

BILL ANALYSIS AND FISCAL IMPACT REPORT
Taxation and Revenue Department

January 24, 2025

Bill: HB-99

Sponsor: Representative Janelle Anyanonu

Short Title: Nonrepairable Vehicle Certificates

Description: This bill amends the motor vehicle code to reorganize and amend portions related to non-repairable vehicle certificates of title. The bill creates a new process to address obtaining evidence of ownership after a total loss with that nonrepairable vehicle certificate.

Effective Date: Not specified; 90 days following adjournment (June 20, 2025).

Taxation and Revenue Department Analyst: Htet Gonzales and Sean Bulian – Motor Vehicle Division

Estimated Revenue Impact*					R or NR**	Fund(s) Affected
FY2025	FY2026	FY2027	FY2028	FY2029		
-	-	-	-	-		-

* In thousands of dollars. Parentheses () indicate a revenue loss. ** Recurring (R) or Non-Recurring (NR).

Methodology for Estimated Revenue Impact: NA

Policy Issues: This bill addresses fraud prevention and clarity in the process of obtaining evidence of ownership after a total loss. The bill establishes guidelines for handling salvage vehicle titles and non-repairable vehicle certificates, which reduce the risk of fraudulent transactions and ensures proper documentation. By requiring more precise vehicle title and ownership verification, MVD can better safeguard against the illegal resale of salvage and non-repairable vehicles.

The bill will streamline the process between vehicle insurers and vehicle salvagers. Vehicle salvagers report issues in obtaining title to vehicles that have been deemed a total loss. Vehicle title transfers from the vehicle owner to the insurer when the claim is approved and paid, currently require that the owner provide a properly endorsed title to the insurance company to complete the transfer of ownership into the insurers name. This bill proposes that if an insurer is unable to obtain the vehicle title from the owner, the insurer may submit proof that all owners and lienholders with an interest in the vehicle have been notified in writing, proof of paid claim to the vehicle owner, and evidence of attempts made by the insurer to obtain the vehicle title made by certified mail showing evidence of delivery or refusal. The insurer shall hold MVD harmless for any claims resulting from issuance of a salvage vehicle title or non-repairable vehicle certificate pursuant to this proposed process.

Technical Issues: The indemnification section should require the insurance company to defend the department against any and all claims. That is easily remedied by insertion of the word “defend” in the first sentence of Section 66-3-4.1(G) NMSA 1978 at page 12, line 16. The suggested update is that Subsection G be revised to read as follows: “The insurance company shall indemnify, defend, and hold harmless the department for any and all 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.”

Other Issues: The Motor Vehicle Division will need to update manuals, external resources such as the Peck Guide, the website, and provide updated training to staff.

Administrative & Compliance Impact: Page 10, Line 2 permits electronic signatures for the conveyance of ownership of a motor vehicle to an insurance company following a total loss settlement. However, Powers of Attorney and Odometer Statements may still require wet signatures. While federal requirements for electronic signatures are established, these are not fully met unless the documents are uploaded. Even then, it appears that the National Institute of Standards and Technology requirements may not be satisfied.

Estimated Additional Operating Budget Impact*				R or NR**	Fund(s) or Agency Affected
FY2025	FY2026	FY2027	3 Year Total Cost		

* In thousands of dollars. Parentheses () indicate a cost saving. ** Recurring (R) or Non-Recurring (NR).

Related Bills: