

BILL ANALYSIS

Senate Research Center
83R5959 SCL-D

S.B. 397
By: Duncan
State Affairs
2/20/2013
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The statute of limitations on a cause of action relating to a debt is four years. However, there has been a split in the courts on determining when the limitations period begins to accrue with regard to a credit card account. S.B. 397 amends the Civil Practice and Remedies Code to clarify that the statute of limitations for a suit to collect on a credit card account is four years and the limitations period begins to run on the date the account was charged off.

As proposed, S.B. 397 amends current law relating to the statute of limitations for an action on a credit card account.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 16.004(c), Civil Practice and Remedies Code, as follows:

(c) Requires a person to bring suit against his partner for a settlement of partnership accounts, and to bring an action on an open, stated, or credit card account, or on a mutual and current account concerning the trade of merchandise between merchants or their agents or factors, not later than four years after the day that the cause of action accrues. Provides that, for purposes of this subsection, the cause of action accrues on the day that the dealings in which the parties were interested together cease, or, in the case of a credit card account, the date the account was charged off.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2013.