

STATEMENT FROM STUART S. ZISHOLTZ

We should all be familiar with the term “Statute of Limitations”. The rationale behind the concept of the Statute of Limitations is that if you sit on your rights long enough, they go stale. If you have a contract and the contract is broken, the law gives you six years in which to sue. If by the end of the six years you still have not done so, you are out of luck. It is unreasonable to expect somebody to keep documents available for more than six years while you sit around deciding whether to sue.

There are other Statute of Limitations. A negligence claims has a three year Statute of Limitations. A claim for goods sold and delivered has a four year Statute of Limitations. A claim for liable and slander has a one year Statute of Limitations. A claim under a payment bond usually has two years, but sometimes has only one year.

The purpose of this article is not to give you an education on the various Statutes of Limitations, but to call your attention to a possible trap.

Sometimes, an owner will modify the contract and give you a one year Statute of Limitations. This can be seen occasionally in public contracts and has recently been found in private contracts.

Recently, the Appellate Division threw out a claim by a contractor against the Dormitory Authority because of a shortened Statute of Limitations. The Court found that the contractor was a sophisticated individual and agreed to the various terms of the contract. As a result, he forfeited his ability to pursue a claim against the Dormitory Authority as a result of the shortened Statute of Limitations.

I am calling your attention to this unscrupulous clause in contracts that could spell the end of any legitimate claim. Be alert, read your contract and know the terms.

Never let your lien time run out!

For a free copy of a pamphlet pertaining to Mechanic’s Liens and payment bond claims do not hesitate to contact me or the Association.