

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 546
Committee Substitute Favorable 4/15/19
Committee Substitute #2 Favorable 4/16/19
Senate Commerce and Insurance Committee Substitute Adopted 6/20/19

Short Title: Prohibit Counterfeit/Nonfunctional Airbags. (Public)

Sponsors:

Referred to:

April 3, 2019

A BILL TO BE ENTITLED

AN ACT TO PROHIBIT THE IMPORT, MANUFACTURE, SALE, OFFER OF SALE,
INSTALLATION, OR REINSTALLATION OF COUNTERFEIT AND
NONFUNCTIONAL AIRBAGS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-4.01 reads as rewritten:

"§ 20-4.01. Definitions.

Unless the context requires otherwise, the following definitions apply throughout this
Chapter to the defined words and phrases and their cognates:

(1) Airbag. – A motor vehicle inflatable occupant restraint system device that is
part of a supplemental restraint system.

...

(4b) Counterfeit supplemental restraint system component. – A replacement
supplemental restraint system component, including an airbag, that displays a
mark identical to, or substantially similar to, the genuine mark of a motor
vehicle manufacturer or a supplier of parts to the manufacturer of a motor
vehicle, without authorization from the manufacturer or supplier.

(4b)(4c) Crash. – Any event that results in injury or property damage attributable
directly to the motion of a motor vehicle or its load. The terms collision,
accident, and crash and their cognates are synonymous.

...

(23a) Nonfunctional airbag. – A replacement airbag that meets any of the following
criteria:

a. The airbag was previously deployed or damaged.

b. The airbag has an electric fault that is detected by the vehicle's airbag
diagnostic systems when the installation procedure is completed and
the vehicle is returned to the customer who requested the work to be
performed or when ownership is intended to be transferred.

c. The airbag includes a part or object, including a supplemental restraint
system component that is installed in a motor vehicle to mislead the
owner or operator of the motor vehicle into believing that a functional
airbag has been installed.

d. The airbag is subject to the prohibitions of 49 U.S.C. § 30120(j).

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1 (46a) Supplemental restraint system. – A passive inflatable motor vehicle occupant
2 crash protection system designed for use in conjunction with a seat belt
3 assembly as defined in 49 C.F.R. § 571.209, and includes one or more airbags
4 and all components required to ensure that an airbag works as designed by the
5 vehicle manufacturer, including both of the following:

6 a. The airbag operates as designed in the event of a crash.

7 b. The airbag is designed in accordance with federal motor vehicle safety
8 standards for the specific make, model, and year of the motor vehicle
9 in which it is or will be installed.

10 "

11 **SECTION 2.** G.S. 20-71.4(a) is amended by adding a new subdivision to read:

12 "(3) Transfer a motor vehicle when the transferor has knowledge that a counterfeit
13 supplemental restraint system, or a nonfunctional airbag, or no airbag has been
14 installed in the vehicle. For purposes of this subdivision, in the event the
15 owners of a franchised motor vehicle dealer, as defined in G.S. 20-286(8b),
16 have no actual knowledge that a counterfeit supplemental restraint system
17 component or nonfunctional air bag has been installed in a vehicle,
18 knowledge by any other person shall not be imputed to the franchised motor
19 vehicle dealer or its owners, and the franchised motor vehicle dealer or its
20 owners shall not be deemed to have committed an unlawful act under this
21 subdivision."

22 **SECTION 3.** G.S. 20-136.2 reads as rewritten:

23 **§ 20-136.2. Air bag installation. Counterfeit supplemental restraint system components**
24 **and nonfunctional airbags.**

25 (a) It shall be unlawful for any person, firm, or corporation to knowingly import,
26 manufacture, sell, offer for sale, distribute, install or reinstall any object in lieu of an air bag,
27 other than an air bag that was designed in accordance with federal safety regulations for the make,
28 model, and year of vehicle, as part of a vehicle inflation restraint system. a counterfeit
29 supplemental restraint system or nonfunctional airbag in any motor vehicle, or other component
30 device that causes a motor vehicle to fail to meet federal motor vehicle safety standards as
31 provided in 49 C.F.R. § 571.208. Any person, firm, or corporation violating this section shall be
32 guilty of a Class 1 misdemeanor. misdemeanor, and violation constitutes an unfair and deceptive
33 trade practice under G.S. 75-1.1. If a violation of this section contributes to a person's physical
34 injury or death, the person, firm, or corporation violating this section shall be guilty of a Class H
35 felony. For purposes of this section, in the event that a franchised motor vehicle dealer, as defined
36 in G.S. 20-286(8b) or its owners, have no actual knowledge that a counterfeit supplemental
37 restraint system component, nonfunctional airbag, or other component device has been imported,
38 manufactured, sold, offered for sale, installed, or reinstalled in lieu of a supplemental restraint
39 system component at the franchised motor vehicle dealer's place of business or elsewhere,
40 knowledge by any other person shall not be imputed to the franchised motor vehicle dealer or its
41 owners, and the franchised motor vehicle dealer or its owners shall not be deemed to have
42 committed an unlawful act under this section and shall not have any criminal liability under this
43 section.

44 (b) Nothing in this section is intended to prohibit automotive dealers, repair professionals,
45 recyclers, original equipment manufacturers, or contractors from disposing of counterfeit
46 supplemental restraint system components or nonfunctional airbags in accordance with federal
47 and State law."

48 **SECTION 4.** This act becomes effective October 1, 2019, and applies to offenses
49 committed on or after that date.