

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) the amount necessary to remedy the defect or breach; or~~

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

1.14 Subd. 2. **Home improvement warranty.** Upon breach of any warranty imposed by
1.15 section 327A.02, subdivision 3, the owner shall have a cause of action against the home
1.16 improvement contractor for damages arising out of the breach, or for specific performance.
1.17 ~~Damages shall be limited to the amount necessary to remedy the defect or breach.~~

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