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FISCAL IMPACT REPORT

SPONSOR Rehm ORIGINAL DATE 1/13/15
 LAST UPDATED _____ HB 328

SHORT TITLE No Alteration or Sale of Counterfeit Airbags SB _____

ANALYST Malone

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Regulation Commission (PRC)

Department of Public Safety (DPS)

SUMMARY

Synopsis of Bill

House Bill 328 adds a new section to the Motor Vehicle Code to prohibit the alteration of airbags, prohibit the sale and installation of counterfeit or nonfunctional airbags, require airbags in rental vehicles or vehicles for hire, prohibit misrepresentation with regard to airbags, and provide penalties for noncompliance with the new section.

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

The bill defines “airbag”, “counterfeit airbag,” “great bodily harm”, and “knowingly” and “nonfunctional 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

Improved airbag compliance and use of functional airbags will decrease the likelihood of great bodily harm in the instance of accidents.

In response to substantially similar legislation introduced in 2014 (HB 193), the Department of Health analysis stated that 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.

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).

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