

HOUSE RESEARCH

Bill Summary

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Subject: Conflicts of Law- Limitations Act

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Overview

This proposal sets out rules for deciding which state's statute of limitations would apply in a Minnesota court action that involves applying the law of one or more other states. "Conflict of laws" is the legal term for situations where more than one state or country's laws could apply and a court has to decide which law governs. A key provision is that the bill preserves certain actions where the claim arises out of state and the plaintiff resides here.

Section

- 1 **Definitions.** Defines "claim" to mean a right that may be asserted in a civil action. Defines "state" to include each of the United States, the District of Columbia, Puerto Rico, American possessions, foreign countries, and political subdivisions of any of these.
- 2 **Conflicts of laws; limitation periods.**

Subd. 1. General. Provides that if a claim in a Minnesota court is substantively based on (1) the law of one other state, the limitation period of that state applies; or (2) on the law of more than one state, the Minnesota conflicts of laws rules would decide which state's limitation period to follow. In all other cases, the Minnesota statutes of limitation apply.

Subd. 2. Action arising out of state; resident plaintiff. Provides that if a cause of action arises outside this state and is barred by the statute of limitation where it arose, the action can be brought here if: (1) the plaintiff resides here and owned the cause of action since it accrued, and (2) the action is not barred under the applicable Minnesota

Section

limitation.

- 3** **Rules applicable to computation of limitation periods.** If another state's limitation period applies, the Minnesota courts will follow that state's rules for tolling (stopping) or running the time clock for suing, but will not follow the other state's other rules on conflicts of laws.
- 4** **Unfairness.** Provides that if the other state's limitation period is substantially different from Minnesota's so that it would be hard either for the plaintiff to sue or the defendant to defend, a Minnesota court must apply the limitation period from Minnesota law.
- 5** **Existing and future claims.** The bill applies to claims (1) accruing after the effective date, or (2) brought up in a civil matter more than one year after the effective date. It does not revive a claim barred before the effective date.
- 6** **Uniformity.** Requires sections 1 to 5 to be interpreted to make uniform the laws of states that adopt a law like it.