

HOUSE BILL REPORT

EHB 2449

As Passed House:
February 9, 2012

Title: An act relating to the applicability of statutes of limitation in arbitration proceedings.

Brief Description: Addressing the applicability of statutes of limitation in arbitration proceedings.

Sponsors: Representatives Goodman and Pedersen.

Brief History:

Committee Activity:

Judiciary: 1/26/12, 1/30/12 [DP].

Floor Activity:

Passed House: 2/9/12, 97-0.

Brief Summary of Engrossed Bill

- Applies existing statutes of limitations to claims subject to arbitration.

HOUSE COMMITTEE ON JUDICIARY

Majority Report: Do pass. Signed by 12 members: Representatives Pedersen, Chair; Goodman, Vice Chair; Rodne, Ranking Minority Member; Shea, Assistant Ranking Minority Member; Eddy, Hansen, Kirby, Klippert, Nealey, Orwall, Rivers and Roberts.

Staff: Valerie Rickman (786-7119) and Edie Adams (786-7180).

Background:

Arbitration is a form of nonjudicial, "alternative" dispute resolution. Contracting parties may explicitly agree to settle claims arising from a contract through arbitration, rather than judicial proceedings. In Washington, arbitration proceedings are governed by the Washington Uniform Arbitration Act (UAA), which prescribes procedures for initiating and conducting arbitration and for enforcing and appealing arbitration awards and rulings. In order to be enforceable, an arbitration proceeding must comply with the provisions of the UAA.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

In 2010 the Supreme Court of Washington ruled that existing statutes of limitations do not apply to arbitration proceedings where the parties had not explicitly agreed that the state statutes of limitations would apply. The court based its conclusion on the text of Washington's statutes of limitations and the Washington UAA. The court noted that the state's statutes of limitations mention only court actions, not arbitrations; that the UAA consistently distinguishes between arbitration proceedings and civil actions or judicial proceedings; and that the UAA does not make state statutes of limitations applicable to arbitrations.

Summary of Engrossed Bill:

The UAA is amended to specify that the time limitations applicable to the commencement of claims initiated in court will also apply to the commencement of claims subject to arbitration.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) None.

(Opposed) None.

Persons Testifying: None.

Persons Signed In To Testify But Not Testifying: None.