# A BILL FOR AN ACT

RELATING TO MOTOR VEHICLES.

### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. The legislature finds that airbag systems are
- 2 an essential and complicated component of vehicle safety
- 3 systems. Federal regulations require automobiles to be equipped
- 4 with several airbags throughout the cabin and prescribe how each
- 5 airbag must respond in the event of a collision. The airbag
- 6 system is designed so that each individual airbag works in
- 7 concert with the other to provide optimal protection for all
- 8 passengers. This is possible because in the milliseconds after
- 9 an impact occurs, sensors throughout the vehicle register
- 10 critical information about the collision, such as the speed of
- 11 the vehicle, the point of impact, and the size, weight, and
- 12 position of each passenger. This information is used to
- 13 determine which airbags to deploy, in what order to deploy them,
- 14 and the level of force at which to deploy them. The National
- 15 Highway Traffic Safety Administration estimates that this
- 16 advanced technology has saved the lives of tens of thousands of
- 17 Americans over the past two decades.



1 In order to provide this level of protection, the entire 2 system needs to work as it was designed and a single counterfeit 3 airbag or airbag component can compromise the entire system. 4 Unfortunately, foreign and domestic counterfeiters are flooding 5 the market with cheap and ineffective knock-offs in an attempt 6 to turn a profit by defrauding unknowing consumers. In many 7 cases, these counterfeits are filled with sawdust, newspaper, or 8 nothing at all. The presence of counterfeit airbags is creating 9 a clear and present public safety risk to consumers. 10 The legislature further finds that over the past few years, 11 tens of thousands of counterfeit airbags have been confiscated 12 by federal agents in raids across the country. However, federal 13 law enforcement agencies have limited authority to combat this 14 problem because many fake airbags do not violate federal 15 trademark law. As a result, several thousand potentially dangerous counterfeit airbags are able to enter the stream of 16 **17** commerce each year where they are sold over the Internet through 18 legitimate and illegitimate websites, thereby placing Hawaii 19 motorists at risk. There is no existing state law to protect 20 Hawaii consumers from persons who knowingly manufacture, import, 21 sell, or install these dangerous counterfeit airbag products.

1	The p	urpose of this Act is to prohibit a person from
2	intentiona	lly or knowingly:
3	(1)	Manufacturing, importing, installing, reinstalling,
4		distributing, selling, or offering for sale any
5		counterfeit supplemental restraint system component,
6		nonfunctional airbag, or airbag that does not meet
7		federal safety requirements; and
8	(2)	Selling, offering for sale, installing, or
9		reinstalling in a motor vehicle any device that causes
10		the motor vehicle's diagnostic systems to fail to warr
11		that the motor vehicle is equipped with a counterfeit
12		supplemental restraint system component or
13		nonfunctional airbag or that no airbag is installed,
14		as applicable.
15	SECTI	ON 2. Chapter 286, Hawaii Revised Statutes, is
16	amended by adding a new section to part IV to be appropriately	
17	designated	and to read as follows:
18	" <u>§286</u>	- Counterfeit airbags. (a) No person shall
19	intentiona	lly or knowingly manufacture, import, install,
20	reinstall,	distribute, sell, or offer for sale any counterfeit
21	supplement	al restraint system component, nonfunctional airbag,

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- 1 or airbag that does not meet federal safety requirements as
- 2 provided in title 49 Code of Federal Regulations section
- **3** 571.208.
- 4 (b) No person shall intentionally or knowingly sell, offer
- 5 for sale, install, or reinstall in a motor vehicle any device
- 6 that causes the motor vehicle's diagnostic systems to fail to
- 7 warn that the motor vehicle is equipped with a counterfeit
- 8 supplemental restraint system component or nonfunctional airbag
- 9 or that no airbag is installed, as applicable.
- 10 (c) For purposes of this section, an installation or
- 11 reinstallation shall not be deemed to have occurred until the
- work is complete.
- (d) A violation of this section is a class C felony.
- 14 (e) The remedies prescribed in this section are cumulative
- 15 and in addition to any other remedies provided by law.
- 16 (f) As used in this section:
- 17 "Airbag" means a motor vehicle inflatable occupant
- 18 restraint system device that is part of a supplemental restraint
- 19 system.
- "Counterfeit supplemental restraint system component" means
- 21 a replacement supplemental restraint system component, including

1	but not 1	imited to an airbag, that displays a mark identical or	
2	substanti	ally similar to the genuine mark of a motor vehicle	
3	manufacturer or a supplier of parts to the manufacturer of a		
4	motor vehicle without authorization from that manufacturer or		
5	supplier, respectively.		
6	"Mote	or vehicle" means every vehicle that is required under	
7	title 49	Code of Federal Regulations section 571.208 to have an	
8	airbag installed.		
9	"Non	functional airbag" means a replacement airbag that	
10	meets any	of the following criteria:	
11	(1)	The airbag was previously deployed or damaged;	
12	(2)	The airbag has an electric fault that is detected by	
13		the motor vehicle's airbag diagnostic systems when the	
14		installation procedure is completed and the motor	
15		vehicle is returned to the customer who requested the	
16		work to be performed or when ownership is intended to	
17		be transferred;	
18	(3)	The airbag includes a part or object, including but	
19		not limited to a supplemental restraint system	
20		component, installed in a motor vehicle to mislead the	

1		owner or operator of the motor vehicle into believing
2		that a functional airbag has been installed; or
3	(4)	The airbag is subject to the prohibitions of title 49
4		United States Code Annotated section 30120(j).
5	"Sup	plemental restraint system" means a passive inflatable
6	motor veh	icle occupant crash protection system designed for use
7	in conjun	ction with active restraint systems as described in
8	title 49	Code of Federal Regulations section 571.208. A
9	supplemen	tal restraint system includes one or more airbags and
10	all compo	nents required to ensure that an airbag works as
11	designed	by the motor vehicle manufacturer, including:
12	(1)	The airbag operates in the event of a crash; and
13	(2)	The airbag is designed in accordance with federal
14		motor vehicle safety standards for the specific make,
15		model, and year of the motor vehicle in which it is or
16		will be installed."
17	SECT	ION 3. This Act does not affect rights and duties that
18	matured,	penalties that were incurred, and proceedings that were
19	begun bef	ore its effective date.
20	SECT	ION 4. New statutory material is underscored.
21	SECTION 5. This Act shall take effect upon its approval.	

## Report Title:

Motor Vehicles; Counterfeit Airbags; Restraint Systems

### Description:

Prohibits a person from intentionally or knowingly manufacturing, importing, installing, reinstalling, distributing, selling, or offering for sale any counterfeit supplemental restraint system component, nonfunctional airbag, or airbag that does not meet federal safety requirements. Prohibits a person from intentionally or knowingly selling, offering for sale, installing, or reinstalling in a motor vehicle any device that causes the motor vehicle's diagnostic systems to fail to warn that the motor vehicle is equipped with a counterfeit supplemental restraint system component or nonfunctional airbag or that no airbag is installed, as applicable. (SD1)

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