

1.1 A bill for an act

1.2 relating to real estate; permitting homeowners to recover all damages incurred
1.3 due to faulty construction; amending Minnesota Statutes 2008, section 327A.05.

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

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

1.6 **327A.05 REMEDIES.**

1.7 Subdivision 1. **New home warranties.** Upon breach of any warranty imposed
1.8 by section 327A.02, subdivision 1, the vendee shall have a cause of action against the
1.9 vendor for damages arising out of the breach, or for specific performance. Damages
1.10 shall be limited to:

1.11 ~~(a)~~ (1)(i) the amount necessary to remedy the defect or breach; or

1.12 ~~(b)~~ (ii) the difference between the value of the dwelling without the defect and the
1.13 value of the dwelling with the defect; and

1.14 (2) reasonable costs for short-term housing, meals, and incidental expenses made
1.15 necessary as a result of the breach, not to exceed the current maximum per diem rate set
1.16 by the United States General Services Administration that applies to the location of the
1.17 property.

1.18 Subd. 2. **Home improvement warranty.** Upon breach of any warranty imposed by
1.19 section 327A.02, subdivision 3, the owner shall have a cause of action against the home
1.20 improvement contractor for damages arising out of the breach, or for specific performance.
1.21 Damages shall be limited to the amount necessary to remedy the defect or breach, plus
1.22 costs referenced in subdivision 1, clause (2).

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