
Civil Rights & Judiciary Committee

HB 1730

Brief Description: Concerning the effect of payment or acknowledgment made after the expiration of a limitations period.

Sponsors: Representatives Walen, Frame, Jinkins, Macri and Ormsby.

Brief Summary of Bill

- Provides that any payment of principal or interest made after the limitations period for commencing a cause of action has expired shall not revive or extend the limitations period.
- Provides that an acknowledgement or promise made after the limitations period for commencing a cause of action has expired shall not revive or extend the limitations period.

Hearing Date: 2/15/19

Staff: Cece Clynch (786-7195).

Background:

The goal or policy behind statutes of limitation is to require claims to be brought when the evidence is still available and while witnesses can still recall the events. Generally a limitations period begins to run when the cause of action "accrues," which is such time as all elements of the cause of action are susceptible of proof and the injured party has a right to apply to a court for relief.

There are numerous statutes of limitation. Which one applies depends upon the cause of action. For instance:

- Actions upon written contracts and accounts receivable must be commenced within six years.
- Actions upon contracts that are not in writing must be commenced within three years.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The general rule in Washington is that the running of the statute of limitations does not extinguish the debt. Rather, its running bars the creditor from using the courts to recover the debt. The language of the statutes of limitations mentioned above reflect this general rule, providing that certain listed actions "shall be commenced within" the limitations period.

A limitations period on a debt may be extended by a payment on the debt of either principal or interest. If the payment is made after it becomes due, the limitations period commences from the time of the last payment. A statute of limitations may also be extended by an acknowledgement of or promise to pay the debt. An acknowledgement or promise must be in writing and signed by the party to be charged.

Summary of Bill:

Payment on a debt of either principal or interest made after the limitations period has expired shall not revive or extend the limitations period. An acknowledgement or promise made after the limitations period has expired shall not revive or extend the limitations period.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.