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HOUSE BILL 99

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

INTRODUCED BY

Janelle Anyanonu and Cynthia Borrego

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:

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

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

18 (1) for a vehicle other than a recreational
19 vehicle, the name, bona fide New Mexico residence address and
20 mail address of the owner or, if the owner is a firm,
21 association or corporation, the name, bona fide New Mexico
22 business address and mail address of the firm, association or
23 corporation and for a recreational vehicle, the name, bona fide
24 residence address and mail address of the owner and proof of
25 delivery in New Mexico;

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

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

20 (4) a space to allow the applicant the option
21 of adding the applicant's vehicle to the nontraditional
22 communication or disability registry; provided that the
23 applicant submits evidence satisfactory to the division that
24 the vehicle will regularly be driven or occupied by a person
25 who has a medical diagnosis by a licensed health practitioner

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1 of a condition or disability that may cause the person to fail
2 to be able to communicate with a peace officer or to respond
3 appropriately to a peace officer's commands, including an
4 autism spectrum disorder, deafness, a brain injury, an
5 intellectual disability, a behavioral health disorder, dementia
6 or a seizure disorder;

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

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

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

17 (6) further information as may reasonably be
18 required by the division to enable it to determine whether the
19 vehicle is lawfully entitled to registration and the owner
20 entitled to a certificate of title.

21 B. The owner of a vehicle subject to registration
22 that has never been registered in this state and that has been
23 registered in another state, except manufactured homes, shall
24 have the vehicle examined and inspected for its identification
25 number or engine number by the division or an officer or a

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1 designated agent of the division incident to securing
2 registration, reregistration or a certificate of title from the
3 division.

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

19 ~~[D. Prior to the sale or disposal of a~~
20 ~~nonrepairable vehicle, the owner, owner's agent or salvage pool~~
21 ~~shall obtain a properly endorsed nonrepairable vehicle~~
22 ~~certificate from the department and deliver it to the purchaser~~
23 ~~within twenty days after payment in full for the nonrepairable~~
24 ~~vehicle and shall also comply with Section 66-3-10.1 NMSA 1978.~~
25 ~~The department shall accept the endorsed nonrepairable vehicle~~

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1 ~~certificate in lieu of the certificate of ownership or other~~
2 ~~evidence of ownership when accompanied by an application and~~
3 ~~other documents and fees as may be required by the department.~~
4 ~~A vehicle for which a nonrepairable vehicle certificate has~~
5 ~~been issued shall not be titled or registered for use on the~~
6 ~~highways of this state.~~

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

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

17 ~~(2) within twenty days after receipt of title~~
18 ~~by the insurer, free and clear of all liens, submit a copy of~~
19 ~~the branded title or manufacturer's certificate of title to the~~
20 ~~department together with documents explaining the reason for~~
21 ~~branding and shall forward a properly endorsed certificate of~~
22 ~~title or manufacturer's certificate of origin or other evidence~~
23 ~~of ownership acceptable to the department together with the~~
24 ~~proper fee to the department. The department, upon receipt of~~
25 ~~the title or manufacturer's certificate of origin or other~~

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1 ~~evidence of ownership, shall issue a nonrepairable vehicle~~
2 ~~certificate for the vehicle.~~

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

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

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

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1 ~~department, upon receipt of the title or manufacturer's~~
2 ~~certificate of origin or other evidence of ownership, shall~~
3 ~~issue a nonrepairable vehicle certificate for the vehicle.~~

4 ~~F.]~~ D. The department shall not issue a new
5 registration card and certificate of ownership pursuant to
6 Subsection A, B or C of this section on a vehicle that has been
7 issued a nonrepairable vehicle certificate pursuant to
8 ~~[Subsections E, G and H of this section]~~ Section 66-3-4.1 NMSA
9 1978."

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

12 "66-3-4.1. [NEW MATERIAL] NONREPAIRABLE VEHICLE
13 CERTIFICATE--OBTAINING EVIDENCE OF OWNERSHIP AFTER TOTAL LOSS
14 PAYMENT BY AN INSURANCE COMPANY.--

15 A. Prior to the sale or disposal of a nonrepairable
16 vehicle, the owner, owner's agent or salvage pool shall obtain
17 a properly endorsed nonrepairable vehicle certificate from the
18 department and deliver it to the purchaser within twenty days
19 after payment in full for the nonrepairable vehicle and shall
20 also comply with Section 66-3-10.1 NMSA 1978. The department
21 shall accept the endorsed nonrepairable vehicle certificate in
22 lieu of the certificate of ownership or other evidence of
23 ownership when accompanied by an application and other
24 documents and fees as may be required by the department. A
25 vehicle for which a nonrepairable vehicle certificate has been

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1 issued shall not be titled or registered for use on the
2 highways of this state.

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

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

13 (2) within twenty days after receipt of title
14 by the insurer, free and clear of all liens, submit a copy of
15 the branded title or manufacturer's certificate of title to the
16 department together with documents explaining the reason for
17 branding and shall forward a properly endorsed certificate of
18 title or manufacturer's certificate of origin or other evidence
19 of ownership acceptable to the department together with the
20 proper fee to the department. The department, upon receipt of
21 the title or manufacturer's certificate of origin or other
22 evidence of ownership, shall issue a nonrepairable vehicle
23 certificate for the vehicle.

24 C. Any documents used for conveyance of ownership
25 of a motor vehicle to an insurance company as a result of a

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1 total loss insurance settlement shall not require a notarized
2 signature and may be signed electronically.

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

16 E. If a nonrepairable vehicle is not the subject of
17 an insurance settlement, the owner shall, within twenty days
18 from the date of the loss, forward a properly endorsed
19 certificate of title or manufacturer's certificate of origin or
20 other evidence of ownership acceptable to the department
21 together with the proper fee to the department. The
22 department, upon receipt of the title or manufacturer's
23 certificate of origin or other evidence of ownership, shall
24 issue a nonrepairable vehicle certificate for the vehicle.

25 F. If an insurance company makes a total loss

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1 payment to a vehicle owner and takes possession of the vehicle
2 but is unable to obtain a properly endorsed certificate of
3 title or other evidence of ownership acceptable to the
4 department, the insurance company or its authorized agent may
5 request the department to issue a salvage certificate of title
6 or nonrepairable vehicle certificate for the vehicle on a form
7 provided by the department and signed under penalty of perjury
8 by a representative of the insurance company or its authorized
9 agent as follows:

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

15 (a) evidence satisfactory to the
16 department that all owners and lienholders with an interest in
17 the vehicle have been notified in writing and that the
18 requester has attempted two separate requests for the title
19 documents no earlier than ten days apart and been unable to
20 obtain a properly endorsed certificate of title or other
21 acceptable evidence of ownership;

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

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1 payment and the date of the payment; and

2 (c) the applicable fee to the
3 department;

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

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

16 G. The insurance company shall indemnify and hold
17 harmless the department for any and all claims resulting from
18 or arising out of the department's issuance of a salvage
19 certificate of title or nonrepairable vehicle certificate
20 pursuant to the application for title.

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