

BILL ANALYSIS

Senate Research Center
76R10342 DAK-D

H.B. 2456
By: Hartnett (Wentworth)
Jurisprudence
5/11/1999
Engrossed

DIGEST

In Williams v. Khalaf, 802 S.W. 2d 651 (Tex. 1990), the Texas Supreme Court held Section 16.004, Civil Practice and Remedies Code, to establish a four-year statute of limitations for fraud and breach of fiduciary duty. Prior to that holding, Texas courts held that fraud and breach of fiduciary duty were subject to a two-year statute of limitations. Numerous courts after Williams have held that the four-year statute of limitations also applies. H.B. 2456 would establish the statute of limitations for certain civil actions.

PURPOSE

As proposed, H.B. 2456 establishes the statute of limitations for certain civil actions.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 16.004(a), Civil Practice and Remedies Code, to require a person to bring a suit on certain actions not later than four years after the day the cause of action accrues, including fraud or breach of fiduciary duty.

SECTION 2. Provides that the intent of this Act is to clarify existing law by resolving a conflict in case law concerning the applicable statute of limitations for actions for fraud and breach of fiduciary duty. Establishes that it is not the intent of this Act to affect the two-year statute of limitations applicable to an action for breach of the duty of good faith and fair dealing in insurance contracts.

SECTION 3. Emergency clause.
Effective date: 90 days after adjournment.