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FISCAL IMPACT REPORT

ORIGINAL DATE 02/06/14

SPONSOR Rehm LAST UPDATED _____ HB 193

SHORT TITLE No Alteration Or Counterfeit Airbags SB _____

ANALYST Cerny

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI	NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)
 Attorney General's Office (AGO)
 Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Bill 193 enacts a new section of the Motor Vehicle Code to stipulate that it is unlawful for a person to knowingly:

- Fail to install an airbag in a motor vehicle after representing to another person that they will do so;
- Install a counterfeit or substandard airbag in a motor vehicle;
- Make or sell a counterfeit or substandard airbag to be installed in a motor vehicle;
- Represent to another that an airbag is not counterfeit or that a substandard airbag is not substandard;
- Intentionally alter an airbag in a manner that causes the airbag to become a counterfeit or substandard airbag;
- Sell a motor vehicle that is known by the seller at the time of the sale to have a counterfeit or substandard airbag installed without first warning the purchaser in writing of the counterfeit or substandard airbag;

- Rent or offer for hire a motor vehicle that is not equipped with airbags required to be in the motor vehicle by the applicable federal safety regulations for the make, model and year of the vehicle; or
- Assist another in violating the provisions of this subsection with the intent that the crime be committed.

A conviction pursuant to this section is a misdemeanor, and the offender shall be sentenced pursuant to the provision of Section 31-19-1 of the New Mexico Statutes Amended (NMSA) 1978.

A violation of the provisions of this section that results in great bodily harm is a fourth degree felony, and the offender shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978.

HB 193 shall not apply to airbags, counterfeit airbags or substandard airbags in a motor vehicle operating solely on a closed course or track.

HB193 defines “airbag”, “counterfeit airbag,” “substandard airbag”, “great bodily harm”, and “knowingly” and “substandard airbag.”-+

FISCAL IMPLICATIONS

Any fiscal impact on the judiciary would be proportional to the enforcement of this law and commenced prosecutions. There may be an increase in the amount of work that needs to be done by the courts, thus requiring additional resources to handle increase. There may be an administrative impact on the courts as the result of an increase in caseload and/or in the amount of time necessary to dispose of cases.

SIGNIFICANT ISSUES

HB 193 adds a new section to the Motor Vehicle Code that currently does not regulate replacement airbags in vehicles.

DOH analysis states that in October 2012, the National Highway Traffic Safety Administration (NHTSA) issued a safety advisory alerting consumers to the dangers of counterfeit airbags, and urging vehicle owners and repair professionals to use only certified original equipment replacement parts:

NHTSA has become aware of a problem involving the sale of counterfeit air bags for use as replacement parts in vehicles that have been involved in a crash. While these air bags look nearly identical to certified, original equipment parts—including bearing the insignia and branding of major automakers — [NHTSA testing](#) showed consistent malfunctioning ranging from non-deployment of the air bag to the expulsion of metal shrapnel during deployment. NHTSA is not aware of any deaths or injuries connected to counterfeit air bags. Only vehicles which have had an air bag replaced within the past three years by a repair shop that is not part of a new car dealership may be at risk. Consumers whose vehicles have been in a crash and had their air bags replaced by a repair shop that is not part of a new car dealership within the past three years or who have purchased a replacement air bag online should contact the call center that has been established by their auto manufacturer to have

their vehicle inspected at their own expense and their air bag replaced if necessary. .
(<http://www.nhtsa.gov/About+NHTSA/Press+Releases/2012/Safety+Advisory:+NHTSA+Alerting+Consumers+to+Dangers+of+Counterfeit+Air+Bags/>).

The National Highway Traffic Safety Administration develops annual estimates of lives saved by the use of restraints, minimum drinking age laws and motorcycle helmets. For 2012, it estimated that 2,213 lives of people aged thirteen and older were saved by the use of frontal airbags; 20 of those lives were saved in New Mexico (NHTSA, Traffic Safety Facts, November, 2013).

Agency analysis raises no other significant issues with this bill.

CAC/svb