

- SUBJECT:** Clarifying the statute of limitations for arbitration proceedings
- COMMITTEE:** Judiciary and Civil Jurisprudence — favorable, without amendment
- VOTE:** 8 ayes — Leach, Davis, Julie Johnson, Krause, Middleton, Moody, Schofield, Smith
- 0 nays
- 1 absent — Dutton
- WITNESSES:** For — (*Registered, but did not testify:* Lee Parsley, Texans for Lawsuit Reform)
- Against — None
- On — (*Registered, but did not testify:* Thomas Parkinson)
- BACKGROUND:** Concerns have been raised about uncertainty under Texas statutes and case law as to whether and how statutes of limitation apply to claims submitted to arbitration. Some have suggested that clarification on the limitations period could help to ensure that arbitration was used only for its intended purpose of providing a different forum for deciding disputes, not to change the substantive law underlying the dispute.
- DIGEST:** HB 3333 would prohibit a party from asserting a claim in an arbitration proceeding if the party could not bring suit for the claim in court due to the expiration of the applicable statute of limitations, unless:
- the party brought suit for the claim in court before the expiration of the applicable statute of limitations; and
  - the parties to the claim agreed to arbitrate the claim or a court ordered the parties to arbitrate the claim.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take

effect September 1, 2021.