

BILL ANALYSIS

Senate Research Center
88R5862 MZM-F

H.B. 1255
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State Affairs
5/2/2023
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Generally, alternative dispute resolution is only intended to provide a different forum for deciding disputes, not to change the substantive law underlying the dispute. However, some uncertainty exists under Texas statutes and case law as to whether and how the statute of limitations applies to claims submitted to arbitration.

H.B. 1255 seeks to clarify the statute of limitations for asserting a claim in an arbitration proceeding by prohibiting a party from asserting the claim in arbitration after expiration of the applicable limitations period, except under certain conditions.

H.B. 1255 amends current law relating to limitations periods in arbitration proceedings.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter D, Chapter 16, Civil Practice and Remedies Code, by adding Section 16.073, as follows:

Sec. 16.073. APPLICABILITY OF LIMITATIONS PERIODS TO ARBITRATION. (a) Prohibits 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 limitations period.

(b) Authorizes a party to assert a claim in an arbitration proceeding after expiration of the applicable limitations period if:

(1) the party brought suit for the claim in court before the expiration of the applicable limitations period; and

(2) the parties to the claim agreed to arbitrate the claim or a court ordered the parties to arbitrate the claim.

SECTION 2. Effective date: upon passage or September 1, 2023.