



# Ohio Legislative Service Commission

## Bill Analysis

Aida S. Montano

### Sub. S.B. 224\*

129th General Assembly  
(As Reported by H. Judiciary and Ethics)

**Sens.** Obhof, Balderson, Grendell, LaRose, Lehner, Patton, Wagoner, Eklund, Bacon, Faber, Hite, Hughes, Jones, Jordan, Peterson, Schaffer, Seitz, Widener

**Rep.** Bubp

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## BILL SUMMARY

- Generally shortens the period of limitations for actions upon an agreement, contract, or promise in writing from 15 years to eight years after the cause of action accrued.

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## CONTENT AND OPERATION

### Statute of limitations for actions upon a contract

The bill generally shortens the period of limitations under current law for an action upon a specialty (an instrument under the seal of the signer<sup>1</sup>) or an agreement, contract, or promise in writing from 15 years to eight years after the cause of action accrued.<sup>2</sup> The following exceptions to the 15-year period of limitations under existing law apply to the eight-year period of limitations under the bill:<sup>3</sup>

(1) Except for unclaimed funds under R.C. Chapter 169., an action against the state or an agency of the state for failure to make any distribution or other payment must be brought within five years after the cause of action accrued.<sup>4</sup>

(2) An action for breach of any contract for sale under the Uniform Commercial Code must be commenced within four years after the cause of action has accrued. By

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<sup>1</sup> *Black's Law Dictionary*, 8th Ed., 2004.

<sup>2</sup> R.C. 2305.06.

<sup>3</sup> R.C. 2305.06.

<sup>4</sup> R.C. 126.301, not in the bill.

the original agreement, the parties may reduce the period of limitation to not less than one year but may not extend it. A cause of action accrues when the breach occurs, regardless of the aggrieved party's lack of knowledge of the breach. If an action commenced within the above period of limitation is so terminated as to leave available a remedy by another action for the same breach, that other action may be commenced after the expiration of the time limit and within six months after the termination of the first action unless the termination resulted from voluntary discontinuance or from dismissal for failure or neglect to prosecute.<sup>5</sup>

The bill states that subject to the provision described in the next sentence its provisions apply to actions in which the cause of action accrues on or after the act's effective date.<sup>6</sup> For causes of action that are governed by R.C. 2305.06 and accrued prior to the effective date of the act, the period of limitations is eight years from the effective date of the act or the expiration of the period of limitations in effect prior to the effective date of the act, whichever occurs first.<sup>7</sup>

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## HISTORY

ACTION	DATE
Introduced	09-15-11
Reported, S. Judiciary	05-09-12
Passed Senate (32-0)	05-09-12
Reported, H. Judiciary and Ethics	05-23-12

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<sup>5</sup> R.C. 1302.98, not in the bill.

<sup>6</sup> Section 3.

<sup>7</sup> Section 4.

