

BILL ANALYSIS

Senate Research Center
81R2455 AJA-D

S.B. 1456
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State Affairs
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, the statute of limitations on a cause of action relating to a debt is set at four years. However, there has been a difference of opinion among Texas courts as to when the cause of action on a consumer debt accrues.

As proposed, S.B. 1456 requires a person to bring suit on a cause of action on a consumer debt not later than four years after the 60th day after the later of the date of the last payment on the account by the debtor or the date of the last charge on the account by the debtor.

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 Section 16.004, Civil Practice and Remedies Code, by amending Subsection (a) and adding Subsection (d), as follows:

(a) Requires a person, except as provided by Subsection (d), to bring suit on certain actions not later than four years after the day the cause of action accrues. Makes a nonsubstantive change.

(d) Requires a person to bring suit on a cause of action on a consumer debt, as defined by Section 392.001 (Definitions), Finance Code, not later than four years after the 60th day after the later of the date of the last payment on the account by the debtor or the date of the last charge on the account by the debtor.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: upon passage or September 1, 2009.