

HOUSE BILL 99

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

Janelle Anyanonu and Cynthia Borrego

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO MOTOR VEHICLES; REORGANIZING PROVISIONS RELATED TO NONREPAIRABLE VEHICLE CERTIFICATES INTO A NEW SECTION OF THE NMSA 1978; ALLOWING INSURANCE COMPANIES THAT PAY TOTAL LOSS CLAIMS TO VEHICLE OWNERS TO OBTAIN A SALVAGE CERTIFICATE OF TITLE OR NONREPAIRABLE VEHICLE CERTIFICATE; AMENDING AND ENACTING SECTIONS OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

.228513.2AIC February 19, 2025 (4:49pm)

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SECTION 1. Section 66-3-4 NMSA 1978 (being Laws 1978, Chapter 35, Section 24, as amended by Laws 2023, Chapter 10, Section 1 and by Laws 2023, Chapter 136, Section 3) is amended to read:

"66-3-4. APPLICATION FOR REGISTRATION AND CERTIFICATE OF TITLE [~~NONREPAIRABLE VEHICLE CERTIFICATE~~].--

A. Except for a vehicle owned by a carrier that is from a jurisdiction that is not a participant in the International Fuel Tax Agreement, that is authorized by the United States government or an agency of the United States government to conduct cross-border operations beyond the commercial border zone pursuant to the provisions of the United States-Mexico-Canada Agreement Implementation Act and that identifies New Mexico as the carrier's base jurisdiction, every owner of a vehicle of a type required to be registered in this state shall make application to the division for the registration and issuance of a certificate of title for the vehicle. Applications shall be upon the appropriate forms furnished by the division and shall bear the signature of the owner; provided that the signature may either be made using an electronic signature in conformance with the Electronic Authentication of Documents Act and the Uniform Electronic Transactions Act or written with pen and ink. All applications presented to the division shall contain:

- (1) for a vehicle other than a recreational

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vehicle, the name, bona fide New Mexico residence address and mail address of the owner or, if the owner is a firm, association or corporation, the name, bona fide New Mexico business address and mail address of the firm, association or corporation and for a recreational vehicle, the name, bona fide residence address and mail address of the owner and proof of delivery in New Mexico;

(2) a description of the vehicle, including, to the extent that the following specified data may exist with respect to a given vehicle, the make, model, type of body, number of cylinders, type of fuel used, serial number of the vehicle, odometer reading, engine or other identification number provided by the manufacturer of the vehicle, whether new or used, and, if a vehicle not previously registered, date of sale by the manufacturer or dealer to the person intending to operate the vehicle. In the event a vehicle is designed, constructed, converted or rebuilt for the transportation of property, the application shall include a statement of its rated capacity as established by the manufacturer of the chassis or the complete vehicle;

(3) a statement of the applicant's title and of all liens or encumbrances upon the vehicle and the names and addresses of all persons having an interest in the vehicle, the nature of each interest and the name and address of the person to whom the certificate of title shall be delivered by the

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division;

(4) a space to allow the applicant the option of adding the applicant's vehicle to the nontraditional communication or disability registry; provided that the applicant submits evidence satisfactory to the division that the vehicle will regularly be driven or occupied by a person who has a medical diagnosis by a licensed health practitioner of a condition or disability that may cause the person to fail to be able to communicate with a peace officer or to respond appropriately to a peace officer's commands, including an autism spectrum disorder, deafness, a brain injury, an intellectual disability, a behavioral health disorder, dementia or a seizure disorder;

(5) if the vehicle required to be registered is a house trailer, as defined in the Motor Vehicle Code, a certificate from the treasurer or assessor of the county in which the house trailer is located showing that either:

(a) all property taxes due or to become due on the house trailer for the current tax year or any past tax years have been paid; or

(b) no liability for property taxes on the house trailer exists for the current year or any past tax years; and

(6) further information as may reasonably be required by the division to enable it to determine whether the

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vehicle is lawfully entitled to registration and the owner entitled to a certificate of title.

B. The owner of a vehicle subject to registration that has never been registered in this state and that has been registered in another state, except manufactured homes, shall have the vehicle examined and inspected for its identification number or engine number by the division or an officer or a designated agent of the division incident to securing registration, reregistration or a certificate of title from the division.

C. When an application refers to a vehicle not previously registered and the vehicle is purchased from a dealer licensed in this state or a dealer licensed or recognized as such in any other state, territory or possession of the United States, the application shall be accompanied by a manufacturer's certificate of origin duly assigned by the dealer to the purchaser. In the event that a vehicle not previously registered is sold by the manufacturer to a dealer in a state not requiring a manufacturer's certificate of origin and in the event that the vehicle is subsequently purchased by a dealer or any person in this state, the application for title shall be accompanied by the evidence of title accepted by the state in which the vehicle was sold by the manufacturer to a dealer in that state together with evidence of subsequent transfers.

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~~[D. Prior to the sale or disposal of a nonrepairable vehicle, the owner, owner's agent or salvage pool shall obtain a properly endorsed nonrepairable vehicle certificate from the department and deliver it to the purchaser within twenty days after payment in full for the nonrepairable vehicle and shall also comply with Section 66-3-10.1 NMSA 1978. The department shall accept the endorsed nonrepairable vehicle certificate in lieu of the certificate of ownership or other evidence of ownership when accompanied by an application and other documents and fees as may be required by the department. A vehicle for which a nonrepairable vehicle certificate has been issued shall not be titled or registered for use on the highways of this state.~~

~~E. If an insurance company makes a total loss settlement on a nonrepairable vehicle and takes possession of that vehicle, either itself or through an agent or salvage pool, the insurance company or an authorized agent of the insurance company shall:~~

~~(1) stamp the face of the title or manufacturer's certificate of origin with the word "NONREPAIRABLE", in letters no less than one-half inch high, at an angle of approximately forty-five degrees to the text of the title or manufacturer's certificate of origin; and~~

~~(2) within twenty days after receipt of title by the insurer, free and clear of all liens, submit a copy of~~

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~~the branded title or manufacturer's certificate of title to the department together with documents explaining the reason for branding and shall forward a properly endorsed certificate of title or manufacturer's certificate of origin or other evidence of ownership acceptable to the department together with the proper fee to the department. The department, upon receipt of the title or manufacturer's certificate of origin or other evidence of ownership, shall issue a nonrepairable vehicle certificate for the vehicle.~~

~~F. Any documents used for conveyance of ownership of a motor vehicle to an insurance company as a result of a total loss insurance settlement shall not require a notarized signature and may be signed electronically.~~

~~G. If an owner of a nonrepairable vehicle elects to retain possession of the vehicle, the insurance company shall notify the department of the retention on a form prescribed by the department. The insurance company shall also notify the insured or owner of the insured's or owner's responsibility to comply with this section. The owner shall, within twenty days from the date of settlement of the loss, forward a properly endorsed certificate of title or manufacturer's certificate of origin or other evidence of ownership acceptable to the department together with the proper fee to the department. The department, upon receipt of the title or manufacturer's certificate of origin or other evidence of ownership, shall~~

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~~issue a nonrepairable vehicle certificate for the vehicle.~~

~~H. If a nonrepairable vehicle is not the subject of an insurance settlement, the owner shall, within twenty days from the date of the loss, forward a properly endorsed certificate of title or manufacturer's certificate of origin or other evidence of ownership acceptable to the department together with the proper fee to the department. The department, upon receipt of the title or manufacturer's certificate of origin or other evidence of ownership, shall issue a nonrepairable vehicle certificate for the vehicle.~~

~~I.]~~ D. The department shall not issue a new registration card and certificate of ownership pursuant to Subsection A, B or C of this section on a vehicle that has been issued a nonrepairable vehicle certificate pursuant to [Subsections E, G and H of this section] Section 66-3-4.1 NMSA 1978."

SECTION 2. A new Section 66-3-4.1 NMSA 1978 is enacted to read:

"66-3-4.1. [NEW MATERIAL] NONREPAIRABLE VEHICLE CERTIFICATE--OBTAINING EVIDENCE OF OWNERSHIP AFTER TOTAL LOSS PAYMENT BY AN INSURANCE COMPANY.--

A. Prior to the sale or disposal of a nonrepairable vehicle, the owner, owner's agent or salvage pool shall obtain a properly endorsed nonrepairable vehicle certificate from the department and deliver it to the purchaser within twenty days



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after payment in full for the nonrepairable vehicle and shall also comply with Section 66-3-10.1 NMSA 1978. The department shall accept the endorsed nonrepairable vehicle certificate in lieu of the certificate of ownership or other evidence of ownership when accompanied by an application and other documents and fees as may be required by the department. A vehicle for which a nonrepairable vehicle certificate has been issued shall not be titled or registered for use on the highways of this state.

B. If an insurance company makes a total loss settlement on a nonrepairable vehicle and takes possession of that vehicle, either itself or through an agent or salvage pool, the insurance company or an authorized agent of the insurance company shall:

(1) stamp the face of the title or manufacturer's certificate of origin with the word "NONREPAIRABLE", in letters no less than one-half inch high, at an angle of approximately forty-five degrees to the text of the title or manufacturer's certificate of origin; and

(2) within twenty days after receipt of title by the insurer, free and clear of all liens, submit a copy of the branded title or manufacturer's certificate of title to the department together with documents explaining the reason for branding and shall forward a properly endorsed certificate of title or manufacturer's certificate of origin or other evidence

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of ownership acceptable to the department together with the proper fee to the department. The department, upon receipt of the title or manufacturer's certificate of origin or other evidence of ownership, shall issue a nonrepairable vehicle certificate for the vehicle.

C. Any documents used for conveyance of ownership of a motor vehicle to an insurance company as a result of a total loss insurance settlement shall not require a notarized signature and may be signed electronically.

D. If an owner of a nonrepairable vehicle elects to retain possession of the vehicle, the insurance company shall notify the department of the retention on a form prescribed by the department. The insurance company shall also notify the insured or owner of the insured's or owner's responsibility to comply with this section. The owner shall, within twenty days from the date of settlement of the loss, forward a properly endorsed certificate of title or manufacturer's certificate of origin or other evidence of ownership acceptable to the department together with the proper fee to the department. The department, upon receipt of the title or manufacturer's certificate of origin or other evidence of ownership, shall issue a nonrepairable vehicle certificate for the vehicle.

E. If a nonrepairable vehicle is not the subject of an insurance settlement, the owner shall, within twenty days from the date of the loss, forward a properly endorsed

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certificate of title or manufacturer's certificate of origin or other evidence of ownership acceptable to the department together with the proper fee to the department. The department, upon receipt of the title or manufacturer's certificate of origin or other evidence of ownership, shall issue a nonrepairable vehicle certificate for the vehicle.

F. If an insurance company makes a total loss payment to a vehicle owner HTPWC→after paying applicable towing and storage charges←HTPWC and takes possession of the vehicle but is unable to obtain a properly endorsed certificate of title or other evidence of ownership acceptable to the department, the insurance company or its authorized agent may request the department to issue a salvage certificate of title or nonrepairable vehicle certificate for the vehicle on a form provided by the department and signed under penalty of perjury by a representative of the insurance company or its authorized agent as follows:

(1) the application on a form provided by the department to issue a salvage certificate of title or nonrepairable vehicle certificate shall not occur prior to thirty days after the insurance claim payment and shall include:

(a) evidence satisfactory to the department that all owners and lienholders with an interest in the vehicle have been notified in writing and that the

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requester has attempted two separate requests for the title documents no earlier than ten days apart and been unable to obtain a properly endorsed certificate of title or other acceptable evidence of ownership;

(b) evidence of payment of the claim that may be a copy of both sides of the deposited check, or, if paid electronically, a screenshot from the insurer's proprietary claim system showing the payee, the amount of the payment and the date of the payment; and

(c) the applicable fee to the department;

(2) the attempts by the insurance company or its authorized agent to obtain the certificate of title or other acceptable evidence of title shall be made by certified mail showing evidence of delivery or refusal; and

(3) the department, upon receipt of the properly executed request, confirmation of lienholder and vehicle owner indemnification, evidence of certified mail shipment and the required fee described in this subsection, shall issue a salvage certificate of title or nonrepairable vehicle certificate for the vehicle in the name of the insurance company that made the total loss payment on the vehicle.

G. The insurance company shall indemnify HTPWC→, defend←HTPWC and hold harmless the department for any and all

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claims resulting from or arising out of the department's issuance of a salvage certificate of title or nonrepairable vehicle certificate pursuant to the application for title.

H. During the total loss settlement, the vehicle owner or the lienholder, if applicable, shall forward to the insurance company a properly endorsed certificate of title within fifteen days after the receipt of settlement funds.

HTPWC→"←HTPWC

HTPWC→**I. Evidence of ownership as provided in this section shall be available only for privately owned passenger vehicles.**"←HTPWC