

**ALASKA STATE LEGISLATURE
HOUSE JUDICIARY STANDING COMMITTEE**

March 21, 2025

1:05 p.m.

MEMBERS PRESENT

Representative Andrew Gray, Chair
Representative Ted Eischeid
Representative Genevieve Mina
Representative Sarah Vance
Representative Jubilee Underwood

MEMBERS ABSENT

Representative Chuck Kopp, Vice Chair
Representative Mia Costello

OTHER LEGISLATORS PRESENT

Senator Matt Claman

COMMITTEE CALENDAR

HOUSE BILL NO. 118

"An Act establishing the Council on Human and Sex Trafficking;
and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 74

"An Act establishing the crime of airbag fraud."

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 118

SHORT TITLE: COUNCIL ON HUMAN AND SEX TRAFFICKING

SPONSOR(S): REPRESENTATIVE(S) VANCE

02/26/25	(H)	READ THE FIRST TIME - REFERRALS
02/26/25	(H)	JUD, FIN
03/19/25	(H)	JUD AT 1:00 PM GRUENBERG 120
03/19/25	(H)	Heard & Held
03/19/25	(H)	MINUTE(JUD)
03/21/25	(H)	JUD AT 1:00 PM GRUENBERG 120

WITNESS REGISTER

MIKE COONS, representing self
Wasilla, Alaska

POSITION STATEMENT: Testified during the hearing on HB 118.

CHRIS DIMOND, Lead Representative for Alaska
Western States Regional Council of Carpenters
Anchorage, Alaska

POSITION STATEMENT: Testified during the hearing on HB 118.

MAXINE DOOGAN, President
Community United for Safety and Protection
Fairbanks, Alaska

POSITION STATEMENT: Testified in opposition to HB 118.

BRENDA STANFILL, Executive Director
Alaska Network on Domestic Violence and Sexual Assault
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 118.

REPRESENTATIVE FRANK TOMASZEWSKI
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, answered questions during the hearing on HB 74.

CLAIRE RADFORD, Attorney
Legislative Legal Services
Legislative Affairs Agency
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 74.

CRAIG ORLAN, Director of Local and State Government Retailers
American Honda Motor Company
Alexandria, Virginia

POSITION STATEMENT: Answered questions during the hearing on HB 74.

RANDY MAILLOUX, Manager
Chaz Limited
Fairbanks, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 74.

JENNIFER MUSE, Counsel
Claim Litigation Division
State Farm
Sacramento, California

POSITION STATEMENT: Answered questions during the hearing on HB 74.

DAVID GOFF, Staff
Representative Frank Tomaszewski
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 74 on behalf of Representative Tomaszewski, prime sponsor.

ACTION NARRATIVE

[1:04:59 PM](#)

CHAIR ANDREW GRAY called the House Judiciary Standing Committee meeting to order at [1:04] p.m. Representatives Underwood, Eischeid, Vance, Gray were present at the call to order. Representative Mina arrived as the meeting was in progress. Also present was Senator Claman.

HB 118-COUNCIL ON HUMAN AND SEX TRAFFICKING

[1:06:05 PM](#)

CHAIR GRAY announced that the first order of business would be HOUSE BILL NO. 118, "An Act establishing the Council on Human and Sex Trafficking; and providing for an effective date."

CHAIR GRAY opened public testimony on HB 118.

[1:06:34 PM](#)

MIKE COONS, representing self, testified during the hearing on HB 118. He spoke in opposition to the "business model" of sex trafficking and its profitability.

[1:08:33 PM](#)

The committee took a brief at-ease at 1:08 p.m.

[1:08:41 PM](#)

CHRIS DIMOND, Lead Representative for Alaska, Western States Regional Council of Carpenters, testified during the hearing on HB 118. He suggested adding a labor component to the bill and two seats for labor representatives on the Council on Human and Sex Trafficking ("the council") to help guide the conversation and share their observations. He said [human trafficking] hurts local workers, contractors, and the economy, as well as the victims themselves, adding that labor trafficking is a genuine problem in the construction industry.

[1:10:21 PM](#)

MAXINE DOOGAN, President, Community United for Safety and Protection, testified in opposition to HB 118. She opined that the council was handpicked to promote a false and misleading narrative about forced labor in the sex trade and claimed that sex workers had been systematically excluded from the public meetings. She expressed concern that the bill would not protect the community that it intends to serve and expressed concern about inflating numbers in the sex worker industry for funding.

[1:12:41 PM](#)

BRENDA STANFILL, Executive Director, Alaska Network on Domestic Violence and Sexual Assault (ANDVSA), testified in support of HB 118. She spoke to the separation of the council from the Council on Domestic Violence and Sexual Assault (CDVSA), as the two may overlap on sex trafficking but differ with regard to human trafficking. She explained that the network understands the importance of the issue, supports the creation of the council, and would continue to engage in efforts to further its success.

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CHAIR GRAY closed public testimony on HB 118.

[1:14:28 PM](#)

The committee took a brief at-ease at 1:14 p.m.

[1:14:48 PM](#)

REPRESENTATIVE VANCE in response to testifiers, pointed out that labor trafficking is included in the definition of human trafficking: on page 3, line 26, a member of the Department of Labor & Workforce Development (DLWD) was specifically included

to avoid the exclusion of labor; on page 3, line 30, it states that the governor may appoint members of the public who may be representatives of labor organizations or employers themselves who have experience with these issues. She further noted that the bill requires quarterly meetings subject to the Open Meetings Act, which would allow members of the public to speak. She added that by establishing the council in statute, the director would be enabled to address concerns and interface with anyone interested in the topic.

[HB 74 was held over.]

[1:16:54 PM](#)

The committee took a brief at-ease at 1:16 p.m.

HB 74-CRIME COUNTERFEIT/NONFUNCTIONING AIRBAG

[1:17:43 PM](#)

CHAIR GRAY announced that the final order of business would be HOUSE BILL NO. 74, "An Act establishing the crime of airbag fraud."

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CHAIR GRAY gave opening remarks, stating that the bill would make the installation of a nonfunctioning or counterfeit airbag a new crime. He shared his understanding that the bill is about consumer protections; however, he expressed the following concerns: firstly, there would be no legal way for a person to sell a vehicle with nonfunctioning airbags, but the bill makes an exception for insurance companies; secondly, the bill exempts law enforcement vehicles; thirdly, the bill defines "nonfunctioning" as a replacement airbag, which would effectually exempt auto dealers and manufacturers from prosecution, as they sell new vehicles with the original airbags. He expressed further concern that a car with an airbag that doesn't work would be considered a nonfunctioning airbag even if it wasn't a replacement airbag.

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REPRESENTATIVE FRANK TOMASZEWSKI, Alaska State Legislature, as prime sponsor, acknowledged the need to thoroughly vet the legislation to avoid unintended consequences and said he looked

forward to having the expert testifiers address questions and concerns.

CHAIR GRAY asked whether its currently a crime to sell a vehicle with nonfunctioning airbags.

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CLAIRE RADFORD, Attorney, Legislative Legal Services, Legislative Affairs Agency (LAA) said there's nothing specific to airbags in Alaska statutes, and whether a crime could be charged if a vehicle were sold with nonfunctioning airbags would be fact specific.

CHAIR GRAY considered a scenario in which a person knowingly sold a vehicle with nonfunctioning airbags and the buyer was subsequently injured or killed in a crash. He asked whether the seller could be charged with a crime.

MS. RADFORD said under current statute, the conduct described may fall under manslaughter, criminally negligent homicide, or assault, but it would still be fact specific depending on the elements surrounding the injury or death.

CHAIR GRAY asked whether it's possible for a "private person" to sell a vehicle with nonfunctioning airbags under the bill as its currently written.

MS. RADFORD responded only if that person sold the airbag without knowledge that it was nonfunctioning; otherwise it would fall within the proposed crime.

[1:24:55 PM](#)

REPRESENTATIVE EISCHEID asked if a private party sold a car with the airbag light on, whether that would that be considered nonfunctioning.

MS. RADFORD deferred the question to the Department of Law (DOL).

CHAIR GRAY noted that DOL would be here at a later date. He asked Ms. Radford to define "nonfunctioning."

MS. RADFORD read the definition of "nonfunctioning" starting on page 2, line 28 of the bill:

"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 installation procedure is complete;

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CHAIR GRAY asked if his airbag had deployed during an accident, whether he would be able to sell his car if the bill were to pass.

MS. RADFORD explained that if the seller had knowledge and intentionally sold, leased, or traded that vehicle, the individual could be charged under Section 28.35.248(a)(3) of the bill. In response to a follow up question, she reiterated that a private person would not be able to sell, lease, or trade their vehicle if they knew the airbag had previously been deployed, as it would be considered "nonfunctioning" under the bill language.

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REPRESENTATIVE MINA considered an example in which a dealership sold a car with a new but faulty airbag and the vehicle got into an accident that seriously injured or killed someone. She asked what existing laws would be violated in that scenario.

MS. RADFORD did not know the answer, as nothing applies to those specific facts under current Alaska law.

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REPRESENTATIVE VANCE said she wanted to ensure that Alaska statutes are consistent when making references to federal law.

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CHAIR GRAY said he would begin Mr. Orlan's testimony by swearing him in. He asked, "Do you swear or affirm that the testimony that you are providing today is the truth, the whole truth, and nothing but the truth?"

CRAIG ORLAN, Director of Local and State Government Retailers, American Honda Motor Company, answered yes.

CHAIR GRAY asked Mr. Orlan to speak to Honda's history with the bill in other states and whether it was initiated before or after the class action settlements held against Honda.

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MR. ORLAN explained that Honda has been working on this issue with other companies in the industry for the past 11 or 12 years and has enacted legislation in 38 states. Honda began working on the issue right around the emergence of the Dakota airbag recall, which led to the identification of countless counterfeits across the country. He said Honda realized that more needed to be done to stop these counterfeits from entering the country.

CHAIR GRAY asked which other auto companies Honda worked with to pass legislation in other states.

MR. ORLAN answered Alliance for Automotive Innovation, which represents all the major auto makers outside of Tesla and other electric vehicle (EV) manufacturers. He shared that the Automotive Anti-Counterfeiting Council is also supportive of the bill.

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CHAIR GRAY asked how many states passed similar legislation.

MR. ORLAN answered 37 plus Texas with a similar law.

CHAIR GRAY asked whether Mr. Orlan would oppose changing the definition of "nonfunctioning" to include all airbags, not just replacement airbags.

MR. ORLAN said he disagreed with Ms. Radford's legal analysis. He said the bill was designed to be narrow in scope. With 38 states enacting the legislation, only about 30-40 people have been prosecuted as a result. He explained that "nonfunctioning" was selected because "counterfeit" is a specific legal term that means someone is using a registered trademark without authorization, which given how airbags are manufactured, would be difficult for Homeland Security to identify and confiscate. He clarified that a previously deployed airbag is not by definition a nonfunctioning or replacement airbag; instead, "previously deployed airbag" is intended to capture a deployed airbag that has been restuffed into a used cover and sold to

consumers. He said he would be reluctant to remove "replacement airbag" because the bill would then apply to any new airbag and if there were to be a recall, automakers could be charged with a felony under Alaska law.

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CHAIR GRAY asked whether the bill as written could be used to charge Honda with a crime.

MR. ORLAN answered no; however, the answer would potentially be yes if the "replacement airbag" language was removed.

CHAIR GRAY shared his understanding that in April 2024, \$67 million airbags were recalled, and that the vast majority of nonfunctioning airbags were in new vehicles with new airbags. He expressed confusion as to why Honda is passing a bill that would never impact Honda.

MR. ORLAN said the bill is designed to go after the individuals who are intentionally building and installing faulty airbags that were never intended to offer protection in a crash. Federal law addresses how original equipment manufacturers (OEM) should act, but there isn't a law that addresses the replacement parts market, which is a loophole the bill intends to close.

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CHAIR GRAY explained that in Alaska, many communities are off the road system with no access to a dealership. He asked how notice of a recalled airbag should be handled in one of these communities.

MR. ORLAN said throughout the Dakota recall, Honda traveled to people's houses to make repairs where necessary and is committed to replacing every recalled airbag that's out there. He acknowledged Alaska's unique challenges and said Honda is willing to do anything it can to make that process easier. He encouraged individuals to reach out to their closest dealer to find a solution.

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REPRESENTATIVE MINA considered a scenario in which a dealer sold a new car with a faulty airbag and the car injured or killed someone in an accident. She asked what laws would hold that

manufacturer or dealership accountable with regard to the National Traffic and Motor Vehicle Safety Act.,

MR. ORLAN explained that the federal act sets performance standards for airbags, not criminal code. The National Highway Traffic Safety Administration would be able to impose civil or criminal penalties on a manufacturer or parts supplier if these standards were not met.

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REPRESENTATIVE EISCHEID asked if he brought a vehicle with a nonfunctioning airbag to an independent auto repair shop, whether that shop would be without legal jeopardy if they properly installed a federally approved replacement airbag regardless of brand.

MR. ORLAN explained that per franchise law, only auto dealerships can provide original OEM airbags, and an independent repair shop could obtain an OEM airbag from any authorized dealership and install it. He said the goal is to prevent airbags from being purchased from Alibaba or eBay, for example, at a low cost and reselling them at full price to profit the difference while compromising safety.

[1:47:27 PM](#)

CHAIR GRAY asked whether Mr. Orlan would be opposed to an amendment that would allow people to disclose, in writing, that their vehicle has recalled airbags that were never replaced to allow them to sell the car in a remote location.

MR. ORLAN contended with the premise that the bill, as drafted, would prohibit the transfer of a vehicle with an open recall. He reiterated that the "replacement airbag" language is intended to prevent someone with a pile of Dakota airbags from reinstalling them in someone's vehicle in lieu of a new airbag. The goal is firstly, to allow Homeland Security to seize these products at the border, and secondly, to spread customer awareness about airbag safety. He explained that with the word "replacement" included in the definition of "nonfunctional," it would not apply to recalled, defective, or deployed airbags. In response to a follow up comment, he agreed that recalled airbags should be disclosed in the sale of the vehicle; however, he said it's an entirely separate issue.

[1:51:15 PM](#)

CHAIR GRAY asked how someone in a remote village could sell their vehicle if the airbag had been deployed.

MR. ORLAN clarified that a previously deployed airbag is not a replacement airbag as long as it's not reinstalled. He emphasized that there is no prohibition against selling a previously deployed airbag. The previously deployed airbag must be reinstalled as a replacement airbag to fall under the bill.

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REPRESENTATIVE UNDERWOOD asked for verification that Mr. Orland had stated that people are stuffing t-shirts into airbags.

MR. ORLAN said yes, people are taking airbag covers and filling them with various debris, which is the conduct the bill attempts to target.

[1:54:49 PM](#)

REPRESENTATIVE VANCE sought to better understand the provision that exempts law enforcement vehicles.

MR. ORLAN said there are certain law enforcement vehicles that are modified to provide extra safety for the officers and it's not the bill's intent to prohibit this.

REPRESENTATIVE VANCE asked whether firefighters or other first responders should be included in the bill.

MR. ORLAN responded no, it's specific to law enforcement, but it could be addressed if a concern was raised.

[1:57:52 PM](#)

CHAIR GRAY asked how many vehicles Chaz Limited repairs in a month and how often air bags are replaced.

RANDY MAILLOUX, Manager, Chaz Limited, answered 50-60 vehicle repairs and 1-2 airbag replacements per month. In response to a series of follow up questions, he confirmed that the airbags are purchased from dealerships, and said he's not aware of auto shops buying anything other than an OEM product.

[2:00:15 PM](#)

REPRESENTATIVE EISCHEID asked whether Mr. Mailloux could envision a scenario in which a bad actor would install a faulty airbag to cut costs.

MR. MAILLOUX stated that no reputable shop would risk doing that.

CHAIR GRAY asked whether it's true that airbag repair can be dangerous and that airbags cannot be replaced in every village in Alaska.

MR. MAILLOUX agreed that the work is dangerous if the correct steps are not taken to ensure that the airbags do not deploy while working on them.

CHAIR GRAY asked whether insurance totals a vehicle if an airbag is deployed.

[2:04:17 PM](#)

JENNIFER MUSE, Counsel, Claim Litigation Division, State Farm, explained that when a vehicle is declared a total loss, the insured typically signs title over to the insurer who sells the vehicle to a salvage company. In Alaska, there is a regulation that references this process, which is the carveout that the insurance industry has requested with regard to this legislation.

CHAIR GRAY asked, if insurance companies need a carveout to sell a vehicle with nonfunctioning airbags, why a "regular person" wouldn't also need an exemption to sell a car with nonfunctioning airbags.

MS. MUSE deferred the question to the Division of Motor Vehicles (DMV), as there is an Alaska regulation that specifically addresses these transactions in the insurance industry.

CHAIR GRAY asked if the airbag light is on, whether the insurance company considers that to be an indication of a nonfunctioning airbag.

MS. MUSE said that doesn't necessarily mean that the vehicle would be declared a total loss. She explained that the carveout is trying to protect both the consumer and the insurance company during these transactions if a vehicle has a nonfunctioning airbag.

CHAIR GRAY reiterated his belief that in remote Alaska, a person should be able to sell their vehicle with a nonfunctioning airbag to recoup some of its value without being held liable.

MS. MUSE said a person in rural Alaska who is transitioning their vehicle to an insurance company would be protected pursuant to 2 AAC 92.170, which only applies to vehicles that are declared a total loss or constructed total loss.

CHAIR GRAY sought to confirm that if the vehicle is still drivable, this carveout would not apply.

MS. MUSE responded correct; in which case the vehicle would be repaired by a repair shop.

CHAIR GRAY reiterated that there are places in Alaska where the repairs cannot be performed. He concluded that there's no mechanism for the individual in this scenario to sell their vehicle with a nonfunctioning airbag.

MS. MUSE declined to answer, as her focus is on the insurance transaction.

[2:11:12 PM](#)

REPRESENTATIVE MINA asked whether a person may drive a car in Alaska without airbags.

DAVID GOFF, Staff, Representative Frank Tomaszewski, Alaska State Legislature, on behalf of Representative Tomaszewski, prime sponsor, answered yes.

REPRESENTATIVE MINA shared her understanding that if the bill were to pass, the car could be sold to someone, as long as the airbag had not be replaced.

CHAIR GRAY reread the definition of "nonfunctioning" and restated his understanding that "nonfunctioning" means previously deployed. He asked whether that is correct.

MR. GOFF shared his understanding that nationally, cars may be driven with deployed airbags without issue.

CHAIR GRAY sought to confirm that if the deployed airbag is removed from the vehicle, the car may be driven and sold.

MR. GOFF responded in the affirmative.

[2:14:31 PM](#)

REPRESENTATIVE VANCE suggested that DOL would provide further clarity. She shared two stories, and shared her understanding that DMV is notified of a reconstructed car. She said the bill is attempting to go after bad actors who try to fool people with faulty products.

MR. GOFF pointed out that the vast majority of dealerships use Carfax, which contains this information as well.

[2:17:49 PM](#)

The committee took a brief at-ease at 2:17 p.m.

[2:18:23 PM](#)

CHAIR GRAY invited Ms. Radford to answer questions.

[2:18:53 PM](#)

The committee took a brief at-ease at 2:18 p.m.

[2:19:52 PM](#)

CHAIR GRAY asked whether under the proposed legislation, a car could be sold if the airbags had been deployed and removed from the vehicle.

MS. RADFORD shared her understanding that the vehicle in this scenario could not be sold based on the definition of "nonfunctioning."

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REPRESENTATIVE MINA asked which part of the "nonfunctioning" definition captures a deployed airbag that has been removed from the vehicle.

MS. RADFORD said a previously deployed airbag is captured under the "nonfunctioning" definition; however, if the airbag is previously deployed and no longer in the vehicle, she said there could be an argument that it is no longer covered by the bill language.

[2:22:41 PM](#)

REPRESENTATIVE EISCHEID emphasized the word "replacement" in the definition of "nonfunctioning." He shared his understanding that a car with a nonfunctioning airbag could be sold by a private seller as long as the deployed airbag had not been reinstalled.

MS. RADFORD contended that by her reading, the replacement airbag would not apply to "previously been deployed" in the definition of "nonfunctioning."

CHAIR GRAY asked whether current law requires functional airbags in a vehicle.

MS. RADFORD offered to follow up with the requested information.

[2:24:37 PM](#)

CHAIR GRAY announced that HB 74 was held over.

[2:25:21 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Judiciary Standing Committee meeting was adjourned at 2:25 p.m.