

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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HOUSE BILL 546  
Committee Substitute Favorable 4/15/19

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

Sponsors:

Referred to:

April 3, 2019

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROHIBIT THE IMPORT, MANUFACTURE, SALE, OFFER OF SALE,  
3 INSTALLATION, OR REINSTALLATION OF COUNTERFEIT AND  
4 NONFUNCTIONAL AIRBAGS.

5 The General Assembly of North Carolina enacts:

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

7 "§ 20-4.01. Definitions.

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

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

12 ...

13 (4b) Counterfeit supplemental restraint system component. – A replacement  
14 supplemental restraint system component, including an airbag, that displays a  
15 mark identical to, or substantially similar to, the genuine mark of a motor  
16 vehicle manufacturer or a supplier of parts to the manufacturer of a motor  
17 vehicle, without authorization from the manufacturer or supplier.

18 (4b)(4c) Crash. – Any event that results in injury or property damage attributable  
19 directly to the motion of a motor vehicle or its load. The terms collision,  
20 accident, and crash and their cognates are synonymous.

21 ...

22 (23a) Nonfunctional airbag. – A replacement airbag that meets any of the following  
23 criteria:

24 a. The airbag was previously deployed or damaged.

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

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

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

34 ...

35 (46a) Supplemental restraint system. – A passive inflatable motor vehicle occupant  
36 crash protection system designed for use in conjunction with a seat belt



1 assembly as defined in 49 C.F.R. § 571.209, and includes one or more airbags  
2 and all components required to ensure that an airbag works as designed by the  
3 vehicle manufacturer, including both of the following:

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

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

8 ...."

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

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

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

21 "**§ 20-136.2. Air bag installation. Counterfeit supplemental restraint system components**  
22 **and nonfunctional airbags.**

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

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

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