

BILL ANALYSIS

C.S.H.B. 1744
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Judiciary & Civil Jurisprudence
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been suggested that the increasing popularity of arbitration as an alternative dispute resolution raises the issue of how the statute of limitations applies in arbitration proceedings. C.S.H.B. 1744 seeks to provide statutory guidance on this issue by establishing that for such proceedings, limitations periods apply as if the proceeding were in court.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1744 amends the Civil Practice and Remedies Code to prohibit a party from asserting a claim in an arbitration proceeding if the party could not bring a suit for the claim in court due to the expiration of the applicable limitations period. The bill authorizes a party to assert a claim in an arbitration proceeding after expiration of the applicable limitations period if the party brought suit for the claim in court before the expiration of that period and the parties to the claim agreed to arbitrate the claim or a court ordered the parties to arbitrate the claim.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1744 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute does not include the bill's provisions under Civil Practice and Remedies Code provisions relating to general arbitration but includes them under provisions of that code relating to limitations in trial matters.

The substitute includes, as an alternative condition under which a party that brought suit for a claim in court before the applicable limitations period expired may assert that claim in an arbitration proceeding after expiration of that period, the agreement by the parties to the claim to arbitrate the claim.