



KEY VOTE ALERT

TO: Members of the Ohio House of Representatives

FROM: Kevin Shimp, Director, Labor and Legal Affairs

RE: Upcoming Floor Vote on House Bill 251

DATE: November 19, 2019

Under Ohio's current statutes of limitation for contracts, businesses face a prolonged risk of liability because a party has up to eight years to bring a claim for breach of written contract. This potential liability exists even when a company has fulfilled its contractual obligations because an individual retains a right to file a lawsuit throughout the eight-year period regardless of how satisfactory the performance may have been. Additionally, due to possible litigation, companies must retain physical and electronic documents throughout the eight-year period, which comes at a substantial cost.

The reforms in HB 251 help solve these problems faced by employers by limiting the risk of potential lawsuits through reducing the time frame to file a breach of contract claim. Under the legislation, the statute of limitation on written contracts is lowered from eight years to six years and the statute of limitation on oral contracts is lowered from six years to four years.

Reducing the time frame of potential liability also frees up money for potential capital investments, which benefits Ohio's business climate and our communities.

The Ohio Chamber believes these reductions in statutes of limitation will have a positive impact on Ohio's business and legal climates at a time when a tune-up is needed. According to a recent US Chamber of Commerce survey of attorneys, Ohio finished with the 15th worst lawsuit climate in the country. That ranking placed us behind states such as Michigan, Massachusetts, Indiana, and Wisconsin.

We urge a YES vote on HB 251 on the House floor. Your vote will be recorded on the Ohio Chamber's *Free Enterprise Index* which is a compilation of your voting record on key pro-business legislation during the General Assembly.

If you have any questions about this bill or the Ohio Chamber's position, please contact me at (614) 629-0916 or KShimp@ohiochamber.com.

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