

HCS HB 1166 -- RESIDENTIAL CONSTRUCTION

SPONSOR: Johnson, 47 (Pratt)

COMMITTEE ACTION: Voted "do pass" by the Committee on Local Government by a vote of 16 to 0.

This substitute creates a procedural prerequisite for filing a lawsuit for defective residential construction. In its main provisions, the substitute:

- (1) Requires homeowners to provide written notice to contractors detailing the alleged defective construction prior to filing a lawsuit;
- (2) Requires contractors to respond timely in writing, offering an inspection followed by repair, monetary compensation, or disputation of the claim; offering monetary compensation; or disputing the claim;
- (3) Delineates the circumstances in which homeowners must first attempt a mediation of claims or may proceed directly to filing a lawsuit; and
- (4) Requires contractors to provide homeowners with a notice of the procedural prerequisite for filing a lawsuit at or prior to entering into construction contracts.

FISCAL NOTE: Not available at time of printing.

PROPOSERS: Supporters say that the bill provides protections for both homeowners and homebuilders, gives builders a better method to serve their clients' needs, and provides both parties the opportunity to avoid litigation, thereby saving money.

Testifying for the bill were Representative Pratt; Home Builders Association of Greater Springfield; Robert L. Frost; Home Builders Association of Greater St. Louis; MCS Homes, Incorporated; Home Builders Association of Missouri; St. Louis Home Builders Association; Missouri Manufactured Housing Association; and Missouri Association of Realtors.

OPPOSERS: Those who oppose the bill say that it doesn't benefit homeowners or community associations. It only protects builders, and the required mediation actually can cost more than litigation.

Testifying against the bill were Missouri Association of Trial Attorneys; and Community Associations Institute.

Julie Jinkens McNitt, Legislative Analyst