

SUPREME COURT OF ILLINOIS

Guzman v. C.R. Epperson Construction, Inc., 196 Ill. 2d 391

752 N.E.2d 1069 (2001) · No. 89006 · Decided June 21, 2001

SUMMARY

The Illinois Supreme Court considered whether a contractor's third-party claims for indemnity and contribution against subcontractors were timely under Illinois statutes of limitations. The court held that the amended section 13-204 applied and that the claims were not time-barred, reversing the circuit court and vacating the appellate court's judgment. The case was remanded for further proceedings.

CASE DETAILS

COURT	Supreme Court of Illinois
WRITING FOR THE COURT	Justice Freeman; Chief Justice Harrison; Justice Thomas
JURISDICTION	Illinois
DECIDED	June 21, 2001
DOCKET	89006
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Epperson's third-party construction-defect, indemnity, and related claims were dismissed as untimely under the statute of limitations; one third-party defendant obtained summary judgment. The appellate court reversed, and the Illinois Supreme Court granted leave to appeal.
STANDARD OF REVIEW	De novo review applies to an appeal from a section 2-619(a)(5) dismissal and to a grant of summary judgment; the reviewing court determines whether a genuine issue of material fact exists and, absent such an issue, whether dismissal is proper as a matter of law.
PRECEDENTIAL VALUE	Published Illinois Supreme Court majority opinion; binding precedent in Illinois.
PARTIES	MJE Construction, Inc., Michael Hadden, doing business as Hadden Concrete, Holland Brothers, Inc., Hardesty Heating and Ventilating, Inc., Robert Georgi, doing business as G&G Roofing v. Milton Guzman, Donna Guzman, C.R. Epperson Construction, Inc.

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QUESTIONS PRESENTED

1. Which statute of limitations governed Epperson's third-party construction-related indemnity and related claims before and after the 1995 amendment to section 13-204 of the Illinois Code of Civil Procedure?
2. When did the limitations period for Epperson's third-party claims begin to run?
3. Could the 1995 amendment to section 13-204 apply retroactively, and were Epperson's claims timely under the reasonable-period rule for amendments shortening a limitations period?

HOLDINGS

1. Before the amendment to section 13-204, section 13-214 applied to third-party actions for indemnification arising from construction-related acts or omissions.
2. For the third-party indemnity claims at issue, the better rule is that the limitations period begins when the third-party plaintiff is served with the underlying action, rather than when it first discovers the alleged wrongful act or omission.
3. The 1995 amendment to section 13-204, which extended the statute to indemnity claims and made it the controlling limitations provision for contribution and indemnity actions, applied retroactively to the pending claims because the prior limitations period had not fully expired before the amendment's effective date.
4. Epperson's third-party complaint, filed within 19 months after the amendment's effective date, was filed within a reasonable period and was not barred by the amended section 13-204.

KEY QUOTATIONS

“The purpose behind a statute of limitations is to prevent stale claims, not to preclude claims before they are ripe for adjudication.” (196 Ill. 2d at 398-99)

“A third-party action is a procedural device by which a defendant may assert a cause of action against a party that was not joined in the original action.” (196 Ill. 2d at 398)

FACTUAL BACKGROUND

The Guzmans contracted with Epperson in 1988 to construct a home in Bloomington, Illinois, and later alleged numerous construction defects involving windows, roofing, plumbing, flooring, and walls. The Guzmans originally sued Epperson in 1992, voluntarily dismissed that action in 1996, and refiled in April 1996. Epperson filed its third-party complaint against subcontractors on September 4, 1996, after correspondence showed that it had known of alleged defects by at least 1990; the issue was whether the third-party claims were timely under Illinois limitations statutes.

PROCEDURAL HISTORY

The Guzmans sued Epperson over alleged construction defects, voluntarily dismissed the action, and refiled it. Epperson filed a third-party complaint against several subcontractors in the refiled action. The circuit court dismissed or entered summary judgment for the subcontractors under the applicable limitations period, while the appellate court reversed. The Illinois Supreme Court vacated the appellate judgment, reversed the circuit judgment, and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The matter was remanded to the circuit court for proceedings consistent with the opinion; the circuit court's statute-of-limitations dismissals and summary judgment were reversed.

CASES CITED

- Kedzie & 103rd Currency Exchange, Inc. v. Hodge, 156 Ill. 2d 112, 116 (1993)
- Hartford Fire Insurance Co. v. Architectural Management, Inc., 158 Ill. App. 3d 515 (1987)
- La Salle National Bank v. Edward M. Cohon & Associates, Ltd., 177 Ill. App. 3d 464, 471 (1988)
- Board of Library Directors v. Skidmore, Owings & Merrill, 215 Ill. App. 3d 69 (1991)
- Elsa Benson, Inc. v. Kalman Floor Co., 191 Ill. App. 3d 1016, 1022 (1989)
- Knox College v. Celotex Corp., 88 Ill. 2d 407, 416 (1981)
- Anixter Brothers, Inc. v. Central Steel & Wire Co., 123 Ill. App. 3d 947, 953 (1984)
- Washington Courte Condominium Ass'n-Four v. Washington-Golf Corp., 267 Ill. App. 3d 790, 848 (1994)
- Arnold Engineering, Inc. v. Industrial Commission, 72 Ill. 2d 161, 165 (1978)
- Phillips Products Co. v. Industrial Commission, 94 Ill. 2d 200, 203-04 (1983)
- Rein v. David A. Noyes & Co., 172 Ill. 2d 325, 336 (1996)
- Avery v. Auto-Pro, Inc., 313 Ill. App. 3d 747, 750-51 (2000)
- Dubina v. Mesirow Realty Development, Inc., 178 Ill. 2d 496, 504 (1997)