FINAL BILL REPORT HB 1730

C 377 L 19

Synopsis as Enacted

Brief Description: Concerning the effect of payment or acknowledgment made after the expiration of a limitations period.

Sponsors: Representatives Walen, Frame, Jinkins, Macri and Ormsby.

House Committee on Civil Rights & Judiciary Senate Committee on Law & Justice

Background:

A statute of limitation establishes the time within which a cause of action must be brought. There are numerous statutes of limitation. Which one applies depends upon the cause of action. For instance:

- Actions upon written contracts and accounts receivable must be commenced within six years.
- Actions upon contracts that are not in writing must be commenced within three years.

The policy behind statutes of limitation is to require claims to be brought when the evidence is still available and while witnesses can still recall the events. Generally, a limitation period begins to run when the cause of action "accrues," which is such time as all elements of the cause of action are susceptible of proof and the injured party has a right to apply to a court for relief.

The general rule in Washington is that the running of the statute of limitation does not extinguish a debt. Rather, its running bars the creditor from using the courts to recover the debt. The language of the statutes of limitation mentioned above reflect this general rule, providing that certain listed actions must be commenced within the applicable limitation period.

A limitation period on a debt may be extended by a payment on the debt of either principal or interest. If the payment is made after becomes due, the limitation period commences from the time of the last payment. A statute of limitation may also be extended by an acknowledgement of or promise to pay the debt. An acknowledgement or promise must be in writing and signed by the party to be charged.

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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.

Summary:

The language of the provision regarding the effect of payment on a debt is amended to differentiate between a payment made after the limitation period has expired, which does not restart, revive, or extend the limitation period, and a payment made prior to the applicable limitation period having expired, in which case the limitation period restart from the time the most recent payment was made. In addition, it is similarly provided that any acknowledgment or promise made after the limitation period has expired does not restart, revive, or extend the limitation period.

Votes on Final Passage:

House 94 0

Senate 48 0 (Senate amended) House 94 0 (House concurred)

Effective: July 28, 2019