

Ohio Shortens Time Frame to Commence Actions Based on Written or Oral Contracts

June 17, 2021

In February 2021, the Ohio Legislature passed [S.B. 13](#) (the Act) which, among other things, shortened the statute of limitations for causes of actions predicated on written and non-oral contracts. The revisions to the Ohio Revised Code take effect June 16, 2021, and counsel and litigants that practice in Ohio should be aware of these new shortened time frames to commence lawsuits based upon contracts in Ohio.

Previously, and following earlier amendments to the Ohio Revised Code, actions upon a written contract typically had to be brought within eight years after the cause of action accrued. The Act shortens this time frame even further, now requiring an action upon a specialty, agreement, contract, or promise in writing to be brought within six years after the cause of action accrued. See R.C. 2305.06.

The new revisions to Ohio's Revised Code do exempt a number of types of contracts from this new statute of limitations, however. The new statute of limitations does not apply to any of the following:

- (a.) R.C. 126.301 – An action against the state or an agency thereof related to the failure to make any distribution or payment is still subject to a five-year statute of limitation.
- (b.) R.C. 1302.98 – An action for breach of any contract for sale under Ohio's UCC is still subject to a four-year statute of limitations.
- (c.) R.C. 1303.16 – An action for breach of a negotiable instrument, like a promissory note, is still subject to a six-year statute of limitation from the due date or, if the due date has been accelerated, from the date of acceleration.
- (d.) R.C. 1345.10 – An action under Ohio's Consumer Sales Practices Act must still be brought within two years after the occurrence of the violation.
- (e.) R.C. 2305.04 – An action to recover title to or possession of real property must be brought within twenty-one years after the cause of action accrued.

Likewise, claims predicated upon oral contracts are now subject to a four-year statute of limitations. R.C. 2305.07(A). Previously, such claims were subject to a six-year statute of limitations. The Act likewise exempts claims brought under R.C. 126.301 and R.C. 1302.98 from this new statute of limitation.

The Act also clarified the statute of limitations for consumer transactions incurred primarily for personal, family, or household purposes. Such contracts, agreements, obligations, or promises, whether reduced to writing or not, are now subject to a six-year statute of limitations. R.C. 2305.07(C). Previously, Ohio law did not specify the

statute of limitations for these types of consumer transactions, although a number of courts had applied a six-year statute of limitations to such claims. See *North Shore Auto Financing, Inc. v. Block*, 8th Dist. Cuyahoga No. 82226, 2003-Ohio-3964, ¶ 10-11.

The Act is not retroactive in nature, and the new statute of limitations are effective as to causes of action that accrue on or after the effective date of the Act, except for causes of action under R.C. 2305.06 (written agreements) and R.C. 2305.07 (non-written contracts). Now, for causes of action under R.C. 2305.06 that accrued prior to the effective date of the Act, the period of limitations shall be six years from the effective date of the Act or the expiration of the period of limitations in effect prior to the effective date of the Act, whichever occurs first. Similarly, for causes of action under R.C. 2305.07 that accrued prior to the effective date of the Act, the statute of limitations is four years from the effective date of the Act, or the expiration of the period of limitations in effect prior to the effective date of the Act, whichever occurs first.

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