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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

RELATING TO MOTOR AND OTHER VEHICLES -- AUTOMOBILE AIRBAG FRAUD
PREVENTION ACT

Introduced By: Senators Miller, and Bates

Date Introduced: February 11, 2010

Referred To: Senate Constitutional & Regulatory Issues

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 31 of the General Laws entitled "MOTOR AND OTHER
2 VEHICLES" is hereby amended by adding thereto the following chapter:

3 CHAPTER 53

4 THE 2010 AUTOMOBILE AIRBAG FRAUD PREVENTION ACT

5 **31-53-1. Short Title.** -- This chapter shall be known and may be cited as "The
6 Automobile Airbag Fraud Prevention Act of 2010."

7 **31-53-2. Purpose.** -- Airbag system fraud is a public safety concern for consumers and
8 the automobile insurance system. Efforts to combat this problem, one that could place innocent
9 consumers at-risk of serious bodily injuries, have been piecemeal. This chapter is intended to
10 address the issue in a coordinated way. It is through this collective effort that consumers will be
11 protected and the integrity of the restraint system assured.

12 **31-53-3. Definitions.** -- As used in this chapter, the following words and phrases shall
13 have the following meanings unless the context clearly indicates otherwise:

14 (1) "Airbag" means any component of an inflatable occupant restraint system that is
15 designed in accordance with federal safety regulations for the make, model, and year of the motor
16 vehicle to be installed and to operate in a motor vehicle to activate, as specified by the vehicle
17 manufacturer, in the event of a crash. Airbag components include, but are not limited to, sensors,
18 controllers, wiring, and the airbag itself.

1 (2) “Light manipulating system” means anything that would mask or cause the inaccurate
2 indication of the airbag system status, condition, or operability.

3 (3) “Person” means any natural person, corporation, partnership, unincorporated
4 association, or other entity.

5 (4) “Salvaged airbag” means an original equipment manufacturer (“OEM”) non-deployed
6 airbag that has been removed from a motor vehicle for use in another vehicle.

7 **31-53-4. Installation or reinstallation of any false airbag; deceptive trade practices;**
8 **criminal liability. --**

9 (a) It is a deceptive trade practice, in violation of chapter 613.1, “Deceptive Trade
10 Practices,” whenever:

11 (1) A person installs or reinstalls, as part of a vehicle inflatable occupant restraint system,
12 any object in lieu of an airbag, including any light manipulating system;

13 (2) A person sells or offers for sale any device with the intent that such device will
14 replace an airbag in any motor vehicle if such person knows or reasonably should know that such
15 device does not meet federal safety requirements;

16 (3) A person sells or offers for sale any device that when installed in any motor vehicle
17 gives the impression that a viable airbag is installed in that vehicle, including any light
18 manipulating system; and/or

19 (4) Any person intentionally misrepresents the presence of an airbag when one does not
20 exist.

21 (b) Failure to comply with the provisions of this chapter shall constitute an unfair
22 method of competition and an unfair or deceptive act or practice under chapter 13.1 of this title,
23 entitled “Deceptive Trade Practices”, and the penalties and remedies provided in that chapter shall
24 apply against any individual, corporation, or partnership violating any provision of this chapter.

25 (c) Any person who violates this section is also guilty of a felony and, upon conviction
26 thereof, shall be punished by a fine of not less than one thousand dollars (\$1,000) and not more
27 than two thousand dollars (\$2,000) per violation, or imprisonment for a period of not more than
28 two (2) years, per violation, or both.

29 (d) A person whose violation of subsection (a) of this section results in serious bodily
30 injury or death shall be imprisoned for a period of not more than ten (10) years or fined not more
31 than one hundred thousand dollars (\$100,000), or both, per violation.

32 **31-53-5. Airbag antitheft. – (a) Purchase, sale, or installation of new or salvaged airbag**
33 **-- records. --**

34 (1) Any person engaged in the business of purchasing, selling, or installing salvaged

1 airbags shall maintain a manual and/or electronic record of the purchase, sale, or installation,
2 which shall include the identification number of the airbag; the vehicle identification number of
3 the motor vehicle from which the salvaged airbag was removed; the name, address, and driver's
4 license number or other means of identification of the person from whom the salvaged airbag
5 was purchased; and, in the event that the salvaged airbag is installed, the vehicle identification
6 number of the vehicle into which the airbag is installed. No new or salvaged airbag shall be sold
7 or installed which is or has been subject to a specific manufacturer's or appropriate authority's
8 notice of recall.

9 (2) In the case of a new replacement airbag, any person engaged in installing any airbag
10 shall maintain the name and tax identification number of the supplier of the airbag and record the
11 vehicle identification number of the vehicle into which the airbag is installed, as well as the
12 identification number of the airbag being installed. Additionally, the airbag identification of the
13 previously deployed airbag being replaced shall be recorded. Upon request of any law
14 enforcement officer of this state or other authorized representative of the agency charged with
15 administration of this section, the installer shall produce such records and permit said agent or
16 police officer to examine them.

17 (3) Any person who installs a salvaged airbag in a vehicle shall apply a permanent,
18 durable label that clearly states that the vehicle contains a salvaged airbag. Such label must be
19 permanently installed on the dashboard of the vehicle. Any person who removes such a label
20 shall be guilty of a misdemeanor.

21 (4) Any person who sells a salvaged airbag or who installs a salvaged airbag must
22 disclose to the purchaser and vehicle owner that the airbag is salvaged.

23 (5) The person who installs a new or salvaged airbag shall submit an affidavit to the
24 vehicle owner or their representative stating that the replacement airbag had been properly
25 installed.

26 (6) All records must be maintained for not less than five (5) years following the
27 transaction, and may be inspected during normal business hours by any law enforcement officer
28 of this state or other authorized representative of the agency charged with administration of this
29 chapter.

30 (7) Upon request, information within a portion of such record pertaining to a specific
31 transaction must be provided to the insurer and the vehicle owner.

32 (8) Persons engaged in the business of selling salvaged airbags shall comply with
33 regulations developed by the administrator of the division of motor vehicles.

34 (9) State rules regarding the sale of salvaged airbags shall include, but not be limited to,

1 the following standards:

2 (i) Identification of the supplier of the unit;

3 (ii) Identification of the recipient vehicle, including VIN, year, make, and model;

4 (iii) Identification of the airbag module cover color (and color code if available);

5 (iv) Identification of the donor vehicle, including VIN, year, make, and model;

6 (v) Supplier's internal stock number or locator number;

7 (vi) Indication of source of interchange information (i.e. interchange manual/part number,

8 OEM information, etc.);

9 (vii) A supplier certificate indicating that all the requirements of the inspection protocol
10 have been successfully achieved and identifying the person who completed the inspection; and

11 (viii) A document containing the vehicle description including the year, make, and model
12 for which the airbag system component is required when being sold to the end-user.

13 (10) Salvaged airbags conforming to such standards shall be accompanied by a
14 certificate of conformance that shall be retained by the installer.

15 (b) Prohibition - penalties.

16 (1) It is unlawful for any person to knowingly possess, sell, or install a stolen airbag; an
17 airbag from which the manufacturer's part number labeling and/or VIN has been removed,
18 altered, or defaced; or an airbag taken from a stolen motor vehicle. Any person who violates this
19 subdivision commits a felony.

20 (2) Any person who fails to maintain complete and accurate records, to prepare complete
21 and accurate documents, to provide information from such record upon request, or to properly
22 disclose that an airbag is salvaged, as required by this chapter, commits a misdemeanor.

23 **31-53-6. Accidents -- Police authorities report. -- Any automobile vehicle accident**
24 report that is filed by the appropriate law enforcement agency shall clearly contain a notation as
25 to whether the automobile's airbag or inflatable restraint system had been deployed in the
26 accident.

27 **31-53-7. Sale or trade of motor vehicle with an inoperable airbag. -- (a) Any person**
28 selling or trading a motor vehicle who has actual knowledge that the motor vehicle's airbag is
29 inoperable shall notify the buyer or the person acquiring the trade, in writing, that the airbag is
30 inoperable.

31 (b) A person who violates subsection (a) of this section commits both a deceptive trade
32 practice and a felony, and shall be subject to the to the penalties set forth in chapter 6-13.1 for the
33 deceptive trade practice, and also subject to the penalties set forth in subsection 31-53-4 (c)
34 and/or (d), as appropriate.

1 **31-53-8. Rules and regulations.** -- The administrator of the division of motor vehicles
2 shall promulgate rules and regulations to implement the provisions of this chapter.

3 **31-53-9. Severability.** -- If any section, paragraph, sentence, clause, phrase, or any part
4 of this chapter is declared invalid, the remaining sections, paragraphs, sentences, clauses, phrases,
5 or parts thereof shall in no manner be affected and shall remain in full force and effect.

6 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO MOTOR AND OTHER VEHICLES -- AUTOMOBILE AIRBAG FRAUD
PREVENTION ACT

1 This act would establish penalties for fraudulent installation or reinstallation of an airbag
2 in a motor vehicle. The act would also provide for certain requirements and disclosures regarding
3 airbags, including when a motor vehicle is manufactured, when a motor vehicle is sold, and when
4 a motor vehicle is in an accident.

5 This act would take effect upon passage.

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