



*BEFORE THE HOUSE CIVIL JUSTICE COMMITTEE  
PROPONENT TESTIMONY ON SENATE BILL 13*

Chairman Hillyer, Vice Chair Grendell, Ranking Member Galonski, and members of the House Civil Justice Committee, thank you for the opportunity to provide proponent testimony on Senate Bill 13 (SB 13). My name is Kevin Shimp and I am the Director of Labor and Legal Affairs for the Ohio Chamber of Commerce.

The Ohio Chamber is the state's leading business advocate, and we represent over 8,000 companies that do business in Ohio. Our mission is to aggressively champion free enterprise, economic competitiveness and growth for the benefit of all Ohioans.

In our efforts to champion economic competitiveness, the Ohio Chamber supports SB 13 because it lowers the statutes of limitation on oral and written contracts to four years and six years, respectively. Likewise, we believe lowering the statutes of limitation on contract claims will bolster Ohio's business climate because a common-sense system of civil liability is an important component of a strong business environment.

The pro-business reforms to Ohio's contract laws as proposed by SB 13 will benefit employers across the Buckeye State in a myriad of ways. First, defending against contract claims under Ohio's current eight year statute of limitation can be a challenge because the availability of witnesses and records becomes problematic as more time elapses between the breach and when a claim is filed. SB 13 addresses this issue by encouraging litigants to bring their contract claims sooner which brings more certainty to businesses about their legal risks while also ameliorating the issues that arise when lawsuits are filed years after the action has accrued.

Shrinking the statute of limitation on contracts also helps improve Ohio's business climate and aids Ohio employers by lowering the potential risk of litigation. Under current Ohio law, employers face a prolonged period of liability for breach of contract actions due to the eight year statute of limitation on written contracts. In fact, the increased risk of litigation exists even when a company has fulfilled its obligations under the agreement because other parties retain the right to file a breach of contract claim throughout the statutory limitation period regardless of how satisfactory performance may have been.

As a result of the longer statute of limitation, employers must account for this potential liability by putting money aside in reserve or often through higher insurance costs. These higher operating costs means businesses may not be able to invest dollars to grow their business, train their employees on new skills, or support their community. The shorter

statute of limitation also aids employers by limiting their document retention costs which can be a considerable expense due to the proliferation of electronic documents and e-discovery.

In closing, the Ohio Chamber of Commerce urges your favorable consideration of SB 13 because its passage means more certainty, lower costs, and an improved business climate for Ohio employers.

Thank you for the opportunity to provide testimony today, and I will be happy to answer any questions the committee may have for me.