



Senator George Lang
Ohio's 4th Senate District

Sponsor Testimony for Senate Bill 13
Senate Judiciary Committee
January 26, 2021

Chairman Manning, Vice Chairman McColley, Ranking Member Thomas, and members of the Senate Judiciary Committee: thank you for the opportunity to present sponsor testimony on Senate Bill 13. This is a short, yet significant piece of legislation. SB 13 will reduce Ohio's statute of limitations for written and oral contracts from eight and six years, respectively, to six and four years, respectively. By implementing needed contract reforms, SB 13 will make our state more business-friendly and enhance our ability to compete economically with other states.

As a business owner, I understand that the more certainty a business can gain, the more risks a business can take. This legislation will give businesses in Ohio the certainty needed to take on different relationships, launch capital expenditures, strategically deploy capital, and secure appropriate risk management devices. Passage of this bill is a key tool to unleash investment and commerce in our state. This bill will help Ohio to flourish and prosper.

In 2012, SB 224 lowered the statute of limitations on written contracts from fifteen years to the current eight year period. I am not aware of any negative effects resulting from the passage of this legislation. In fact, shortly after SB 224 became law, Kentucky passed legislation lowering its statute of limitations. Clearly, the competition between states to create a positive business climate is fierce.

By moving from fifteen years to eight years for written contracts, Ohio demonstrated that such an incremental move is not harmful. However, the current statute of limitations for written and oral contracts is still too long. I have provided a chart that compares Ohio to several other states. As this chart demonstrates, SB

13 will place Ohio's statute of limitations at a nationally competitive level. In particular, our statute of limitations will be shorter than those in a majority of our neighboring states – giving us a competitive advantage.

SB 13 is another important step towards making Ohio the most business-friendly state in America. I should also note that this legislation closely resembles HB 251 from the 133rd General Assembly, which passed the House and Senate by votes of 92-0 and 29-1, respectively. I urge you to pass SB 13.

Chairman Manning, thank you again for the opportunity to provide testimony here today. I would be happy to answer any questions members of the committee may have.

STATUTE OF LIMITATIONS ON WRITTEN AND ORAL CONTRACTS
IN VARIOUS STATES

State	Written Contract Statute of Limitations	Oral Contract Statute of Limitations
<i>Ohio</i>	<i>8 years</i>	<i>6 years</i>
California	4 years	3 years
Delaware	3 years	3 years
District of Columbia	3 years	3 years
Indiana	10 years	6 years
Kentucky	10 years	5 years
Maryland	3 years	3 years
Michigan	6 years	6 years
North Carolina	3 years	3 years
Pennsylvania	4 years	4 years
Texas	4 years	4 years
Virginia	5 years	3 years
West Virginia	10 years	5 years