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State of Minnesota

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HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. 211

January 22, 2009

Authored by Swails, Simon, Gardner, Scalze and Liebling

The bill was read for the first time and referred to the Committee on Civil Justice

March 5, 2009

Committee Recommendation and Adoption of Report:

To Pass

Read Second Time

1.1 A bill for an act
1.2 relating to civil actions; statutory housing warranties; regulating recovery for
1.3 breaches; 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 by
1.8 section 327A.02, subdivision 1, the vendee shall have a cause of action against the vendor
1.9 for damages arising out of the breach, or for specific performance. If the vendee is the
1.10 prevailing party, the vendee must also be awarded the vendee's costs, disbursements, and
1.11 reasonable attorney fees. Damages shall be limited to:

1.12 (a) the amount necessary to remedy the defect or breach; or

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

1.15 Subd. 2. **Home improvement warranty.** Upon breach of any warranty imposed by
1.16 section 327A.02, subdivision 3, the owner shall have a cause of action against the home
1.17 improvement contractor for damages arising out of the breach, or for specific performance.
1.18 If the owner is the prevailing party, the owner must also be awarded the owner's costs,
1.19 disbursements, and reasonable attorney fees. Damages shall be limited to the amount
1.20 necessary to remedy the defect or breach.

1.21 Sec. 2. **EFFECTIVE DATE; APPLICATION.**

1.22 Section 1 is effective the day following final enactment and applies to causes of
1.23 action pending on, or commenced on or after, that date.