

HOUSE CS FOR SENATE BILL NO. 37(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 2/26/24

Referred: Rules

Sponsor(s): SENATOR CLAMAN

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing the crime of airbag fraud."**

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

3 * **Section 1.** AS 28.35 is amended by adding a new section to read:

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

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

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

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

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

12 (2) knowingly manufactures

13 (A) a counterfeit or nonfunctioning airbag; or

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

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

(1) a person installing, reinstalling, or replacing an airbag on a vehicle used solely for police work;

(2) an owner or employee of a motor vehicle dealership or the owner of a vehicle who, before the sale of the vehicle, does not have knowledge that the vehicle's airbag is counterfeit or nonfunctioning;

(3) a person who transfers a vehicle title to an insurance company to satisfy an insurance claim when the insurance company declares the vehicle to be an actual total loss or constructive total loss; or

(4) an insurance company that sells or otherwise disposes of a vehicle as authorized by law or regulation.

(c) This section does not

(1) preclude liability of any party in a civil action; or

(2) create a duty that, before the sale of a vehicle, an owner or employee of a motor vehicle dealership or the owner of the vehicle inspect a vehicle in the possession of the dealership or owner to determine whether the airbag is counterfeit or nonfunctioning.

(d) In this section,

(1) "airbag" includes an airbag component;

(2) "counterfeit" means a replacement airbag displaying 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 a replacement airbag that 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, or results in an electric fault detected by a vehicle's diagnostic system after the

1 installation procedure is complete;

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

6 (e) Airbag fraud is

7 (1) a class A misdemeanor; or

8 (2) a class C felony if death or serious physical injury to another
9 person results from

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

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