

**CHAPTER 202—S.F.No. 1287**

*An act relating to real property; requiring competency criteria for construction code inspectors; regulating causes of action arising out of construction defects in residential housing; providing for notice and opportunity to repair; amending Minnesota Statutes 2004, sections 60A.08, subdivision 6; 302A.781, by adding a subdivision; 322B.863, by adding a subdivision; 327A.02, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 16B.*

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

Section 1. **[16B.655] CONSTRUCTION CODE INSPECTORS.**

Subdivision 1. **Competency criteria.** The commissioner of labor and industry shall adopt rules establishing required competency criteria for individuals serving as construction code inspectors. For the purpose of this section, "construction code inspectors" means building inspectors, mechanical inspectors, plumbing inspectors, and combination inspectors under the supervision of the building official. Required competency criteria shall be relevant to the building, mechanical, and plumbing codes as adopted in Minnesota.

Subd. 2. **Continuing education.** The commissioner of labor and industry shall adopt rules establishing or approving education programs for construction inspectors related to construction inspection and administration of the State Building Code. Each construction code inspector must satisfactorily complete continuing education requirements as established in rule by the commissioner.

Subd. 3. **Exemption.** A person holding current certification as a building official under section 16B.65 is exempt from this section.

Subd. 4. **Effective date.** Effective January 1, 2008, all construction inspectors hired on or after January 1, 2008, shall, within one year of hire, be in compliance with the competency criteria established according to subdivision 1.

Sec. 2. Minnesota Statutes 2004, section 60A.08, subdivision 6, is amended to read:

Subd. 6. **Bankruptcy or insolvency, or dissolution clause.** Every bond or policy of insurance issued in this state insuring against either actual loss suffered by the insured, and imposed by law for damages on account of personal injury, death, or injury to property caused by accident, or legal liability imposed upon the insured by reason of such injuries or death, shall, notwithstanding anything in the policy to the contrary, be deemed to contain the following condition:

The bankruptcy or insolvency, or dissolution of the insured shall not relieve the insurer of any of its obligations under this policy, and in case an execution against the insured on a final judgment is returned unsatisfied, then such judgment creditor shall have a right of action on this policy against the company to the same extent that the insured would have, had the insured paid the final judgment.

Sec. 3. Minnesota Statutes 2004, section 302A.781, is amended by adding a subdivision to read:

Subd. 4. **Statutory homeowner warranty claims preserved.** The statutory warranties provided under section 327A.02 are not affected by a dissolution under this chapter.

Sec. 4. Minnesota Statutes 2004, section 322B.863, is amended by adding a subdivision to read:

Subd. 4. **Statutory homeowner warranty claims preserved.** The statutory warranties provided under section 327A.02 are not affected by a dissolution under this chapter.

Sec. 5. Minnesota Statutes 2004, section 327A.02, is amended by adding a subdivision to read:

Subd. 2a. **Remedies unaffected by corporate dissolution.** The statutory warranties provided in this section are not affected by the dissolution of a vendor or home improvement contractor that is a corporation or limited liability company.

Sec. 6. Minnesota Statutes 2004, section 327A.02, is amended by adding a subdivision to read:

Subd. 4. **Response from vendor to notice of claim.** (a) Following notice under section 327A.03, the vendee must allow an inspection and opportunity to offer to repair the known loss or damage. Upon request of the vendee, a court may order the vendor to conduct the inspection. The inspection must be performed and any offer to repair must be made in writing to the vendee within 30 days of the vendor's receipt of the written notice required under section 327A.03, clause (a), alleging loss or damage. The applicable statute of limitations is tolled from the date the written notice provided by the vendee is postmarked, or if not sent through the mail, received by the vendor until the earliest of the following:

(1) the date the vendee rejects the vendor's offer to repair;

(2) the date the vendor rejects the vendee's claim in writing;

(3) failure by the vendor to make an offer to repair within the 30-day period described in this subdivision; or

(4) 180 days.

For purposes of this subdivision, "vendor" includes a home improvement contractor.

(b) Upon completion of repairs as described in an offer to repair, the vendor must provide the vendee with a list of the repairs made and a notice that the vendee may have a right to pursue a warranty claim under this chapter. Provision of this statement is not an admission of liability. Compliance with this subdivision does not affect any rights of the vendee under this chapter.

Sec. 7. **EFFECTIVE DATE.**

Sections 2 to 5 are effective the day following final enactment and apply to actions pending on or commenced on or after that date, provided that the action is brought within the time limitation in Minnesota Statutes, section 541.051, subdivision 4.

Presented to the governor May 15, 2006

Signed by the governor May 16, 2006, 4:45 p.m.