

By Mr. Murphy of Springfield, petition of Dennis M. Murphy for legislation to promote payment of arbitration awards. Commerce and Labor.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety-Seven.

AN ACT TO PROMOTE PAYMENT OF ARBITRATION AWARDS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Subsection (11) of section 7N-¼ of Chapter 90 of
2 the General Laws, as appearing in the 1994 Official Edition, is
3 hereby amended by inserting at the end thereof the following four
4 sentences: —

5 Such licensing authorities shall, after notification by the Office
6 of Consumer Affairs and Business Regulation or the Attorney
7 General, and after notice and opportunity for hearing, temporarily
8 revoke the license of any dealer who has either failed to appeal as
9 provided herein or failed to deliver a full refund, within 21 days
10 of any finding in favor of the consumer in a state certified used
11 car arbitration. The sole issue at such hearing shall be to factually
12 determine whether the dealer failed to pay the refund or appeal
13 within such 21 days. Upon subsequent payment of the full refund,
14 the licensing authority may reinstate the dealer's license.
15 Repeated failure to pay arbitration awards or to file timely appeals
16 shall be grounds for permanent license revocation, non-renewal,
17 or non-issuance.

1 SECTION 2. Said section is further amended by inserting at
2 the end of subsection (3) (A) (iii) the following paragraph: —

3 A consumer aggrieved by a dealer's failure to either abide by
4 the decision of a state-certified arbitration or to file a timely
5 appeal may enforce the arbitration award in the Superior Court. A
6 copy of the arbitration award certified by the Secretary of

7 Consumer Affairs and Business Regulation or his designee shall
8 be prima facie evidence of the amount of the basic award. A pre-
9 vailing consumer shall be entitled to an award of not less than two
10 times the basic arbitration award unless the dealer can prove that
11 its failure to pay the award or file a timely appeal was through the
12 fault of the consumer. The court shall also award reasonable attor-
13 ney's fees and costs as provided herein.

1 SECTION 3. Section one of this act shall apply to all arbitra-
2 tion awards outstanding on or after the effective date of this act.
3 The time limit to pay or appeal any unpaid or unappealed arbitra-
4 tion awards outstanding on the effective date of this act shall be
5 extended for a period of twenty-one days from such effective date.
6 Any hearing by a local licensing authority pursuant to section one
7 of this act in cases covered by the extension shall base its decision
8 on whether the dealer paid or appealed the arbitration award
9 during the extension period.