

CS FOR HOUSE BILL NO. 74(JUD)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE JUDICIARY COMMITTEE

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVES TOMASZEWSKI, Coulombe, Saddler, Fields, Hall, Costello, Stutes, Prax

A BILL

FOR AN ACT ENTITLED

1 **"An Act requiring used vehicle safety inspections; establishing the crime of airbag**
2 **fraud; and relating to airbag disclosures."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 08.66 is amended by adding a new section to read:

5 **Sec. 08.66.340. Used vehicle safety inspections.** (a) Before the sale of a used
6 vehicle, a motor vehicle dealer registered under AS 08.66.010 shall conduct a
7 reasonable inspection of the used vehicle to determine whether the vehicle's safety
8 systems, including airbags, seatbelts, crash sensors, and related components, are
9 functioning properly. The inspection may include a scan of the used vehicle's onboard
10 diagnostics system to check for airbag fault codes, supplemental restraint system
11 warnings, airbag deployment history, and system readiness.

12 (b) A motor vehicle dealer that fails to conduct a reasonable inspection and
13 sells a vehicle with a known or detectable defect in any of the safety systems under (a)
14 of this section is subject to civil penalties established by the department in regulation.

* **Sec. 2.** AS 28.35 is amended by adding a new section to read:

Sec. 28.35.248. Airbag fraud. (a) A person commits the crime of airbag fraud if the person

(1) knowingly sells, offers for sale, imports, installs, or reinstalls

(A) a replacement airbag that does not comply with federal safety regulations specific to the vehicle's make, model, and year;

(B) an airbag that is counterfeit or nonfunctioning; or

(C) a part or device that is intended to conceal a counterfeit or nonfunctioning airbag;

(2) knowingly manufactures

(A) a counterfeit or nonfunctioning airbag; or

(B) a part or device that is intended to conceal a counterfeit or nonfunctioning airbag; or

(3) intentionally sells, leases, or trades or offers for sale, lease, or trade a vehicle that the person knows or should know has

(A) a replacement airbag that does not comply with federal safety regulations specific to the vehicle's make, model, and year; or

(B) a counterfeit or nonfunctioning airbag.

(b) This section does not apply to a person, motor vehicle dealer, or insurance company if, before the sale, lease, or trade of a vehicle, the person, motor vehicle dealer, or insurance company provides a written disclosure to the buyer that the vehicle has a counterfeit or nonfunctioning airbag.

(c) In this section,

(1) "airbag" includes an airbag component;

(2) "counterfeit" means the airbag displays an unauthorized mark that is identical, or substantially similar, to the genuine mark of a motor vehicle manufacturer or supplier of parts to a motor vehicle manufacturer;

(3) "nonfunctioning" means the airbag is inoperable, damaged, or recalled, has previously been deployed, will cause a vehicle's diagnostic system to inaccurately indicate that the vehicle is equipped with a properly functioning airbag, has been altered or tampered with in a manner that affects deployment functionality,

1 contains counterfeit or substandard internal electronic components, or will cause an
2 electric fault detected by a vehicle's diagnostic system after the installation procedure
3 is complete;

4 (4) "recalled" means the airbag was removed from a vehicle because a
5 manufacturer or federal agency determined the airbag created an unreasonable safety
6 risk or did not meet minimum safety standards and that federal law has not exempted
7 from reinstallation.

8 (d) Airbag fraud is

9 (1) a class A misdemeanor;

10 (2) a class C felony if serious physical injury to another person results
11 from

12 (A) the manufacture, sale, importation, installation, or
13 reinstallation of an airbag that does not comply with federal safety regulations
14 specific to the vehicle's make, model, and year or a counterfeit or
15 nonfunctioning airbag; or

16 (B) the sale, lease, or trade of a vehicle that has an airbag that
17 does not comply with federal safety regulations specific to the vehicle's make,
18 model, and year or a counterfeit or nonfunctioning airbag; or

19 (3) a class B felony if the death of another person results from

20 (A) the manufacture, sale, importation, installation, or
21 reinstallation of an airbag that does not comply with federal safety regulations
22 specific to the vehicle's make, model, and year or a counterfeit or
23 nonfunctioning airbag; or

24 (B) the sale, lease, or trade of a vehicle that has an airbag that
25 does not comply with federal safety regulations specific to the vehicle's make,
26 model, and year or a counterfeit or nonfunctioning airbag.

27 * **Sec. 3.** AS 28 is amended by adding a new chapter to read:

28 **Chapter 41. Disclosures.**

29 **Sec. 28.41.010. Airbag status disclosure requirement.** A person or motor
30 vehicle dealer who sells, leases, or trades a vehicle shall disclose in writing whether
31 the vehicle's airbag has been replaced. If the airbag has been replaced, the person or

1 motor vehicle dealer shall provide any available documentation regarding compliance
2 with federal safety regulations specific to the vehicle's make, model, and year. In this
3 section, "airbag" has the meaning given in AS 28.35.248.

4 **Sec. 28.41.020. Insurance company airbag disclosure requirement.** (a) An
5 insurance company that sells or otherwise disposes of a vehicle shall disclose in
6 writing to the buyer whether the

7 (1) vehicle has been declared a total loss because of airbag
8 deployment; or

9 (2) airbag is nonfunctioning, missing, or has been replaced.

10 (b) In this section, "airbag" has the meaning given in AS 28.35.248.