

BILL ANALYSIS

H.B. 1255
By: Smithee
Judiciary & Civil Jurisprudence
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Generally, alternative dispute resolution is only intended to provide a different forum for deciding disputes, not to change the substantive law underlying the dispute. However, some uncertainty exists under Texas statutes and case law as to whether and how the statute of limitations applies to claims submitted to arbitration. H.B. 1255 seeks to clarify the statute of limitations for asserting a claim in an arbitration proceeding by prohibiting a party from asserting the claim in arbitration after expiration of the applicable limitations period, except under certain conditions.

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

H.B. 1255 amends the Civil Practice and Remedies Code to prohibit a party from asserting a claim in an arbitration proceeding after the expiration of the statute of limitations period if the party could not bring suit for the claim in court due to the expiration, unless 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, 2023.