

Supreme Court Holds That the Tolling Statute Applicable to State Law Claims Subject to Federal Supplemental Jurisdiction Stops the Statute of Limitations Rather Than According Plaintiffs a Grace Period

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4.11.18

Under 28 U.S.C. § 1367(a), a plaintiff may bring strictly state-based claims in federal district court if they are related to a claim over which the district court has original jurisdiction. This is more commonly known as Supplemental Jurisdiction. One major issue that has arisen when such jurisdiction is asserted is whether or not the applicable state-specific statute of limitations is tolled under 28 U.S.C. § 1367(d) upon the filing of the federal action. Recently, the Supreme Court addressed this very issue in *Artis v. District of Columbia*, 138 S.Ct. 594 (2018).

In *Artis*, after being fired by the District of Columbia, Stephanie C. Artis (Ms. Artis) filed suit in the U.S. District Court for the District of Columbia alleging four claims (one federal-based claim and three district-based claims): (1) employment discrimination in violation of Title VII of the Civil Rights Act of 1964; (2) retaliation in violation of the District of Columbia Whistleblower Act; (3) termination in violation of the District of Columbia False Claims Act; and (4) wrongful termination against public policy. After approximately two years, the federal court dismissed Ms. Artis' Title VII claim, and declining to exercise its supplemental jurisdiction over her remaining state law claims, dismissed them without prejudice. In citing the statute, the court highlighted that Ms. Artis had 30 days from the dismissal to file her claims in the D.C. Superior Court. Fifty nine (59) days after dismissal of the federal action, Ms. Artis filed her remaining district-based claims in the D.C. Superior Court, which were eventually dismissed as time-barred by 29 days.

After multiple unsuccessful appeals of the Superior Court's decision, the U.S. Supreme Court agreed to hear the case. On January 22, 2018, in a 5-4 decision, the Supreme Court held that any state statute of limitations is tolled when a claim is brought in U.S. District Court based upon Supplemental Jurisdiction.

Specific Statutory Language at Issue

28 U.S.C. § 1367(d):

The period of limitation for any claim asserted under subsection (a), and for any other claim in the same action that is voluntarily dismissed at the same time as or after the dismissal of the claim under subsection (a), shall be tolled while the claim is pending and for a period of 30 days after it is dismissed unless State law provides for a longer tolling period.

The Majority Opinion

Written by Justice Ginsberg, the majority opinion made three key points: (1) tolling periods are different from grace periods; (2) under a plain reading of the statute, "the limitations clock stops the day the claim is filed in federal court and, 30 days post[] dismissal, restarts from the point at which it had stopped"; and (3) the dissent's interpretation would lead plaintiffs to file parallel suits in both courts, which is a "wasteful, inefficient duplication" that does not advance the goals of Federalism.

The Dissent

Written by Justice Gorsuch, the dissent vehemently disagreed with the majority opinion. The dissent contends that the basic intention behind the law was to provide a plaintiff with a limited but reasonable amount of time, thirty (30) days, for re-filing state claims after the dismissal of a federal action. The dissent concludes by arguing the Court has now “wandered so far from the idea of a federal government of limited and enumerated powers that we’ve begun to lose sight of what it looked like in the first place.”

Effect of Decision

As a result of this decision, there is now national uniformity where it previously did not exist. Pursuant to *Artis*, once a federal action is filed, state law statutes of limitations are tolled and, unless state law provides for a longer tolling period, do not restart until thirty (30) days after the district court’s dismissal of the federal claims.

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