minnesota Statutes 2010, section 326B.809.

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

Section 1. Minnesota Statutes 2010, section 326B.809, is amended to read:

326B.809 WRITTEN CONTRACT REQUIRED.

(a) All agreements including proposals, estimates, bids, quotations, contracts, purchase orders, and change orders between a licensee and a customer and between a licensee and a subcontractor for the performance of a licensee's services must be in writing and must contain the following:

(1) a detailed summary of the services to be performed;

(2) a description of the specific materials to be used or a list of standard features to be included; ~~and~~

(3) the total contract price or a description of the basis on which the price will be calculated; and

(4) the payment terms and payment schedule.

(b) Before entering into an agreement, the licensee shall provide a prospective customer and any subcontractor with written performance guidelines for the services to be performed. Performance guidelines also must be included or incorporated by reference in the agreement. All agreements shall be signed and dated by:

(1) the licensee and customer; and

(2) the licensee and any subcontractor.

(c) The licensee shall provide to the customer, at no charge, a signed and dated document at the time that the licensee and customer sign and date the document. The licensee shall provide to a subcontractor, at no charge, a signed and dated document at the time the licensee and the subcontractor sign and date the document. Documents include agreements, performance guidelines, and mechanic's lien waivers.

(d) For purposes of this section, "subcontractor" means a person or firm contracted with by a prime contractor to contribute to the improvement of real property who has a right to claim a lien to the real property as provided under section 514.01.