
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 system fraud
2 is a public safety concern for consumers and the motor vehicle
3 insurance industry. The purpose of this Act is to:
- 4 (1) Establish criminal penalties for fraudulent
5 installation or reinstallation of an airbag, with more
6 severe penalties for airbag fraud that results in
7 serious injury or death;
- 8 (2) Require that any person engaged in the business of
9 purchasing, selling, or installing airbags maintain
10 detailed records of airbags they purchase, sell, or
11 install;
- 12 (3) Mandate that any person engaged in the business of
13 installing an airbag submit an affidavit to vehicle
14 owners confirming the proper installation of airbags;
- 15 (4) Establish that police accident reports shall note
16 whether an airbag deployed; and



1 (5) Provide that a person trading or selling a motor
2 vehicle shall disclose whether an airbag is
3 inoperable.

4 SECTION 2. The Hawaii Revised Statutes is amended by
5 adding a new chapter to title 26 to be appropriately designated
6 and to read as follows:

7 "CHAPTER

8 MOTOR VEHICLE AIRBAG FRAUD

9 § -1 Definitions. As used in this chapter:

10 "Airbag" means any component of an inflatable occupant
11 restraint system that is designed in accordance with federal
12 safety regulations to be installed and to operate in a motor
13 vehicle to activate, as specified by the vehicle manufacturer,
14 in the event of a crash. Airbag components include but are not
15 limited to sensors, controllers, wiring, and the airbag itself.

16 "Light manipulating system" means anything that masks or
17 causes the inaccurate indication of the airbag system status,
18 condition, or operability.

19 "Person" means any natural person, corporation,
20 partnership, unincorporated association, or other entity.



1 "Salvaged airbag" means an original equipment manufacturer
2 non-deployed airbag that has been removed from one motor vehicle
3 for use in another motor vehicle.

4 § -2 Installation or reinstallation of any false airbag;
5 deceptive trade practices; criminal liability. (a) It is a
6 deceptive trade practice for any person to:

7 (1) Install or reinstall, as part of an inflatable vehicle
8 occupant restraint system, any object other than an
9 airbag, including any light manipulating system;

10 (2) Sell or offer for sale any device with the intent that
11 the device will replace an airbag in any motor vehicle
12 if the person knows or reasonably should know that the
13 device does not meet federal safety requirements;

14 (3) Sell or offer for sale any device, including any light
15 manipulating system, that when installed in a motor
16 vehicle gives the impression that a viable airbag is
17 installed in that vehicle; or

18 (4) Intentionally misrepresent the presence of an airbag
19 in a vehicle when one does not exist.

20 (b) Violation of this section is a class C felony.

21 (c) For a conviction under this section, the sentence
22 shall be:



1 (1) For a violation of subsection (a)(1) that results in
2 serious bodily injury or death:

3 (A) An indeterminate term of imprisonment for not
4 more than years;

5 (B) A fine of not more than \$; or

6 (C) Both; and

7 (2) For all other violations of this section:

8 (A) An indeterminate term of imprisonment for not
9 more than years;

10 (B) A fine of not more than \$; or

11 (C) Both.

12 § -3 Purchase, sale, or installation of new airbag;

13 records. (a) In the case of a new replacement airbag, any
14 person engaged in installing an airbag shall maintain a record
15 of:

16 (1) The name and tax identification number of the supplier
17 of the airbag;

18 (2) The vehicle identification number of the vehicle into
19 which the airbag is installed;

20 (3) The identification number of the airbag being
21 installed; and



1 (4) The airbag identification number of the previously
2 deployed airbag being replaced.

3 (b) Any person who installs a new airbag shall submit an
4 affidavit or a repair invoice that includes the parts number of
5 the installed airbag to the vehicle owner or the vehicle owner's
6 representative confirming that the replacement airbag has been
7 properly installed.

8 (c) All records required by this section shall be
9 maintained for not less than five years and may be inspected
10 upon request during normal business hours by any law enforcement
11 officer of this State or an authorized representative of the
12 department of commerce and consumer affairs.

13 Upon request by the vehicle insurer or vehicle owner,
14 information within a portion of the records required by this
15 section pertaining to a specific transaction shall be provided
16 to the vehicle insurer and the vehicle owner.

17 (d) The department of commerce and consumer affairs shall
18 adopt rules in accordance with chapter 91 to carry out the
19 purposes of this section.

20 § -4 Installation of salvaged airbags prohibited.
21 Installation or reinstallation, as part of a vehicle occupant



1 restraint system, of a salvaged airbag is prohibited. Violation
2 of this section is a

3 § -5 Prohibitions; penalties. (a) It is unlawful for
4 any person to knowingly possess, sell, or install:

- 5 (1) A stolen airbag;
- 6 (2) An airbag from which the manufacturer's part number
7 labeling or vehicle identification number has been
8 removed, altered, or defaced; or
- 9 (3) An airbag taken from a stolen motor vehicle.

10 Violation of this subsection is a class C felony.

11 (b) Failure to maintain complete and accurate records,
12 prepare complete and accurate documents, or provide information
13 from the record upon request as required by this chapter, is a
14 misdemeanor.

15 (c) Violation of any provision of this chapter for which a
16 separate penalty is not otherwise provided, shall be a
17 misdemeanor.

18 § -6 Accidents; police report. Any traffic accident
19 report required under chapter 291C shall clearly contain a
20 notation as to whether the motor vehicle's airbag or inflatable
21 restraint system had been deployed in the accident.



1 § -7 Sale or trade of motor vehicle with an inoperable
2 **airbag.** (a) Any person selling or trading a motor vehicle who
3 has actual knowledge that the motor vehicle's airbag is
4 inoperable shall notify the buyer or the person acquiring the
5 trade, in writing, that the airbag is inoperable.

6 (b) Violation of this section shall be a deceptive trade
7 practice and the violator shall be subject to the penalties
8 under section -2."

9 SECTION 3. This Act does not affect rights and duties that
10 matured, penalties that were incurred, and proceedings that were
11 begun before its effective date.

12 SECTION 4. This Act shall take effect upon its approval.

13



Report Title:

Motor Vehicles; Airbag Fraud

Description:

Establishes criminal penalties for fraudulent installation or reinstallation of an airbag. Requires that any person engaged in the business of purchasing, selling, or installing an airbag maintain detailed records of airbags they purchase, sell, or install. Mandates that any person engaged in the business of installing an airbag submit an affidavit to a vehicle owner saying that an airbag was installed properly. Prohibits the installation or reinstallation of a salvaged airbag.

Establishes that police accident reports must note whether an airbag deployed. Requires that a person trading or selling a motor vehicle must disclose whether an airbag is inoperable.

(SD1)

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