

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

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

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

5 (B) a counterfeit or nonfunctioning airbag.

6 (b) This section does not apply to

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

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

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

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

17 (c) This section does not

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

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

23 (d) In this section,

24 (1) "airbag" includes an airbag component;

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

28 (3) "nonfunctioning" means a replacement airbag that is inoperable,
29 damaged, or recalled, has previously been deployed, will cause a vehicle's diagnostic
30 system to inaccurately indicate that the vehicle is equipped with a properly functioning
31 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.