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State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-FIFTH
SESSION**

HOUSE FILE No. 3084

February 18, 2008

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The bill was read for the first time and referred to the Committee on Commerce and Labor

March 17, 2008

Committee Recommendation and Adoption of Report:

To Pass

Read Second Time

1.1 A bill for an act
1.2 relating to real estate; providing homeowners with a longer period within which
1.3 to notify contractors of construction defects; amending Minnesota Statutes 2006,
1.4 section 327A.03.

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

1.6 Section 1. Minnesota Statutes 2006, section 327A.03, is amended to read:

1.7 **327A.03 EXCLUSIONS.**

1.8 The liability of the vendor or the home improvement contractor under sections
1.9 327A.01 to 327A.07 is limited to the specific items set forth in sections 327A.01 to
1.10 327A.07 and does not extend to the following:

1.11 (a) loss or damage not reported by the vendee or the owner to the vendor or the
1.12 home improvement contractor in writing within ~~six months~~ one year after the vendee or
1.13 the owner discovers or should have discovered the loss or damage;

1.14 (b) loss or damage caused by defects in design, installation, or materials which the
1.15 vendee or the owner supplied, installed, or directed to be installed;

1.16 (c) secondary loss or damage such as personal injury or property damage;

1.17 (d) loss or damage from normal wear and tear;

1.18 (e) loss or damage from normal shrinkage caused by drying of the dwelling or the
1.19 home improvement within tolerances of building standards;

1.20 (f) loss or damage from dampness and condensation due to insufficient ventilation
1.21 after occupancy;

1.22 (g) loss or damage from negligence, improper maintenance or alteration of the
1.23 dwelling or the home improvement by parties other than the vendor or the home
1.24 improvement contractor;

2.1 (h) loss or damage from changes in grading of the ground around the dwelling or the
2.2 home improvement by parties other than the vendor or the home improvement contractor;

2.3 (i) landscaping or insect loss or damage;

2.4 (j) loss or damage from failure to maintain the dwelling or the home improvement
2.5 in good repair;

2.6 (k) loss or damage which the vendee or the owner, whenever feasible, has not taken
2.7 timely action to minimize;

2.8 (l) loss or damage which occurs after the dwelling or the home improvement is
2.9 no longer used primarily as a residence;

2.10 (m) accidental loss or damage usually described as acts of God, including, but not
2.11 limited to: fire, explosion, smoke, water escape, windstorm, hail or lightning, falling trees,
2.12 aircraft and vehicles, flood, and earthquake, except when the loss or damage is caused by
2.13 failure to comply with building standards;

2.14 (n) loss or damage from soil movement which is compensated by legislation or
2.15 covered by insurance;

2.16 (o) loss or damage due to soil conditions where construction is done upon lands
2.17 owned by the vendee or the owner and obtained by the vendee or owner from a source
2.18 independent of the vendor or the home improvement contractor;

2.19 (p) in the case of home improvement work, loss or damage due to defects in the
2.20 existing structure and systems not caused by the home improvement.

2.21 **EFFECTIVE DATE.** This section is effective the day following final enactment for
2.22 reporting periods that have not then expired.