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SENATE BILL 741

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Leonard Lee Rawson

AN ACT

RELATING TO MOTOR VEHICLES; AMENDING THE MANDATORY FINANCIAL RESPONSIBILITY ACT AND THE NEW MEXICO INSURANCE CODE TO PROVIDE FOR A MINIMUM TERM FOR CERTAIN MOTOR VEHICLE INSURANCE POLICIES, TO PROVIDE THAT EVIDENCE OF FINANCIAL RESPONSIBILITY BE SHOWN IN THE REAR WINDOW OF VEHICLES AND TO PROVIDE FOR THE SEIZURE OF LICENSE PLATES UNDER CERTAIN CIRCUMSTANCES.

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

Section 1. Section 66-5-205.1 NMSA 1978 (being Laws 1989, Chapter 214, Section 1, as amended) is amended to read:

"66-5-205.1. UNINSURED MOTORIST CITATION-- REQUIREMENTS TO BE FOLLOWED [~~AT TIME OF ACCIDENT~~]- - SUBSEQUENT PROCEDURES-- INSURER NOTIFICATION REQUIREMENTS-- SUSPENSION PROCEDURES. --

A. When a law enforcement officer issues a driver [~~who is involved in an accident~~] a citation for failure to

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1 comply with the provisions of the Mandatory Financial  
2 Responsibility Act, the law enforcement officer shall at the  
3 same time:

4 (1) issue to the driver cited a temporary  
5 operation sticker, valid for thirty days after the date the  
6 sticker is issued, and forward by mail or delivery to the  
7 department a duplicate of the issued sticker; and

8 (2) remove the license plate from the vehicle  
9 and send it with the duplicate of the sticker to the  
10 department or, if it cannot be removed, permanently deface the  
11 plate.

12 B. The department shall return or replace, in its  
13 discretion, a license plate removed under the provisions of  
14 Paragraph (2) of Subsection A of this section or replace a  
15 license plate defaced under that paragraph when the person  
16 cited for failure to comply with the provisions of the  
17 Mandatory Financial Responsibility Act furnishes proof of  
18 compliance to the department and pays to the division a  
19 reinstatement fee of twenty-five dollars (\$25.00). If a  
20 person to whom the temporary operation sticker is issued  
21 furnishes to the department, within fifteen days after the  
22 issuance of the sticker, evidence of financial responsibility  
23 in compliance with the Mandatory Financial Responsibility Act  
24 and in effect on the date and at the time of the issuance of  
25 the sticker, the department shall replace or return the

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1 license plate and waive the twenty-five dollar (\$25.00)  
2 reinstatement fee.

3 C. The secretary shall adopt and promulgate rules  
4 prescribing the form and use of the sticker required to be  
5 issued under Subsection A of this section.

6 D. The secretary shall adopt and promulgate rules  
7 requiring insurance carriers who terminate or cancel any motor  
8 vehicle insurance policy to report monthly each cancellation  
9 or termination to the department. Information pertaining to  
10 each motor vehicle shall be made a part of that vehicle file  
11 for one year.

12 E. Within ten days of notification by the  
13 insurance carrier of a termination or cancellation of a motor  
14 vehicle insurance policy, the department shall demand  
15 satisfactory evidence from the owner of the motor vehicle that  
16 he meets the requirements of the Mandatory Financial  
17 Responsibility Act. Failure to provide evidence of financial  
18 responsibility within twenty days after the department has  
19 mailed its demand for proof:

20 (1) constitutes reasonable grounds to believe  
21 that a person is operating a motor vehicle in violation of the  
22 provisions of Section 66-5-205 NMSA 1978; [and]

23 (2) requires the department to suspend the  
24 person's registration as provided in Section 66-5-236 NMSA  
25 1978; and

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1                   (3) requires the department to notify the  
2 appropriate municipal or county law enforcement agency. Upon  
3 receiving the notice, the law enforcement agency shall proceed  
4 to the address of the owner and remove the license plate from  
5 the vehicle and send it to the department or, if it cannot be  
6 removed, permanently deface the plate.

7                   F. The department shall notify the superintendent  
8 of insurance if an insurance carrier fails to provide  
9 notification of cancellations or terminations as required by  
10 Subsection D of this section. "

11                   Section 2. Section 66-5-207.1 NMSA 1978 (being Laws  
12 1986, Chapter 111, Section 2) is amended to read:

13                   "66-5-207.1. SELF-INSURERS. --

14                   A. The superintendent of insurance shall issue a  
15 certificate of self-insurance to any applicant with motor  
16 vehicles registered in his name in this state, provided that  
17 the applicant has met the same criteria for self-insurance as  
18 set by the superintendent of insurance for workmen's  
19 compensation liability. With the certificate, the  
20 superintendent shall include a sticker, in the size and format  
21 established by rule of the secretary, for each vehicle covered  
22 by the certificate of self-insurance. The sticker shall be  
23 placed in the rear window of each vehicle as required by  
24 Section 66-5-229 NMSA 1978.

25                   B. Upon not less than five days' notice and a

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1 hearing pursuant to such notice, the superintendent upon  
2 reasonable grounds may cancel a certificate of self-insurance.  
3 Failure to pay any judgment within thirty days after the  
4 judgment is final constitutes a reasonable ground for the  
5 cancellation of a certificate of self-insurance. "

6 Section 3. Section 66-5-225 NMSA 1978 (being Laws 1978,  
7 Chapter 35, Section 310, as amended) is amended to read:

8 "66-5-225. BOND AS EVIDENCE. -- Evidence of financial  
9 responsibility may be demonstrated by a surety bond of a  
10 surety company authorized to transact business within New  
11 Mexico. With the surety bond, the surety company shall  
12 include a sticker, in the size and format established by rule  
13 of the secretary, for each vehicle covered by the bond. The  
14 sticker shall be placed in the rear window of each vehicle as  
15 required by Section 66-5-229 NMSA 1978. "

16 Section 4. Section 66-5-226 NMSA 1978 (being Laws 1955,  
17 Chapter 182, Section 330, as amended) is amended to read:

18 "66-5-226. CASH DEPOSIT AS EVIDENCE. -- Evidence of  
19 financial responsibility may be demonstrated by the  
20 certificate of the state treasurer that the person named in  
21 the certificate has deposited with him sixty thousand dollars  
22 (\$60,000) in cash. With the certificate, the treasurer shall  
23 include a sticker, in the size and format established by rule  
24 of the secretary, for each vehicle covered by the certificate.  
25 The sticker shall be placed in the rear window of each vehicle

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1 as required by Section 66-5-229 NMSA 1978. "

2 Section 5. Section 66-5-229 NMSA 1978 (being Laws 1978,  
3 Chapter 35, Section 318, as amended) is amended to read:

4 "66-5-229. DURATION OF EVIDENCE--WHEN FILING OF EVIDENCE  
5 MAY BE WAIVED. --

6 A. The department shall, upon request, consent to  
7 the immediate cancellation of any bond or the department shall  
8 direct and the state treasurer shall return to the person  
9 entitled thereto any money deposited pursuant to the Mandatory  
10 Financial Responsibility Act as evidence of financial  
11 responsibility or the department shall waive the requirement  
12 of filing evidence of financial responsibility in any of the  
13 following events:

14 (1) after one year of providing satisfactory  
15 evidence as specified in Section 66-5-218 NMSA 1978;

16 (2) the death of the person on whose behalf  
17 evidence was filed or the permanent incapacity of the person  
18 to operate a motor vehicle; or

19 (3) the person who has filed evidence  
20 surrenders his license and registration to the department.

21 B. [~~Provided, however, that~~] The department shall  
22 not consent to the cancellation of any bond or the return of  
23 any money or waive the requirement of filing evidence of  
24 financial responsibility in the event any action for damages  
25 upon a liability covered by the evidence is then pending or

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1 any judgment upon any such liability is then unsatisfied or in  
2 the event the person who has filed the bond or deposited the  
3 money has, within one year immediately preceding the request,  
4 been involved as a driver or owner in any motor vehicle  
5 accident resulting in injury or damage to the person or  
6 property of others. An affidavit of the applicant as to the  
7 nonexistence of such facts or that he has been released from  
8 all of his liability or has been finally adjudicated not to be  
9 liable for such injury or damage shall be sufficient evidence  
10 thereof in the absence of evidence to the contrary in the  
11 records of the department.

12 C. Every owner or operator of a vehicle subject to  
13 the requirements of the Mandatory Financial Responsibility Act  
14 shall carry evidence of financial responsibility as defined by  
15 that act in the vehicle at all times while the vehicle is in  
16 operation on the highways of this state. The failure to  
17 comply with this subsection shall be a misdemeanor and shall  
18 be punishable by the penalty set forth in Section 66-8-7 NMSA  
19 1978; provided that no person charged with violating this  
20 section shall be convicted if he produces in court evidence of  
21 financial responsibility valid at the time of issuance of the  
22 citation.

23 D. No person shall operate a vehicle subject to  
24 the requirements of the Mandatory Financial Responsibility Act  
25 on the highways of this state unless, in the rear window, the

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1 vehicle displays a sticker issued by the superintendent of  
2 insurance pursuant to Section 66-5-207.1 NMSA 1978, a surety  
3 company pursuant to Section 66-5-225 NMSA 1978, the state  
4 treasurer pursuant to Section 66-5-226 NMSA 1978 or a vehicle  
5 insurer pursuant to Section 59A-32-23 NMSA 1978. The failure  
6 to comply with this subsection is a misdemeanor and shall be  
7 punishable by the penalty set forth in Section 66-8-7 NMSA  
8 1978; provided that no person charged with violating this  
9 subsection shall be convicted if he produces in court evidence  
10 of financial responsibility valid at the time of issuance of  
11 the citation. The secretary shall, by rule, establish the  
12 size and format of the sticker required by the provisions of  
13 this subsection. "

14 Section 6. A new section of the New Mexico Insurance  
15 Code, Section 59A-32-23 NMSA 1978, is enacted to read:

16 "59A-32-23. [NEW MATERIAL] MOTOR VEHICLE POLICIES--  
17 REQUIREMENTS. --

18 A. No private motor vehicle insurance policy shall  
19 be delivered, issued for delivery or renewed in this state for  
20 a term of less than six months.

21 B. No private motor vehicle insurance policy shall  
22 be delivered, issued for delivery or renewed in this state  
23 unless accompanied by a sticker, in the size and format  
24 established by rule of the secretary of taxation and revenue.  
25 The sticker shall be placed in the rear window of each vehicle

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as required by Section 66-5-229 NMSA 1978.

C. The requirements of Subsections A and B of this section do not apply to a motor vehicle insurance policy:

- (1) issued by a rental car company;
- (2) issued for less than ten days to cover a recently purchased motor vehicle; or
- (3) for supplemental insurance coverage on a motor vehicle already covered by a private motor vehicle insurance policy with a term of six months or more.

D. As used in this section, "motor vehicle insurance policy" means an insurance policy on a motor vehicle that, at a minimum, provides liability insurance in the amounts required by Subsections A through C of Section 66-5-208 NMSA 1978. "