



OHIO ALLIANCE FOR CIVIL JUSTICE



JUNE 11, 2019

HOUSE CIVIL JUSTICE COMMITTEE

HOUSE BILL 251 – PROPONENT TESTIMONY

Chairman Hambley, Vice Chair Patton, and Ranking Member Brown, thank you for the opportunity to provide proponent testimony on House Bill 251. My name is Chris Ferruso and I am here on behalf of the Ohio Alliance for Civil Justice.

By way of background, The Ohio Alliance for Civil Justice (OACJ) was founded in the mid-1980s to stop lawsuit abuse and promote a common-sense civil justice system in Ohio. The OACJ is comprised of representatives of dozens of Ohio trade and professional associations, small and large businesses, medical groups, farmers, non-profit organizations and local government associations for a combined representation of more than 100,000 individuals and businesses. Our leadership team includes representatives from the following organizations: NFIB, Ohio Chamber of Commerce, Ohio Council of Retail Merchants, Ohio Hospital Association, Ohio Manufacturers' Association, Ohio Society of CPAs, Ohio State Medical Association.

This is indeed a short bill. The benefits are expansive to reducing the statute of limitations on a contract. Ohio's business climate does not exist in a vacuum. We must look at what other states are doing to remain competitive. Today we discuss the need to reduce the statute of limitations on written contracts to put Ohio in a position to further compete.

This bill is about providing certainty for business owners. Currently, a business owner must maintain documents and records pertaining to a written contract for eight years. This bears a very real expense. With the increase in technology and more sophisticated monitoring of contractual relationships, there is no reason to maintain these records for such a long duration. Furthermore, reducing the duration of the contract will allow the business owner to move to future projects with the certainty that the previous contract is not hanging over the business owner.

Reducing the statute of limitations on written contracts is a low risk strategy to improve Ohio's business climate. In CNBC's "America's Top States for Business" for 2018, Ohio achieved a number 15 ranking. There are a variety of factors used to make these rankings. However, it is important to note that every state with a superior ranking to Ohio has a statute of limitations on a written contract less than Ohio's.

The Ohio Alliance for Civil Justice continues to appreciate the work done in 2012 when the General Assembly reduced the statute of limitations on a contract from fifteen years to eight years. We are aware of no negative impacts from this reduction. However, we note that soon after Ohio reduced our statute of limitations on a contract, Kentucky moved their period from fifteen years to ten years. Business attraction and growth is a very competitive environment. Now, moving from eight years to three years will likely see a similarly easy transition.

Thank you for the opportunity to speak in support of HB 251. I am happy to entertain questions. I am joined by Anne Marie Sferra, a partner with Bricker and Eckler, to assist in answering your questions.