

LEGAL ALERT

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OHIO BILL SHORTENING STATUTE OF LIMITATIONS SIGNED BY GOVERNOR

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On March 16, 2021, Ohio Governor DeWine signed Ohio Senate Bill 13 into law, which shortens the statute of limitations for breach of written contract actions from eight years to six and, for oral contracts, from six years to four. The bill goes into effect on June 14, 2021 (90 days from Governor DeWine's signing).

While S.B. 13 amends the statute of limitations for contract claims in general, it is important for construction project stakeholders to consider provisions within their own contracts that limit contract claims periods. Nearly every construction contract will include provisions shortening the time frame in which a party may bring a claim (oftentimes to just days). These provisions provide a period much shorter than the enumerated statute of limitations. It is important to remember that, regardless of whatever appears in the Ohio Revised Code, parties must comply with the claims provisions provided in their contracts.

BILL SUMMARY:

Section 2305.06 of the Ohio Revised Code governs the statute of limitations for actions for breach of written contracts. When Section 2305.06 was originally enacted in 1993, the statute of limitations was fifteen years. In 2012, the General Assembly shortened that timeframe from fifteen years to eight. Now, the General Assembly has done it again. Ohio State Senator George Lange introduced S.B. 13 on February 12 with the aim of further reducing the statute of limitations for breaches of a written contract from eight years to six. The bill as passed also amends Ohio Revised Code Section 2305.07 to shorten the statute of limitations period for breach of non-written contracts from six years to four years.

BOTTOM LINE:

While S.B. 13 amends the statute of limitations for contract claims in general, it is important for construction project stakeholders to consider provisions within their own contracts that limit contract claims periods. Nearly every construction contract will include provisions shortening the time frame in which a party may bring a claim (oftentimes to just days). These provisions provide a period much shorter than the enumerated statute of limitations. It is important to remember that, regardless of whatever appears in the Ohio Revised Code, parties must comply with the claims provisions provided in their contracts. Hahn Loeser's Construction Team is following S.B. 13 and will provide relevant updates as the bill goes into effect.

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