



MINNESOTA STATUTORY WARRANTY

From: Minnesota Attorney General Website, Consumer Handbook Chapter 2
<https://www.ag.state.mn.us/Consumer/Handbooks/HmBuilding/CH2>

Minnesota law mandates that contracts for new-home construction and home improvement projects include statutory warranties against defects. These warranties are set forth in Minnesota Statutes, chapter 327A, and are transferable to subsequent purchasers of the home. The statutory warranties may only be waived or modified under limited circumstances. Any attempt to waive or modify the statutory warranties that does not comply with the applicable exceptions “shall be void.”

In every sale of a new home, in every contract for new-home construction, and in home improvement contracts for major structural changes or additions to a home, a statutory warranty is provided to the homeowner. For new homes, the statutory warranty coverage begins when the buyer takes possession of the home. **For home improvements, the statutory warranty begins when the project is completed.** Statutory warranties provide that:

- For one year the home shall be free from defects caused by faulty workmanship and defective materials due to noncompliance with building standards.
- For two years the home shall be free from defects caused by faulty installation of plumbing, electrical, heating, and cooling systems due to noncompliance with building standards.
- For ten years the home shall be free from major construction defects due to noncompliance with building standards.
- **For remodeling projects, work not specifically covered above is covered for a one-year period. During this period the contractor warrants that the home shall be free from defects caused by faulty workmanship or defective materials due to noncompliance with building standards.**

In new-home construction, the homeowner can take action against the contractor for breach of warranty and recover either the amount necessary to fix the defect, or the difference between the value of the home without the defect and the value of the home with the defect. In remodeling projects, the homeowner can take action against the contractor for breach of warranty and recover damages up to the amount necessary to fix the problem.

In both new-home and home improvement construction, the contractor is not liable under the home warranty statute found at Minnesota Statutes, chapter 327A, for problems caused by work for which they were not responsible, or



products they did not furnish; damage not reported by the homeowner within six months of discovering the problem; damage due to normal wear and tear; loss or damage due to others' negligence; and, in the case of home improvements, loss or damage due to defects in the existing structure not caused by the home improvement. There are additional exclusions spelled out in State law as well.

These statutory warranties are in addition to any other warranties that the contractor agrees to provide as part of the contract. **You should, therefore, be sure that you have read and understand the extent of any contractual warranties that your contractor agrees to provide.** You should also be sure that you understand what steps you must take to exercise your rights under any contractual warranties that the contractor agrees to provide.

You cannot file a lawsuit against the contractor on your statutory warranties without first going through a multi-step process to give the contractor an opportunity to repair the problem. The first step is to notify the contractor in writing of the problem you have encountered. As a general matter, you must do this within six months of discovering the problem. The next step is to let the contractor inspect the problem so that the contractor can propose a repair. The contractor is required to perform the inspection within 30 days of your notice, and to provide a written offer to repair the problem within 15 days of the inspection.

If you and the contractor are not able to agree on a plan for the repair, your recourse under the warranty law is to file a lawsuit against the contractor. However, if the contractor inspected your property and made a written offer to repair, you cannot file a lawsuit until (a) at least 60 days have lapsed since the written offer of repair is provided, or (b) you complete the home warranty dispute resolution process through the Department of Labor and Industry. In the home warranty dispute resolution process, you and the contractor will select a neutral party who will try to help the parties reach an agreement on the scope of the repair. If the home warranty dispute resolution process is not successful, you still have the right to file a lawsuit against the contractor.

Please find attached Minnesota Statutes, Chapter 327A