



Capitol Contact by State Representative Steve Simon 2006, Volume II

PROBLEMS FOR HOMEOWNERS

Minnesota law imposes a ten-year warranty on most home construction and renovation. If a defect arises within that time, a homeowner can seek relief from the builder. But if the dispute goes to court, the homeowner faces huge legal costs that are usually unrecoverable even if the homeowner wins.

The problem is even worse when a builder goes out of business. In that case, there is often no one for the homeowner to pursue for relief or repair. At a recent legislative hearing, I heard testimony that at least one Minnesota accountant has advised a builder to dissolve its operations and change its official name once every three years in order to avoid liability for breach of warranty claims. That's outrageous.

*Dear Friends,
If you're a homeowner, you may have faced the frustration of dealing with construction defects. If so, you understand how expensive it is to seek repairs or relief. I myself have been involved in construction disputes, and came away feeling that the deck is too often stacked against the homeowner. The situation is even worse when the builder goes out of business, and the homeowner has nowhere to go to enforce home warranties. I'm working to fix the imbalance, and to make sure that homeowners can recover some of their expenses when they face construction defects.*

Steve

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STATE REPRESENTATIVE

THREE PROPOSED SOLUTIONS

1. Inspection and Opportunity to Repair

To avoid costly litigation, I support legislation that would require a homeowner to give the builder the opportunity to inspect and repair the defect before the start of any lawsuit.

2. Recovery of Homeowner's Attorneys' Fees

I have authored legislation that would give homeowners the right to recover part or all of their attorneys' fees. If the homeowner is successful in court, a judge would decide whether (and to what extent) the builder would pay for the homeowner's legal costs and fees.

3. Builder Responsibility

I have authored legislation that would give homeowners the right to pursue construction warranty claims even if the builder is out of business. The homeowner could seek relief from the builder's successor entity or, in some cases, against individuals. A builder should not be able to avoid responsibility for construction defects simply by dissolving.

**As always, please feel free to contact me
about any issue, idea, or concern.**