

SENATE BILL REPORT

HB 1730

As Reported by Senate Committee On:
Law & Justice, March 21, 2019

Title: An act relating to the effect of payment or acknowledgment made after the expiration of a limitations period.

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 History: Passed House: 3/01/19, 94-0.

Committee Activity: Law & Justice: 3/14/19, 3/21/19 [DPA].

Brief Summary of Amended Bill

- Prohibits the revival or extension of the statute of limitations where a payment of principal or interest is made after the expiration of the limitations period.
- Prohibits the revival or extension of the statute of limitations where an acknowledgment or promise is made after the expiration of the limitations period.
- Provides a definition for the term last payment which commences the period of limitations.

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: Do pass as amended.

Signed by Senators Pedersen, Chair; Dhingra, Vice Chair; Padden, Ranking Member; Kuderer and Salomon.

Staff: Tim Ford (786-7423)

Background: A plaintiff must commence a lawsuit within the statute of limitations for that particular type of action or else the action is barred. The period prescribed in a statute of limitations depends on the type of action, for instance:

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- written contracts must be commenced within six years; and
- verbal contracts must be commenced within three years.

Generally a statute of limitations period commences after a cause of action accrues. The limitations period for a debt or obligation commences from the time the last payment was made. A statute of limitations may be extended by an acknowledgment or promise to pay the debt made in writing and signed by the person making the promise.

Summary of Amended Bill: Any payment of principal or interest made after the limitations period has expired shall not revive or extend the limitations period. An acknowledgment or promise made after the limitations period has expired shall not revive or extend the limitations period.

A payment is deemed to be the last payment if the time elapsed after the payment exceeds the statutory limitations period for bringing an action, regardless of any subsequent payment that may be more recent.

EFFECT OF LAW & JUSTICE COMMITTEE AMENDMENT(S): A payment is deemed to be the last payment if the time elapsed after the payment exceeds the statutory limitations period for bringing an action.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on House Bill: *The committee recommended a different version of the bill than what was heard.* PRO: This bill is intended to prevent collection activity after the statute of limitation expires. Debt is sold and resold, and collection activity takes place eight or ten years after the debt is incurred. If a debtor acknowledges or promises to pay the debt, or pays even a dollar, then the statute of limitations is revived. This is to stop a few bad actors who are debt collectors. Most collectors have this as part of their practice.

Persons Testifying: PRO: Representative Amy Walen, Prime Sponsor; Sonia Gibson, Head of National Government Affairs, Encore Capital Group; Larry Shannon, Washington State Association for Justice; Kelsi Hamilton, Washington Collectors Association; Jay Doran, Statewide Poverty Action Network.

Persons Signed In To Testify But Not Testifying: No one.