

DISTRICT OF COLUMBIA
OFFICIAL CODE

TITLE 50.
MOTOR AND NON-MOTOR VEHICLES AND
TRAFFIC.

CHAPTER 5.
AUTOMOBILE CONSUMER PROTECTION.

2001 Edition

DISTRICT OF COLUMBIA OFFICIAL CODE
CHAPTER 5. AUTOMOBILE CONSUMER
PROTECTION.

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CHAPTER 5. AUTOMOBILE CONSUMER PROTECTION.

§ 50-501. DEFINITIONS.

For the purposes of this chapter, the term:

(1) "Board" means the Board of Consumer Claims Arbitration for the District of Columbia established by § 50-503.

(2) "Consumer" means the purchaser, other than for purposes of resale, of a motor vehicle; any person to whom the motor vehicle is leased or otherwise transferred during the duration of a warranty applicable to the motor vehicle; and any other person entitled to enforce the obligations of the warranty. For the purposes of § 50-503, the term "consumer" means any natural person who does or would purchase, lease, or receive consumer goods or services. The term "consumer" includes any natural person who purchases insurance coverage in the District of Columbia.

(3) "Council" means the Council of the District of Columbia.

(4) "Court" means the Superior Court of the District of Columbia.

(5) "District" means the District of Columbia.

(6) "Known" means, for the purposes of § 50-505, that a dealer or the dealer's agent or employee has obtained facts or information about the condition of a motor vehicle which would lead a reasonable person in similar circumstances to believe that the motor vehicle contained 1 or more material mechanical defects. The term "known" encompasses knowledge obtained through an inspection, from a previous owner, from the salesperson at an auction, or through other means.

(7) "Material mechanical defect" means any defect, failure, or malfunction of the mechanical system of a motor vehicle, including, but not limited to, the engine, transmission and drive shaft, differential, cooling system, electrical system, fuel system, or accessories, which significantly impairs the operation, safety, performance, or value of the motor vehicle.

(8) "Mayor" means the Mayor of the District of Columbia.

(9) "Motor vehicle" means a motor vehicle which is manufactured for sale, offered for sale, sold, or registered in the District and which is designed for the primary purpose of transporting a driver and 1 or more passengers on streets, roads, or highways. The term "motor vehicle" shall not include buses sold for public transportation, motorcycles, motor homes, or motorized recreational vehicles.

(10) "New motor vehicle" means a motor vehicle which is in the period of the first 18,000 miles of operation or the first 2 years after the date of delivery to the original purchaser, whichever is earlier.

(11) "Safety-related defect" means an impairment which reduces the operator's ability to control the motor vehicle in normal operation or which creates a risk of fire, explosion, or other life-threatening malfunction.

(12) "Significantly impair" means to render the motor vehicle unreliable or unsafe for normal operation or to reduce its resale value below the average resale value for comparable motor vehicles.

(13) "Used motor vehicle" means a motor vehicle which is offered for sale in the District and which is not within the period of the first 18,000 miles of operation or the first 2 years after the date of delivery to the original purchaser, whichever is earlier; but it does not mean a motor vehicle sold only for scrap or parts.

(14) "Warranty" means the written or implied warranty of the manufacturer of a motor vehicle.

(Mar. 14, 1985, D.C. Law 5-162, § 2, 32 DCR 160; Mar. 4, 1986, D.C. Law 6-96, § 4(a), 32 DCR 7245.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 40-1301.

Law 5-162 was introduced in Council and assigned Bill No. 5-288, which was referred to the Committee on Consumer and Regulatory Affairs. The Bill was adopted on first and second readings on November 20, 1984, and December 4, 1984, respectively. Signed by the Mayor on December 7, 1984, it was assigned Act No. 5-227 and transmitted to both Houses of Congress for its review.

Law 6-96, "Automobile Consumer Protection Act of 1984," was introduced in Council and assigned Bill No. 6-249, which was referred to the Committee on Consumer and Regulatory Affairs. The Bill was adopted on first and second readings on November 5, 1985, and November 19, 1985, respectively. Signed by the Mayor on November 22, 1985, it was assigned Act No. 6-104 and transmitted to both Houses of Congress for its review.

Miscellaneous Notes

Short title: The first section of D.C. Law 5-162 provided: "That this act may be cited as the 'Automobile Consumer Protection Act of 1984'."

§ 50-502. CONSUMER'S REMEDY FOR DEFECTIVE VEHICLES.

(a) If a new motor vehicle does not conform to all warranties during the first 18,000 miles of operation or during the period of 2 years following the date of delivery of the motor vehicle to the original purchaser, whichever is the earlier date, the consumer shall during that period report the nonconformity, defect, or condition to the manufacturer, its agent, or its authorized dealer. If the notification is received by the manufacturer's agent or authorized dealer, the agent or dealer shall within 7 days forward written notice thereof to the manufacturer by certified mail, return receipt requested. The manufacturer, its agent, or its authorized dealer shall correct the nonconformity, defect, or condition at no charge to the consumer, notwithstanding the fact that the repairs may be made after the expiration of the first 18,000-mile period of operation or the 2-year period.

(b) If, after a reasonable number of attempts, the manufacturer, its agent, or authorized dealer is unable to repair or correct any nonconformity, defect, or condition which results in significant impairment of the motor vehicle, the manufacturer, at the option of the consumer, shall replace the motor vehicle with a comparable motor vehicle, or accept return of the motor vehicle from the consumer and refund to the consumer the full purchase price, including all sales tax, license fees, registration fees, and any similar governmental charges. In calculating a refund, the manufacturer may deduct from the consumer's full purchase price a reasonable allowance not to exceed 10 cents per mile for the consumer's use of the motor vehicle in excess of the first 12,000 miles of operation, and a reasonable allowance for any damage not attributable to normal wear or to the nonconformity, defect, or condition which significantly impaired the motor vehicle. Refunds shall be made to the consumer, and the lienholder, if any, as their interests may appear on the records of ownership kept by the Department of Public Works.

(c) Each of the following circumstances shall be an affirmative defense to any claim under this section:

- (1) The nonconformity, defect, or condition does not significantly impair the vehicle.
- (2) The nonconformity, defect, or condition is the result of abuse, neglect, or unauthorized modifications or alterations of the motor vehicle.

(d) It shall be presumed that a reasonable number of attempts have been made to conform a motor vehicle to the warranties, if:

- (1) The same nonconformity, defect, or condition, if it is not safety-related, has been subject to repair 4 or more times by the manufacturer, its agent, or authorized dealer after notification by the consumer within the first 18,000 miles of operation or during the period of 2 years following the date of original delivery of the motor vehicle to a consumer, whichever is the earlier date, but the nonconformity, defect, or condition continues to exist;
- (2) The same nonconformity, defect, or condition, if it is safety-related, has been subject to repair 1 or more times by the manufacturer, its agents, or authorized dealers after notification by the consumer within the first 18,000 miles of operation or during the period of 2 years following the date of original delivery of the motor vehicle to a consumer, whichever is the earlier date, but the nonconformity, defect, or condition continues to exist; or
- (3) The motor vehicle is out of service by reason of repair of any nonconformities, defects, or conditions which significantly impair the vehicle, on a cumulative total of 30 days or more during either period, whichever is the earlier date.

(e) The 30-day out-of-service period shall be extended by any time during which repair services are not available to the consumer because of a war, invasion, strike, fire, flood, or other natural disaster.

(f) The consumer, in order to seek the refund or replacement provided by this section, shall first submit a claim to the Board of Consumer Claims Arbitration established pursuant to § 50-503. If the Board rejects the case for arbitration, or if the claim is arbitrated and the consumer rejects the arbitration decision, the

consumer may then bring an action in court to seek the remedies provided by this section.

(g)(1) If a motor vehicle is returned to a manufacturer, its agent, or authorized dealer pursuant to this section, the manufacturer, its agent, or authorized dealer shall notify the Department of Public Works that the motor vehicle was returned.

(2) The Department of Public Works shall note the fact that the motor vehicle was returned pursuant to this chapter on any certificate of title issued for the motor vehicle.

(3) A motor vehicle dealer shall state the fact that the motor vehicle was returned pursuant to this chapter in any sales contract for the motor vehicle prior to the signing of the contract by a prospective purchaser.

(Mar. 14, 1985, D.C. Law 5-162, § 3, 32 DCR 160.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 40-1302.

Legislative History of Laws

For legislative history of D.C. Law 5-162, see Historical and Statutory Notes following § 50-501.

§ 50-503. ARBITRATION.

(a) There is established in the Department of Consumer and Regulatory Affairs a Board of Consumer Claims Arbitration for the District of Columbia. The Board shall consist of 7 members who shall be appointed by the Mayor.

(b) The members shall be at least 18 years of age and residents of the District.

(c) Two members shall be attorneys admitted to the practice of law in the District, 1 of whom shall be designated by the Mayor as chairperson of the Board. Two members shall have training and experience in arbitration and mediation. One member shall be the Director of the Department of Consumer and Regulatory Affairs or his or her designee. One member shall have experience or training in representing the interests of consumers. One member shall have experience or training in the manufacture or wholesale or retail sales of consumer goods.

(d) The Mayor shall appoint the initial Board members within 60 days of March 14, 1985. Of the members first appointed, the chairperson and 1 other member shall be appointed for terms of 3 years; 2 members shall be appointed for terms of 2 years; 1 member shall be appointed for a term of 2 years; and 1 member shall be appointed for a term of 1 year. Subsequent appointments shall be for terms of 3 years. This subsection shall not apply to the representative of the Department of Consumer and Regulatory Affairs.

(e) Members of the Board shall be compensated pursuant to § 1-611.08.

(f) The Mayor shall issue, and may amend from time to time, rules and regulations to implement the provisions of this section and may establish reasonable fees for the filing of complaints.

(g) The Board, in accordance with the rules and regulations issued pursuant to subsection (f) of this section, shall provide arbitration for claims filed by consumers against manufacturers, their agents, or dealers pursuant to §§ 50-502 and 50-505; for claims voluntarily filed by consumers against the provider of any consumer goods or services, who agrees to arbitration, pursuant to rules and regulations issued by the Mayor; and for claims filed pursuant to § 31-2405 by parties agreeing to arbitration pursuant to rules and regulations issued by the Mayor.

(h) Consumers may submit claims to the Board by completing forms which shall be approved by the Mayor.

(i) Upon receipt of a written claim filed by a consumer, the Board shall within 5 business days determine whether the claim qualifies for arbitration pursuant to this chapter and notify the opposing party.

(j) The Board shall develop and maintain a roster of persons who are residents of the District, at least 18 years of age, and experienced in arbitration techniques who may be employed to serve as arbitrators for specific cases.

(k) The Board shall assign cases for arbitration according to the following provisions:

(1) A case may be assigned to a single arbitrator if the Board first informs all parties to the case of the identity and background of the arbitrator and obtains their consent. When a case is assigned to a single arbitrator, the arbitrator must be an attorney-member of the Board or another attorney admitted to the practice of law in the District and chosen from the roster of arbitrators maintained by the Board.

(2) All cases not assigned to single arbitrators shall be assigned to a panel of 3 arbitrators, 1 of whom must be a member of the Board and 1 of whom must be an attorney admitted to the practice of law in the District. Participation on the panel by an attorney-member of the Board shall satisfy both

requirements. The Board shall inform all parties to the case of the identity and background of the arbitrators tentatively selected for the panel and shall obtain the consent of both parties to the choice of arbitrators. The decision of the panel shall be by majority vote.

(l) The Board is authorized to reject for arbitration consumer claims which are determined by a majority of the Board to be frivolous, fraudulent, or beyond the legal authority of the Board.

(m) The Board shall promptly assign all cases accepted for arbitration to an arbitrator or arbitrators who shall appoint a time and place for a hearing and notify the parties personally or by registered mail not less than 5 days prior to the hearing. Hearings shall be public and shall be recorded electronically.

(n) At all arbitration hearings, the parties are entitled to present oral and written testimony, to present witnesses and evidence relevant to the controversy, to cross-examine witnesses, and to be represented by counsel.

(o) The Board may issue subpoenas for the attendance of witnesses and for the production of books, records, documents, and other evidence. The Board or arbitrators designated by the Board shall have the power to administer oaths and affirmations and take acknowledgements.

(p) Upon application by any party to an arbitration proceeding, or upon its own motion, an arbitrator or arbitration panel may retain independent technical experts as needed to determine the facts in the case. The arbitrator or arbitration panel may assign the costs of the technical experts to 1 or both parties to the case.

(q)(1) The arbitrator or arbitration panel shall determine whether the defendant is liable to the claimant and, if so, shall award the claimant relief.

(2) The arbitrator or arbitration panel may award the claimant the relief provided by this chapter, any relief available under any other law, and reasonable attorneys' fees. The defendant may be assessed the costs of arbitration as part of any award rendered by the arbitrator or arbitration panel.

(3) Decisions of an arbitrator or arbitration panel shall be in writing and shall be entered by and in the name of the Board.

(4) Decisions shall be entered no later than 60 days from the date the Board accepts a case for arbitration.

(5) The decision shall state the relief granted, if any, and shall specify a time limit for compliance.

(6) The board shall promptly provide a copy of the decision to each party.

(r) The Board or any party to a case may petition the court to issue an order compelling compliance with a decision by the Board.

(s)(1) Any party to a case may, within 20 days after receipt of the Board's decision, petition the court to vacate the decision and grant a trial de novo.

(2) Upon receipt of a petition, the court shall first determine the validity of the arbitration proceeding and shall vacate an arbitration award upon a finding that:

(A) The award was procured by corruption, fraud, or other misconduct in violation of law;

(B) The arbitrator or arbitration panel exceeded its powers;

(C) The arbitrator or arbitration panel failed to conform to the rules and regulations issued pursuant to this chapter, and the failure to conform prejudiced the rights of a party to the complaint; or

(D) The award is based on a numerical error or other error of fact which the Board has failed to correct.

(3) If the court determines the arbitration process was valid but grants the petition for a trial de novo on other grounds, the decision of the Board shall be admissible as evidence and shall be presumed correct.

(Mar. 14, 1985, D.C. Law 5-162, § 4, 32 DCR 160; Mar. 4, 1986, D.C. Law 6-96, § 4(b), 32 DCR 7245; Feb. 24, 1987, D.C. Law 6-192, § 16, 33 DCR 7836; June 12, 1999, D.C. Law 12-285, § 4(h), 46 DCR 1355.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 40-1303.

Emergency Act Amendments

For temporary amendment of section, see § 4(h) of the Confirmation Emergency Amendment Act of 1999 (D.C. Act 13-25, March 15, 1999, 46 DCR 2971).

For temporary (90-day) addition of section, see § 4(h) of the Confirmation Act Congressional Review Emergency Amendment Act of 1999 (D.C. Act 13-92, June 4, 1999, 46 DCR 5330).

Legislative History of Laws

For legislative history of D.C. Law 5-162, see Historical and Statutory Notes following § 50-501.

For legislative history of D.C. Law 6-96, see Historical and Statutory Notes following § 50-501.

Law 6-192 was introduced in Council and assigned Bill No. 6-544, which was referred to the Committee of the Whole. The Bill was adopted on first and second readings on November 5, 1986 and November 18, 1986, respectively. Signed by the Mayor on December 10, 1986, it was assigned Act No. 6-246 and transmitted to both Houses of Congress for its review.

Law 12-285, the "Confirmation Amendment Act of 1998," was introduced in Council and assigned Bill No. 12-261, which was referred to the Committee on Government Operations. The Bill was adopted on first and second readings on November 10, 1998, and December 1, 1998, respectively. Signed by the Mayor on December 29, 1998, it was assigned Act No. 12-622 and transmitted to both Houses of Congress for its review. D.C. Law 12-285 became effective on June 17, 1999.

Delegation of Authority

Delegation of authority under D.C. Law 5-162, see Mayor's Order 85-181, November 5, 1985.

§ 50-504. DISCLOSURE OF RIGHTS.

(a) The manufacturer, its agent, or authorized dealer shall provide written notification to the prospective consumer of any motor vehicle to be sold or registered in the District of the rights provided to the consumer by this chapter.

(b) The Mayor shall issue rules and regulations prescribing the form and content of the notification required by this section.

(c) Any agreement entered into by a consumer for the purchase of a motor vehicle which waives, limits, or disclaims the rights set forth in this chapter shall be void. These rights shall inure to a subsequent transferee of the motor vehicle.

(Mar. 14, 1985, D.C. Law 5-162, § 5, 32 DCR 160.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 40-1304.

Legislative History of Laws

For legislative history of D.C. Law 5-162, see Historical and Statutory Notes following § 50-501.

Delegation of Authority

Delegation of authority under D.C. Law 5-162, see Mayor's Order 85-181, November 5, 1985.

§ 50-505. DISCLOSURE OF DAMAGES OR DEFECTS IN USED MOTOR VEHICLES; VIOLATIONS; PENALTIES.

(a) No motor vehicle dealer may offer for sale any used motor vehicle without first providing:

(1) Written notice to the prospective consumer of any material mechanical defect in the motor vehicle and any damage sustained by the motor vehicle due to fire, water, collision, or other causes for which the cost of repairs exceeded \$1,000, when the defect or damage was known to the dealer; and

(2) Written notice to the prospective consumer whether the dealer has conducted any inspection of the motor vehicle to determine known defects or damage.

(b) A motor vehicle dealer who fails to provide the notices required by this section or who provides false or misleading notices shall, upon conviction, be subject to the following penalties:

(1) A fine of not less than \$300 or more than \$1,000 for a first offense; and

(2) A fine of not less than \$1,000 or more than \$5,000, or suspension or revocation of the license issued pursuant to § 300 of the Vehicles and Traffic Regulations (18 DCMR 300.1 et seq.), or both, for a second or subsequent offense.

(c) The purchaser of a used motor vehicle shall have a right of action against a used motor vehicle dealer for damages or injuries sustained as a result of the dealer's failure to comply with the requirements of this section. The purchaser, in order to seek the remedies provided by this section, shall first submit a claim to the Board. If the Board rejects the case for arbitration, or if the claim is arbitrated and the purchaser rejects the arbitration decision, the purchaser may then bring an action in court to seek the remedies provided by this section.

(d) Violations of this section shall be prosecuted in the name of the District of Columbia by the Corporation Counsel of the District of Columbia.

(e) Civil fines, penalties, and fees may be imposed as alternative sanctions for any infraction of the provisions of this chapter, or the rules or regulations issued under the authority of this chapter, pursuant to Chapter 18 of Title 2. Adjudication of any infraction shall be pursuant to Chapter 18 of Title 2.

(Mar. 14, 1985, D.C. Law 5-162, § 6, 32 DCR 160; Oct. 5, 1985, D.C. Law 6-42, § 402, 32 DCR 4450.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 40-1305.

Legislative History of Laws

For legislative history of D.C. Law 5-162, see Historical and Statutory Notes following § 50-501.

For legislative history of D.C. Law 6-42, see Historical and Statutory Notes following § 50-607.

§ 50-506. LISTING OF ODOMETER READINGS.

The Department of Public Works shall list the odometer readings at the time of registration or transfer of registration on the title of all motor vehicles registered in the District.

(Mar. 14, 1985, D.C. Law 5-162, § 8, 32 DCR 160.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 40-1306.

Legislative History of Laws

For legislative history of D.C. Law 5-162, see Historical and Statutory Notes following § 50-501.

§ 50-507. OTHER RIGHTS OR REMEDIES; LIMITATIONS ON ACTIONS.

(a) Nothing in this chapter shall in any way limit the rights or remedies which are otherwise available to a consumer under any other law.

(b) Any action brought pursuant to this chapter shall be commenced within 4 years of the date of original delivery of the motor vehicle to the consumer.

(Mar. 14, 1985, D.C. Law 5-162, § 9(b), (c), 32 DCR 160.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 40-1307.

§ 50-508. RULES AND REGULATIONS.

The Mayor shall issue, and may amend from time to time, rules and regulations to implement the provisions of this chapter.

(Mar. 14, 1985, D.C. Law 5-162, § 10, 32 DCR 160.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 40-1308.

Legislative History of Laws

For legislative history of D.C. Law 5-162, see Historical and Statutory Notes following § 50-501.

Delegation of Authority

Delegation of authority under D.C. Law 5-162, see Mayor's Order 85-181, November 5, 1985.

§ 50-509. PROVISION FOR ALTERNATIVE ARBITRATION SYSTEM.

If the arbitration system established pursuant to § 50-503 cannot consistently handle complaints during the 60-day period as required by § 50- 503(q)(4), and if the administration of the arbitration system results in expenditures beyond the sums budgeted annually for the program, the Mayor may certify an alternative arbitration system that complies with this chapter and rules issued to implement this chapter.

(Mar. 14, 1985, D.C. Law 5-162, § 11, 32 DCR 160.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 40-1309.

Legislative History of Laws

For legislative history of D.C. Law 5-162, see Historical and Statutory Notes following § 50-501.

§ 50-510. SUSPENSION OF ENFORCEMENT.

Notwithstanding any other provision of District law, enforcement of this chapter by the Department of Consumer and Regulatory Affairs is suspended until October 1, 2000.

(Mar. 14, 1985, D.C. Law 5-162, § 11a, as added, Sept. 26, 1995, D.C. Law 11-52, § 811, 42 DCR 3684; Mar. 26, 1999, D.C. Law 12-175, § 1402, 45 DCR 7193.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 40-1310.

Emergency Act Amendments

For temporary addition of section, see § 811 of the Omnibus Budget Support Congressional Review Emergency Act of 1995 (D.C. Act 11-124, July 27, 1995, 42 DCR 4160).

For temporary (90-day) amendment of section, see § 1002 of the Fiscal Year 1999 Budget Support Congressional Review Emergency Act of 1999 (D.C. Act 13-41, March 31, 1999, 46 DCR 3446).

Temporary Amendments of Section

For temporary (225 day) amendment of section, see § 807 of Multiyear Budget Spending Reduction and Support Temporary Act of 1995 (D.C. Law 10-253, March 23, 1995, law notification 42 DCR 1652).

Legislative History of Laws

Law 11-52, the "Omnibus Budget Support Act of 1995," was introduced in Council and assigned Bill No. 11-218, which was referred to the Committee of the Whole. The Bill was adopted on first and second readings on April 19, 1995, and June 6, 1995, respectively. Signed by the Mayor on July 13, 1995, it was assigned Act No. 11-94 and transmitted to both Houses of Congress for its review. D.C. Law 11-52 became effective on September 26, 1995.

Law 12-175, the "Fiscal Year 1999 Budget Support Act of 1998," was introduced in Council and assigned Bill No. 12-618, which was referred to the Committee of the Whole. The Bill was adopted on first and second readings on May 5, 1998, and June 2, 1998, respectively. Signed by the Mayor on June 23, 1998, it was assigned Act No. 12-399 and transmitted to both Houses of Congress for its review. D.C. Law 12-175 became effective on March 26, 1999.