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H.587

Introduced by Representatives Keenan of St. Albans City, Acinapura of
Brandon, Johnson of South Hero, Manwaring of Wilmington
and Marek of Newfane

Referred to Committee on

Date:

Subject: Commerce; air bag systems; regulation

Statement of purpose: This bill proposes to enact laws to prevent the sale and
installation of potentially defective motor vehicle air bag systems.

An act relating to the regulation of motor vehicle air bag systems

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 9 V.S.A. chapter 116 is added to read:

CHAPTER 116. MOTOR VEHICLE AIR BAG SYSTEMS

§ 4190. PURPOSE

Air bag system fraud is a public safety concern for consumers and the
automobile insurance industry. Efforts to combat this problem – one that could
place innocent consumers at risk of serious bodily injuries – have been
piecemeal. This chapter is intended to address the issues in a coordinated way.
It is through this collective effort that consumers will be protected and the
integrity of the restraint system assured.

1 § 4191. DEFINITIONS

2 For purposes of this chapter:

3 (1) “Air bag” means any component of an inflatable occupant restraint
4 system that is designed in accordance with federal safety regulations for the
5 make, model, and year of the vehicle to activate in the event of a crash. Air
6 bag components include sensors, controllers, wiring, and the air bag itself.

7 (2) “Salvaged air bag” means an original-equipment-manufacturer
8 (OEM) nondeployed air bag that has been removed from a motor vehicle for
9 use in another vehicle.

10 § 4192. AIR BAG RECORDKEEPING

11 (a) Any person engaged in the business of purchasing, selling, or installing
12 salvaged air bags shall maintain a manual or electronic record of the purchase,
13 sale, or installation, which must include the identification number of the air
14 bag; the vehicle identification number (VIN) of the vehicle from which the
15 salvaged air bag was removed; the name, address, and driver’s license number
16 or other means of identification of the person from whom the salvaged air bag
17 was purchased; and, in the event that the salvaged air bag is installed, the VIN
18 of the vehicle into which the air bag is installed. No new or salvaged air bag
19 shall be sold or installed which is or has been subject to a specific
20 manufacturer’s or appropriate authority’s notice of recall.

1 (b) In the case of a new replacement air bag, any person engaged in
2 installing any air bag shall maintain the name and tax identification number of
3 the supplier of the air bag and record the VIN of the vehicle into which the air
4 bag is installed as well as the identification number of the air bag being
5 installed. Additionally, the air bag identification of the previously deployed air
6 bag being replaced shall be recorded. Upon request of any law enforcement
7 officer of this state or other authorized representative of the agency charged
8 with administration of this section, the installer shall produce such records and
9 permit said agent or police officer to examine them.

10 (c) Any person who installs a salvaged air bag in a vehicle shall apply a
11 permanent, durable label that clearly states that the vehicle contains a salvaged
12 air bag. Such label shall be permanently installed on the dashboard of the
13 vehicle. Any person who removes such a label shall be guilty of a criminal
14 offense.

15 (d) Any person who sells a salvaged air bag or who installs a salvaged air
16 bag must disclose to the purchaser and vehicle owner that the air bag is
17 salvaged.

18 (e) The person who installs a new or salvaged air bag shall submit an
19 affidavit to the vehicle owner or the owner's representative stating that the
20 replacement air bag has been properly installed.

1 (f) All records required by this section must be maintained for not less than
2 five years following the transaction and may be inspected during normal
3 business hours by any law enforcement officer of this state or other authorized
4 representative of the agency charged with administration of this section.

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

7 (h) Persons engaged in the business of selling salvage air bags shall comply
8 with rules adopted by the attorney general under this chapter.

9 (i) Salvaged air bags shall be accompanied by a certificate of conformance
10 indicating that all the laws and rules under this chapter have been complied
11 with. The certificate shall be retained by the installer.

12 § 4193. AIR BAG RULES

13 (a) The attorney general shall adopt by rule standards for the full and
14 conspicuous disclosure of information relevant to the sale of salvaged air bags.

15 Such information shall include:

16 (1) Identification of the supplier of the unit.

17 (2) Identification of the recipient vehicle, including vehicle
18 identification number (VIN), year, make, and model.

19 (3) Identification of the air bag module cover color (and color code if
20 available).

1 (4) Identification of the donor vehicle, including VIN, year, make, and
2 model.

3 (5) Supplier's internal stock number or locator number.

4 (6) Indication of source of interchange information, such as the
5 interchange manual part number and OEM information.

6 (7) A supplier certificate indicating that all the requirements of the
7 inspection protocol have been successfully achieved and identifying the person
8 who completed the inspection.

9 (8) A document containing the vehicle description including the year,
10 make, and model for which the air bag system component is required when
11 being sold to the end-user.

12 (b) The attorney general may adopt rules insuring that only salvaged air
13 bags meeting specific criteria may be installed or reinstalled in a vehicle.

14 § 4194. ACCIDENT REPORTS

15 Any automobile accident report that is filed by the appropriate law
16 enforcement agency shall clearly contain a notation as to whether the
17 automobile's air bag was deployed in the accident.

1 Sec. 2. 13 V.S.A. § 2027a is added to read:

2 § 2027a. POSSESSION, SALE, OR INSTALLATION OF STOLEN AIR

3 BAGS

4 (a) It shall be unlawful for any person to knowingly install or reinstall or
5 knowingly cause to install or reinstall:

6 (1) A stolen air bag.

7 (2) An air bag from which the manufacturer's part number labeling or
8 vehicle identification number (VIN) has been removed, altered, or defaced.

9 (3) An air bag taken from a stolen motor vehicle.

10 (b) A person who violates subsection (a) of this section shall be imprisoned
11 for not more than three years or fined not more than \$10,000.00, or both.

12 (c) No person shall knowingly possess, sell, or trade:

13 (1) A stolen air bag.

14 (2) An air bag from which the manufacturer's part number labeling or
15 VIN has been removed, altered, or defaced.

16 (3) An air bag taken from a stolen motor vehicle.

17 (d) A person who violates subsection (c) of this section shall be subject to a
18 fine of not more than \$3,000.00.