MAINE STATE LEGISLATURE

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New Draft of: H. P. 1105, L. D. 1310 FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 1602

H. P. 1466 House of Representatives, May 14, 1981 Reported by the Minority from Committee on Business Legislation. Printed under Joint Rules No. 2.

EDWIN H. PERT, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Require Builders to Offer Warranties on Homes which they Construct.

Be it enacted by the People of the State of Maine, as follows:

10 MRSA c. 214-A is enacted to read:

CHAPTER 214-A

HOME CONSTRUCTION WARRANTIES

§ 1431. Definitions

As used in this chapter, unless the context indicates otherwise, the following terms have the following meanings.

- 1. Building standards. "Building standards" means the structual, mechanical, electrical and quality standards of the home building industry for the geographic area in which the dwelling is situated.
- 2. Dwelling. "Dwelling" means a new building, not previously occupied, constructed for the purpose of habitation; but does not include appurtenant recreational facilities, detached garages, driveways, walkways, patios, boundary walls, retaining walls not necessary for the structural stability of the dwelling, landscaping, fences, nonpermanent construction materials, off-site improvements and all other similar items.
 - 3. Initial vendee. "Initial vendee" means a person who first contracts to

purchase a dwelling from a vendor for the purpose of habitation and not for resale in the ordinary course of trade.

- 4. Vendee. "Vendee" means any purchaser of a dwelling and includes the initial vendee and any subsequent purchasers.
- 5. Vendor. "Vendor" means any person, firm or corporation which constructs dwellings for the purpose of sale, including the construction of dwellings on land owned by vendees.
- 6. Warranty date. "Warranty date" means the date from and after which the statutory warranties provided in section 1432 shall be effective and is the earliest of:
 - A. The date of the initial vendee's first occupancy of the dwelling; or
 - B. The date on which the initial vendee takes legal or equitable title in the dwelling.

§ 1432. Statutory warranties

- 1. Warranty periods. In every sale of a completed dwelling, and in every contract for the sale of a dwelling to be completed, the vendor shall warrant to the vendee that:
 - A. During the one-year period from and after the warranty date, the dwelling shall be free from defects caused by faulty workmanship and defective materials due to noncompliance with building standards; and
 - B. During the 2-year period from and after the warranty date, the dwelling shall be free from defects caused by faulty installation of plumbing, electrical, heating and cooling systems.
- 2. Survival of warranties. The statutory warranties provided in this section shall survive the passing of legal or equitable title in the dwelling to the vendee.
- 3. Exclusions. The liability of the vendor under this chapter is limited to the specific items set forth in this chapter and does not extend to the following:
 - A. Loss or damage not reported by the vendee to the vendor in writing within 6 months after the vendee discovers or should have discovered the loss or damage;
 - B. Loss or damage caused by defects in design, installation or materials which the vendee supplied, installed or had installed under his directions;
 - C. Secondary loss or damage, such as personal injury or property damage;
 - D. Loss or damage from normal wear and tear;
 - E. Loss or damage from normal shrinkage caused by drying of the dwelling within tolerances of building standards;

- F. Loss or damage from dampness and condensation due to insufficient ventilation after occupancy;
- G. Loss or damage from negligence, improper maintenance or alteration of the dwelling by parties other than the vendor;
- H. Loss or damage from changes in grading of the ground around the dwelling by parties other than the vendor;
- I. Landscaping or insect loss or damage;
- J. Loss or damage from failure to maintain the dwelling in good repair;
- K. Loss or damage which the vendee, whenever feasible, has not taken timely action to minimize;
- L. Loss or damage which occurs after the dwelling is no longer used primarily as a residence;
- M. Accidental loss or damage usually described as acts of God, including, but not limited to, fire, explosion, smoke, water escape, windstorm, hail or lightning, falling trees, aircraft and vehicles, flood and earthquake, except when the loss or damage is caused by failure to comply with building standards;
- N. Loss or damage from soil movement which is compensated by legislation or covered by insurance; and
- O. Loss or damage due to soil conditions where construction is done upon lands owned by the vendee and obtained by him from a source independent of the vendor.

§ 1433. Waiver and modification limited

- 1. General nonwaivability. Except as provided in subsection 2, the provisions of this chapter may not be waived or modified by contract or otherwise. Any agreement which purports to waive or modify the provisions of this chapter, except as provided in subsection 2, is void.
- 2. After agreement. At any time after a contract for the sale of a dwelling is entered into by and between a vendor and a vendee, any of the statutory warranties provided for in section 1432 may be excluded or modified only by a written instrument, printed in bold-face type of a minimum size of 10 points, which is signed by the vendee and which sets forth in detail the warranty involved, the consent of the vendee and the terms of the new agreement contained in the writing. No exclusion or modification is effective unless the vendor provides substitute express warranties offering substantially the same protections to the vendee as the statutory warranties set forth in section 1432.

§ 1434. Remedies

Upon breach of any warranty imposed by section 1432, the vendee has a cause of action against the vendor for damages arising out of the breach or for specific

performance. Damages are limited to the amount necessary to remedy the defect or breach, or the difference between the value of the dwelling without the defect and value of the dwelling with the defect.

§ 1435. Other warranties

The statutory warranties provided for in section 1432 are in addition to all other warranties imposed by law or agreement. The remedies provided in section 1434 shall not be construed as limiting the remedies in any action not predicated upon breach of the statutory warranties imposed by section 1432.

STATEMENT OF FACT

The purpose of this new draft is to require professional home builders to warrant that homes they construct are free from defects for one year on account of poor workmanship and materials and for 2 years on account of faulty plumbing, electrical, heating and cooling work.