new	delete
II	II
underscored interial	[bracketed_mnterial]

2

3

4

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

SENATE BILL 568

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Manny M. Aragon

AN ACT

RELATING TO INSURANCE; PROVIDING FOR DRIVERS INSURANCE POLICIES TO BE ISSUED PURSUANT TO THE NEW MEXICO INSURANCE CODE; PROVIDING THAT DRIVERS INSURANCE WILL SATISFY REQUIREMENTS OF FINANCIAL RESPONSIBILITY PURSUANT TO THE MOTOR VEHICLE CODE: PROVIDING FOR THE TAXATION AND REVENUE DEPARTMENT TO CONTRACT WITH INSURANCE CARRIERS TO ISSUE MINIMUM LIABILITY POLICIES TO BE SOLD BY THE DEPARTMENT.

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

Section 59A-7-7 NMSA 1978 (being Laws 1984, Section 1. Chapter 127, Section 113) is amended to read:

"59A-7-7. "VEHICLE" INSURANCE DEFINED. --

<u>A.</u> "Vehicle" insurance is insurance covering:

[A.] (1) physical damage. Insurance against loss of or damage to any land vehicle or aircraft or any draft . 126520. 1

or riding animal resulting from or incident to ownership, maintenance or use of any such vehicle, aircraft or animal;

[B.] (2) public liability and property damage. Insurance against any hazard or cause, and against any loss, liability or expense resulting from or incident to ownership, maintenance or use of any such vehicle, aircraft or animal;

[C.] (3) cargo. Insurance against loss of or damage to property contained in a vehicle or being loaded or unloaded therein or therefrom or incident to the ownership, maintenance or use of any such vehicle, aircraft or animal; and

[D-] (4) medical payments. Insurance for payment on behalf of the injured party or for reimbursement of the insured for payment, irrespective of legal liability of the insured, of medical, hospital, surgical and disability benefits, to persons injured and funeral and death benefits to dependents, beneficiaries or personal representatives of persons killed as the result of an accident, resulting from or incident to ownership, maintenance or use of any such vehicle, aircraft or animal. Such coverage shall not be deemed to be "health" insurance for purposes of the Insurance Code.

B. Except as provided in Section 59A-32-23 NMSA

1978, as used in the Insurance Code, "vehicle insurance"

includes drivers insurance."

20

21

22

23

24

25

~
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18

1

Section 2. A new Section 59A-7-7.1 NMSA 1978 is enacted to read:

"59A-7-7.1. [NEW MATERIAL] DRIVERS INSURANCE DEFINED. -"Drivers insurance" means insurance covering liability of the
insured for bodily injury, wrongful death or property damage
caused by the operation or maintenance of a motor vehicle by
the insured."

Section 3. A new Section 59A-32-23 NMSA 1978 is enacted to read:

"59A-32-23. [NEW MATERIAL] DRIVERS INSURANCE POLICIES
REQUIRED. -- An insurer that offers private passenger motor
vehicle insurance to New Mexico residents shall also offer
policies of drivers insurance for sale in New Mexico pursuant
to the provisions of the Insurance Code."

Section 4. Section 66-1-4.4 NMSA 1978 (being Laws 1990, Chapter 120, Section 5, as amended) is amended to read:

"66-1-4.4. DEFINITIONS.--As used in the Motor Vehicle Code:

A. "day" means calendar day, unless otherwise provided in the Motor Vehicle Code;

B. "dealer", except as herein specifically excluded, means any person who sells or solicits or advertises the sale of new or used motor vehicles, manufactured homes or trailers subject to registration in this state; "dealer" does not include:

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

25

1

2

3

4

5

6

- (1) receivers, trustees, administrators, executors, guardians or other persons appointed by or acting under judgment, decree or order of any court;
- (2) public officers while performing their duties as such officers;
- (3) persons making casual sales of their own vehicles;
- (4) finance companies, banks and other lending institutions making sales of repossessed vehicles; or
- (5) licensed brokers under the Manufactured Housing Act who, for a fee, commission or other valuable consideration, engage in brokerage activities related to the sale, exchange or lease purchase of pre-owned manufactured homes on a site installed for a consumer;
- C. "declared gross weight" means the maximum gross vehicle weight or combination gross vehicle weight at which a vehicle or combination will be operated during the registration period, as declared by the registrant for registration and fee purposes; the vehicle or combination shall have only one declared gross weight for all operating considerations;
- D. "department" means the taxation and revenue department, the secretary of taxation and revenue or any employee of the department exercising authority lawfully delegated to that employee by the secretary;

2

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

E. "designated disabled parking space" means any
space marked and reserved for the parking of a passenger
vehicle that carries registration plates or a placard
indicating disability in accordance with Section $66\text{-}3\text{-}16$ NMSA
1978; such a place shall be designated by a conspicuously
posted sign bearing the international disabled symbol of a
wheelchair or by a clearly visible depiction of this symbol
painted on the pavement of the space;
F. "director" means the secretary;
G. "disqualification" means a prohibition against

H. "distinguishing number" means the number assigned by the department to a vehicle whose identifying number has been destroyed or obliterated or the number assigned by the department to a vehicle that has never had an

driving a commercial motor vehicle;

identifying number;

- I. "distributor" means any person who distributes or sells new or used motor vehicles to dealers and who is not a manufacturer;
- J. "division", without further specification,

 "division of motor vehicles" or "motor vehicle division" means
 the department;
- K. "driver" means every person who drives or is in actual physical control of a motor vehicle, including a motorcycle, upon a highway, who is exercising control over or . 126520.1

15
16
17
18
19
20
21
22
23
24
25

2

3

4

5

6

7

8

9

10

11

12

13

14

steering a vehicle being towed by a motor vehicle or who operates or is in actual physical control of an off-highway motor vehicle;

L. "drivers insurance policy" means an insurance policy that covers the insured for liability for bodily injury, wrongful death or property damage caused by the operation or maintenance of a motor vehicle by the insured;

[L.] M. "driver's license" means a license or a class of license issued by a state or other jurisdiction to an individual that authorizes the individual to drive a motor vehicle: and

[M-] N. "driveaway-towaway operation" means any operation in which any motor vehicle, new or used, is the item being transported when one set or more of wheels of any such motor vehicle is on the roadway during the course of transportation, whether or not the motor vehicle furnishes the motive power."

Section 66-1-4.6 NMSA 1978 (being Laws 1990, Section 5. Chapter 120, Section 7, as amended) is amended to read:

"66-1-4.6. DEFINITIONS. -- As used in the Motor Vehicle Code:

"farm tractor" means every motor vehicle designed and used primarily as a farm implement for drawing plows, mowing machines and other implements of husbandry;

В. "financial responsibility" means the ability to . 126520. 1

respond in damages for liability resulting from traffic accidents arising out of the [ownership] maintenance or use of a motor vehicle of a type subject to registration under the laws of New Mexico, in amounts not less than specified in the Mandatory Financial Responsibility Act or having in effect a [motor vehicle insurance policy] drivers insurance policy.

"Financial responsibility" includes a [motor vehicle insurance policy] drivers insurance policy] drivers insurance policy, a surety bond or evidence of a sufficient cash deposit with the state treasurer;

- C. "first offender" means a person who for the first time under state or federal law or municipal ordinance has been adjudicated guilty of the charge of driving a motor vehicle while under the influence of intoxicating liquor or any other drug that renders the person incapable of safely driving a motor vehicle, regardless of whether the person's sentence was suspended or deferred;
- D. "flammable liquid" means any liquid that has a flash point of seventy degrees fahrenheit or less, as determined by a tagliabue or equivalent closed-cup test device:
- E. "foreign jurisdiction" means any jurisdiction other than a state of the United States or the District of Columbia:
- F. "foreign vehicle" means every vehicle of a type required to be registered under the provisions of the Motor . 126520.1

Vehicle Code brought into this state from another state, territory or country; and

G. "freight trailer" means any trailer, semitrailer or pole trailer drawn by a truck tractor or road tractor, and any trailer, semitrailer or pole trailer drawn by a truck that has a gross vehicle weight of more than twenty-six thousand pounds, but "freight trailer" does not include manufactured homes, trailers of less than one-ton carrying capacity used to transport animals or fertilizer trailers of less than three thousand five hundred pounds empty weight."

Section 6. Section 66-1-4.11 NMSA 1978 (being Laws 1990, Chapter 120, Section 12, as amended) is amended to read:

"66-1-4.11. DEFINITIONS.--As used in the Motor Vehicle Code:

A. "mail" means any item properly addressed with postage prepaid delivered by the United States postal service or any other public or private enterprise primarily engaged in the transport and delivery of letters, packages and other parcels;

B. "manufactured home" means a movable or portable housing structure that exceeds either a width of eight feet or a length of forty feet, constructed to be towed on its own chassis and designed to be installed with or without a permanent foundation for human occupancy;

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

- C. "manufacturer" means every person engaged in the business of constructing or assembling vehicles of a type required to be registered under the Motor Vehicle Code;
- "manufacturer's certificate of origin" means a certification, on a form supplied by or approved by the department, signed by the manufacturer that the new vehicle described therein has been transferred to the New Mexico dealer or distributor named therein or to a dealer duly licensed or recognized as such in another state, territory or possession of the United States and that such transfer is the first transfer of the vehicle in ordinary trade and commerce. Every such certificate shall contain space for proper reassignment to a New Mexico dealer or to a dealer duly licensed or recognized as such in another state, territory or possession of the United States, and the certificate shall contain a description of the vehicle, the number of cylinders, type of body, engine number and the serial number or other standard identification number provided by the manufacturer of the vehicle:
- E. "metal tire" means every tire of which the surface in contact with the highway is wholly or partly of metal or other hard nonresilient material, except that a snow tire with metal studs designed to increase traction on ice or snow is not considered a metal tire;
- F. "moped" means a two-wheeled or three-wheeled . 126520.1

vehicle with an automatic transmission and a motor having a piston displacement of less than fifty cubic centimeters, that is capable of propelling the vehicle at a maximum speed of not more than thirty miles an hour on level ground, at sea level;

- G. "motorcycle" means every motor vehicle having a seat or saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground, excluding a tractor;
- H. "motor home" means a camping body built on a self-propelled motor vehicle chassis so designed that seating for driver and passengers is within the body itself; and
- I. "motor vehicle" means every vehicle that is self-propelled and every vehicle that is propelled by electric power obtained from batteries or from overhead trolley wires, but not operated upon rails; but for the purposes of the Mandatory Financial Responsibility Act, "motor vehicle" does not include "special mobile equipment"; [and
- J. "motor vehicle insurance policy" means a policy of vehicle insurance that covers self-propelled vehicles of a kind required to be registered pursuant to New Mexico law for use on the public streets and highways. A "motor vehicle insurance policy":

(1) shall include:

(a) motor vehicle bodily injury and property damage liability coverages in compliance with the . 126520. 1

new	lelete
=) =
underscored naterial	[bracketed_material]

2

3

4

5

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

			_	-
Mondatany	<u> Financial</u>	Dognongi bi lita	, <u> </u>	and
manuacui y	r i nanci ai	Mesponsi bi i i cy	ACL,	anu

(b) uninsured motorist coverage, subject to the provisions of Section 66-5-301 NMSA 1978 permitting the insured to reject such coverage; and

(2) may i nel ude:

- (a) physical damage coverage;
- (b) medical payments coverage; and
- (c) other coverages that the insured

and the insurer agree to include within the policy]. "

Section 66-5-5 NMSA 1978 (being Laws 1978, Section 7. Chapter 35, Section 227, as amended) is amended to read:

"66-5-5. PERSONS NOT TO BE LICENSED. -- The division shall not issue a driver's license under the Motor Vehicle Code to any person:

who is under the age of sixteen years, except the division may, in its discretion, issue:

- (1) a restricted instruction permit or a restricted license to students fourteen years of age or over, enrolled in and attending a driver-education course that includes a DWI education and prevention component approved by the bureau or offered by a public school;
- a license to any person fifteen years of **(2)** age or older who has satisfactorily completed a drivereducation course that is approved by the bureau or offered by a public school and that includes both a DWI education and . 126520. 1

5
6
7
8
9
10
11
12
13
14

16

17

18

19

20

21

22

23

24

25

1

2

3

4

prevention component and practice driving; and

- (3) to any person thirteen years of age or older who passes an examination prescribed by the division, a license restricted to the operation of a motorcycle, provided:
- (a) the motor is not in excess of one hundred cubic centimeters displacement;
- (b) no holder of an initial license may carry any other passenger while driving a motorcycle; and
- (c) the director approves and certifies motorcycles as not in excess of one hundred cubic centimeters displacement and by regulation provides for a method of identification of such motorcycles by all law enforcement officers:
- B. whose license or driving privilege has been suspended or denied, during the period of suspension or denial, or to any person whose license has been revoked, except as provided in Section 66-5-32 NMSA 1978;
- C. who is an habitual drunkard, an habitual user of narcotic drugs or an habitual user of any drug to a degree which renders him incapable of safely driving a motor vehicle;
- D. who, within any ten-year period, is three times convicted of driving a motor vehicle while under the influence of intoxicating liquor or narcotic drug regardless of whether the convictions are under the laws or ordinances of this state or any municipality or county of this state or under the laws

25

1

2

4

7

8

9

10

or ordinances of any other state, the District of Columbia or any governmental subdivision thereof. Ten years after being so convicted for the third time, the person may apply to any district court of this state for restoration of the license, and the court, upon good cause being shown, may order restoration of the license applied for; provided that the person has not been subsequently convicted of driving a motor vehicle while under the influence of intoxicating liquor or drug in the ten-year period prior to his request for restoration of his license. Upon issuance of the order of restoration, a certified copy shall immediately be forwarded to the division, and if the person is otherwise qualified for the license applied for, the three previous convictions shall not prohibit issuance of the license applied for. Should the person be subsequently once convicted of driving a motor vehicle while under the influence of intoxicating liquor or drug, the division shall revoke his license for five years, after which time he may apply for restoration of his license as provided in this subsection;

E. who has previously been afflicted with or who is suffering from any mental disability or disease which would render him unable to drive a motor vehicle with safety upon the highways and who has not, at the time of application, been restored to health:

F. who is required by the Motor Vehicle Code to .126520.1

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

2

4

5

6

7

8

9

take an examination, unless he has successfully passed the examination:

- G. who is required under the laws of this state to deposit proof of financial responsibility and who has not deposited the proof;
- H. when the director has good cause to believe that the operation of a motor vehicle on the highways by the person would be inimical to public safety or welfare; [or]
- I. as a motorcycle driver who is less than eighteen years of age and who has not presented a certificate or other evidence of having successfully completed a motorcycle driver-education program licensed or offered in conformance with regulations of the bureau; or
- J. who is not covered by a currently valid drivers insurance policy or by evidence of financial responsibility meeting the requirements of the Mandatory Financial Responsibility Act and rules of the department, unless specifically exempted from the Mandatory Financial Responsibility Act."

Section 8. Section 66-5-9 NMSA 1978 (being Laws 1978, Chapter 35, Section 231, as amended) is amended to read:

- "66-5-9. APPLICATION FOR LICENSE, TEMPORARY LICENSE OR INSTRUCTION PERMIT. --
- A. Every application for an instruction permit or for a driver's license shall be made upon a form furnished by . 126520.1

the department. Every application shall be accompanied by the proper fee. For permits or driver's licenses other than those issued pursuant to the New Mexico Commercial Driver's License Act, submission of a complete application with payment of the fee entitles the applicant to not more than three attempts to pass the examination within a period of six months from the date of application.

- B. Every application shall contain the full name, social security number, date of birth, sex and New Mexico residence address of the applicant and briefly describe the applicant and indicate whether the applicant has previously been licensed as a driver and, if so, when and by what state or country and whether any such license has ever been suspended or revoked or whether an application has ever been refused and, if so, the date of and reason for the suspension, revocation or refusal.
- C. Every applicant shall indicate whether he has been convicted of driving while under the influence of intoxicating liquor or drugs in this state or in any other jurisdiction. Failure to disclose any such conviction prevents the issuance of a driver's license, temporary license or instruction permit for a period of one year if the failure to disclose is discovered by the department prior to issuance. If the nondisclosure is discovered by the department subsequent to issuance, the department shall revoke the

driver's license, temporary license or instruction permit for a period of one year. Intentional and willful failure to disclose, as required in this subsection, is a misdemeanor.

- D. Every applicant less than eighteen years of age who is making an application to be granted his first New Mexico driver's license shall submit evidence that he has successfully completed a driver education course that included a DWI prevention and education program approved by the bureau or offered by a public school. The bureau may accept verification of driver education course completion from another state if the driver education course substantially meets the requirements of the bureau for a course offered in New Mexico.
- E. Every applicant eighteen years of age and over, but less than forty-five years of age, who is making an application to be granted his first New Mexico driver's license shall submit evidence with his application that he has successfully completed a bureau-approved DWI prevention and education program.
- F. Every applicant forty-five years of age and over, who has not been previously licensed in other jurisdictions for a cumulative total of more than ten years or who has been convicted of driving under the influence of intoxicating liquor or drugs, and who is making an application to be granted his first New Mexico driver's license, shall

submit evidence with his application that he has successfully completed a bureau-approved DWI prevention and education program.

- G. Whenever application is received from a person previously licensed in another jurisdiction, the department may request a copy of the driver's record from the other jurisdiction. When received, the driver's record may become a part of the driver's record in this state with the same effect as though entered on the driver's record in this state in the original instance.
- H. Whenever the department receives a request for a driver's record from another licensing jurisdiction, the record shall be forwarded without charge.
- I. This section does not apply to driver's licenses issued pursuant to the New Mexico Commercial Driver's License Act.
- J. Every applicant shall submit evidence that he is covered by a currently valid drivers insurance policy or by evidence of financial responsibility meeting the requirements of the Mandatory Financial Responsibility Act and rules of the department, unless specifically exempted from the Mandatory Financial Responsibility Act.

Section 9. Section 66-5-30 NMSA 1978 (being Laws 1978, Chapter 35, Section 252, as amended) is amended to read:

"66-5-30. AUTHORITY OF DIVISION TO SUSPEND OR REVOKE . 126520. 1

delete	
II	
[bracketed material]	

T	T	CEN	SE.	_	_
L	ш	CEN	DĽ.	_	_

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

- A. The division is authorized to suspend the license of a driver without preliminary hearing upon a showing by its records or other sufficient evidence that the licensee:
- (1) has been convicted of an offense for which mandatory revocation of license is required upon conviction;
- (2) has been convicted as a driver in any accident resulting in the death or personal injury of another or serious property damage;
- (3) has been convicted with such frequency of offenses against traffic laws or regulations governing motor vehicles as to indicate a disrespect for traffic laws and a disregard for the safety of other persons on the highways;
- (4) is an habitually reckless or negligent driver of a motor vehicle;
 - (5) is incompetent to drive a motor vehicle;
- (6) has permitted an unlawful or fraudulent use of the license:
- (7) has been convicted of an offense in another state which if committed in this state would be grounds for suspension or revocation;
- (8) has violated provisions stipulated by a district court in limitation of certain driving privileges;
 - (9) has failed to fulfill a signed promise to

appear or notice to appear in court as evidenced by notice from a court, whenever appearance is required by law or by the court as a consequence of any charge or conviction under the Motor Vehicle Code:

- (11) has accumulated seven points, but less than eleven points, and when the division has received a recommendation from a municipal or magistrate judge that the [licensee] license be suspended for a period not to exceed three months; or
- drivers insurance policy or by evidence of financial responsibility meeting the requirements of the Mandatory Financial Responsibility Act or rules of the department, unless specifically exempted from the Mandatory Financial Responsibility Act.
- B. Upon suspending the license of any person as authorized in this section, the division shall immediately notify the licensee in writing and upon his request shall afford him an opportunity for a hearing as early as practicable within not to exceed twenty days, not counting Saturdays, Sundays and legal holidays, after receipt of the request in the county wherein the licensee resides unless the division and the licensee agree that the hearing may be held

in some other county; provided that the hearing request is received within twenty days from the date that the suspension was deposited in the United States mail. The director may, in his discretion, extend the twenty-day period. Upon the hearing, the director or his duly authorized agent may administer oaths and may issue subpoenas for the attendance of witnesses and the production of relevant books and papers and may require a reexamination of the licensee. Upon the hearing, the division shall either rescind its order of suspension or, good cause appearing therefor, may continue, modify or extend the suspension of the license or revoke the license."

Section 10. Section 66-5-41 NMSA 1978 (being Laws 1978, Chapter 35, Section 263) is amended to read:

"66-5-41. PERMITTING UNAUTHORIZED PERSON TO DRIVE. -- No person shall authorize or knowingly permit a motor vehicle owned by him or under his control to be driven upon any highway:

A. by any person who is not authorized [hereunder]

pursuant to the Motor Vehicle Code or is in violation of any

of the provisions of [this article] Chapter 66, Article 5 NMSA

1978; or

B. by any person who is not covered by a currently valid drivers insurance policy or by evidence of financial responsibility meeting the requirements of the Mandatory

Financial Responsibility Act or rules of the department,
unless specifically exempted from the Mandatory Financial
Responsibility Act."

Section 11. Section 66-5-201.1 NMSA 1978 (being Laws 1983, Chapter 318, Section 2, as amended) is amended to read:

"66-5-201.1. PURPOSE.--The legislature is aware that motor vehicle accidents in New Mexico can result in catastrophic financial hardship. The purpose of the Mandatory Financial Responsibility Act is to require residents of New Mexico who [own and] operate motor vehicles upon the highways of the state either to have the ability to respond in damages to accidents arising out of the use and operation of a motor vehicle or to obtain a [motor vehicle] drivers insurance policy."

Section 12. Section 66-5-205 NMSA 1978 (being Laws 1983, Chapter 318, Section 6, as amended) is amended to read:

"66-5-205. [VEHICLE] <u>DRIVER</u> MUST BE INSURED OR [OWNER MUST] HAVE EVIDENCE OF FINANCIAL RESPONSIBILITY--PENALTIES.--

A. No owner shall permit the operation of [an uninsured] a motor vehicle [or a motor vehicle for which evidence of financial responsibility as was affirmed to the department is not currently valid] by an uninsured motorist upon the streets or highways of New Mexico unless the driver or the vehicle is specifically exempted from the provisions of the Mandatory Financial Responsibility Act.

- B. No [person] uninsured motorist shall drive [an uninsured motor vehicle, or] a motor vehicle [for which evidence of financial responsibility as was affirmed to the department is not currently valid] upon the streets or highways of New Mexico unless he or the motor vehicle is specifically exempted from the provisions of the Mandatory Financial Responsibility Act.
- C. For the purposes of the Mandatory Financial Responsibility Act, "uninsured [motor vehicle] motorist" means a [motor vehicle] driver for [which] whom a [motor vehicle] drivers insurance policy meeting the requirements of the laws of New Mexico and of the secretary, or a surety bond or evidence of a sufficient cash deposit with the state treasurer, is not in effect [or a surety bond or evidence of a sufficient cash deposit with the state treasurer].
- D. The provisions of the Mandatory Financial Responsibility Act requiring the deposit of evidence of financial responsibility as provided in Section 66-5-218 NMSA 1978, subject to certain exemptions, may apply with respect to persons who have been convicted of or forfeited bail for certain offenses under motor vehicle laws or who have failed to pay judgments or written settlement agreements upon causes of action arising out of [ownership] maintenance or use of vehicles of a type subject to registration under the laws of New Mexico.

E. Any person who violates the provisions of this
section is guilty of a misdemeanor and upon conviction shall
be sentenced to a fine not to exceed three hundred dollars
(\$300)."

Section 13. 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. --

A. When a law enforcement officer issues a driver who is involved in an accident a citation for failure to comply with the provisions of the Mandatory Financial Responsibility Act, the law enforcement officer shall personally at the same time:

- (1) issue to the driver cited a temporary

 [operation sticker] driver's license, valid for thirty days

 after the date the [sticker] license is issued, and forward by

 mail or delivery to the department a duplicate of the issued

 [sticker] license; and
- (2) [remove the license plate from the vehicle and send it with the duplicate of the sticker to the department or, if it cannot be removed, permanently deface the plate] confiscate the driver's current license and send it with the duplicate of the temporary license to the department.
- B. The department shall return or replace, in its discretion, a license [plate removed] confiscated under the .126520.1

provisions of Paragraph (2) of Subsection A of this section

[or replace a license plate defaced under that paragraph] when
the person cited for failure to comply with the provisions of
the Mandatory Financial Responsibility Act furnishes proof of
compliance to the department and pays to the division a
reinstatement fee of twenty-five dollars (\$25.00). If a
person to whom the temporary [operation sticker] license is
issued furnishes to the department, within fifteen days after
the issuance of the sticker, evidence of financial
responsibility in compliance with the Mandatory Financial
Responsibility Act and in effect on the date and at the time
of the issuance of the sticker, the department shall replace
or return the license plate and waive the twenty-five-dollar
(\$25.00) reinstatement fee.

- C. The secretary shall adopt and promulgate regulations prescribing the form and use of the sticker required to be issued under Subsection A of this section.
- D. The secretary may adopt and promulgate regulations requiring insurance carriers who terminate or cancel any [motor vehicle] drivers insurance policy to report monthly each cancellation or termination to the department. Information pertaining to each [motor vehicle] licensed driver shall be made a part of that [vehicle] driver's file for one year. Notification of termination or cancellation made under such a regulation is not grounds for revocation of the [motor

vehicle registration] driver's license."

Section 14. Section 66-5-207 NMSA 1978 (being Laws 1983, Chapter 318, Section 8, as amended) is amended to read:

"66-5-207. EXEMPT MOTOR VEHICLES. -- The following motor vehicles are exempt from the Mandatory Financial Responsibility Act:

- A. a motor vehicle owned by the United States government, any state or any political subdivision of a state;
- B. an implement of husbandry or special mobile equipment that is only incidentally operated on a highway;
- C. a motor vehicle operated upon a highway only for the purpose of crossing [such] the highway from one property to another;
- D. a commercial motor vehicle registered or proportionally registered in this and any other jurisdiction, provided [such] the motor vehicle is covered by [a motor vehicle] an insurance policy or equivalent coverage or other form of financial responsibility in compliance with the laws of any other jurisdiction in which it is registered;
- E. a motor vehicle approved as self-insured by the superintendent of insurance pursuant to Section 66-5-207.1 NMSA 1978; and
- F. any motor vehicle when the owner has submitted to the department a signed statement, in the form prescribed by the department, declaring that the vehicle will not be

operated on the highways of New Mexico and explaining the reasons therefor."

Section 15. Section 66-5-208 NMSA 1978 (being Laws 1978, Chapter 35, Section 282, as amended) is amended to read:

"66-5-208. EVIDENCE OF FINANCIAL RESPONSIBILITY--AMOUNTS AND CONDITIONS.--"Evidence of financial responsibility", as used in the Mandatory Financial Responsibility Act, means evidence of the ability to respond in damages for liability, on account of accidents occurring subsequent to the effective date of the evidence, arising out of the [ownership] maintenance or use of a vehicle [of a type subject to registration] by a driver licensed under the laws of New Mexico, in the following amounts:

- A. twenty-five thousand dollars (\$25,000) because of bodily injury to or death of one person in any one accident;
- B. subject to this limit for one person, fifty thousand dollars (\$50,000) because of bodily injury to or death of two or more persons in any one accident;
- C. ten thousand dollars (\$10,000) because of injury to or destruction of property of others in any one accident; and
- D. if evidence is in the form of a surety bond or a cash deposit, the total amount shall be sixty thousand dollars (\$60,000)."

Section 16. Section 66-5-218 NMSA 1978 (being Laws 1978, .126520.1

15

16

17

18

19

20

21

22

23

24

25

1	Chapter 35, Se
2	"66-5-21 8
3	Evidence of fi
4	Mandatory Fina
5	filing:
6	Α. ε
7	pol i cy;
8	В. а
9	NMSA 1978; or
10	C. a
11	provided in Se
12	Section 1
13	Chapter 35, Se

Chapter 35, Section 302, as amended) is amended to read:

"66-5-218. ALTERNATE METHODS OF GIVING EVIDENCE.-Evidence of financial responsibility, when required under the
Mandatory Financial Responsibility Act, may be given by
filing:

- A. evidence of a [motor vehicle] drivers insurance policy;
- B. a surety bond as provided in Section 66-5-225
- C. a certificate of deposit of $[\frac{money}{}]$ cash as provided in Section 66-5-226 NMSA 1978."

Section 17. Section 66-5-224 NMSA 1978 (being Laws 1978, Chapter 35, Section 309, as amended) is amended to read:

"66-5-224. ACT NOT TO AFFECT OTHER POLICIES. --

- A. The Mandatory Financial Responsibility Act does not apply to or affect policies of [motor vehicle] insurance against liability which may now or hereafter be required by any other law of New Mexico, and such policies, if they contain an agreement or are endorsed to conform with the requirements of the Mandatory Financial Responsibility Act, may be considered as evidence of financial responsibility under that act.
- B. The Mandatory Financial Responsibility Act does not apply to or affect policies insuring solely the insured named in the policy against liability resulting from the

2

3

4

5

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

maintenance or use by persons in the insured's employ or on his behalf of motor vehicles not owned by the insured."

Section 18. Section 66-5-227 NMSA 1978 (being Laws 1978, Chapter 35, Section 314, as amended) is amended to read:

"66-5-227. APPLICATION OF CASH DEPOSIT. -- The cash deposit provided for in Section 66-5-226 NMSA 1978 shall be held by the state treasurer to satisfy, in accordance with the provisions of the Mandatory Financial Responsibility Act, any execution on a judgment issued against the person making the deposit, for damages, including damages for care and loss of services because of bodily injury to or death of any person or for damages because of injury to or destruction of property, including the loss of use thereof, resulting from the [ownership] maintenance, use or operation of a motor vehicle [of a type] subject to [registration under the laws of New Mexico the provisions of the Mandatory Financial Responsibility Act after the deposit was made. Money so deposited shall not be subject to attachment or execution unless such attachment or execution arises out of a suit for damages as provided in this section."

Section 19. Section 66-5-232 NMSA 1978 (being Laws 1983, Chapter 318, Section 31, as amended) is amended to read:

"66-5-232. SAMPLING--LETTER TO OWNER. --

A. The department, at various times as it considers necessary or appropriate to assure compliance with the

Mandatory Financial Responsibility Act, shall select for financial responsibility affirmation an appropriate sample number of the [motor vehicles registered] drivers licensed in New Mexico. The department is authorized to emphasize, in accordance with rules adopted by the department, for affirmation of financial responsibility, individuals whose affirmations of financial responsibility have previously been found to be incorrect.

- B. When a [motor vehicle] licensed driver is selected for financial responsibility affirmation under Subsection A of this section, the department shall mail an affirmation form to the [registered owner of the motor vehicle] driver notifying him that [his motor vehicle] he has been selected for financial responsibility affirmation and requiring him to respond and to affirm, by at least one signature shown on the affirmation form, the existence of evidence satisfying the financial responsibility requirements of the Mandatory Financial Responsibility Act [for the motor vehicle].
- C. Failure by [an owner] a driver to return the affirmation of financial responsibility to the department within fifteen days after mailing by the department or a determination by the department that an affirmation is not accurate constitutes reasonable grounds under Section 66-5-235 NMSA 1978 to believe that a person is operating a motor

2

3

4

5

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

vehicle in violation of Section 66-5-205 NMSA 1978 or has falsely affirmed the existence of means of satisfying the financial responsibility requirements of the Mandatory Financial Responsibility Act.

- D. The department may investigate all affirmations required by the Mandatory Financial Responsibility Act returned to the department. If the [owner] driver affirms the existence of a [motor vehicle] drivers insurance policy covering the [motor vehicle] driver, the department may forward the affirmation to the listed insurer to determine whether the affirmation is correct. An insurer shall mail notification to the department within twenty working days of receipt of the affirmation inquiry in the event the affirmation is not correct. The notification shall be prima facie evidence of failure to satisfy the financial responsibility requirements of the Mandatory Financial Responsibility Act. The department may determine the correctness of affirmation of other means of satisfying the financial responsibility requirements of that act for the [motor vehicle] driver.
- E. The department may use accident reports as basic material for the construction of its sampling procedure.
- F. No civil liability shall accrue to the insurer or any of its employees for reports made to the department under this section when the reports are made in good faith based on .126520.1

the most recent information available to the insurer.

G. The affirmation form used when sampling shall require the report of the name of the company issuing the policy, the policy number or any other information that identifies the policy."

Section 20. Section 66-5-233 NMSA 1978 (being Laws 1983, Chapter 318, Section 32, as amended) is amended to read:

"66-5-233. AFFIRMATION FORM -- The affirmation of financial responsibility required under Sections 66-5-208, 66-5-225 and 66-5-226 NMSA 1978 shall be in a form prescribed by the department and shall require an applicant to provide such information as may be required by the department. If a person affirms the existence of a [motor vehicle] drivers insurance policy, the affirmation form shall require him to report at least the name of the insurer issuing the policy and the policy number."

Section 21. Section 66-5-235 NMSA 1978 (being Laws 1983, Chapter 318, Section 34, as amended) is amended to read:

"66-5-235. FALSE AFFIRMATION--VIOLATION.--When the department has reasonable grounds to believe that a person is operating a motor vehicle in violation of Section 66-5-205 NMSA 1978 or has falsely affirmed the existence of a [motor vehicle] drivers insurance policy or the existence of some other means of satisfying the financial responsibility requirements of the Mandatory Financial Responsibility Act,

the department shall demand satisfactory evidence from the person that the person meets the requirements of that act as provided in Section 66-5-233 NMSA 1978. If the person cannot provide evidence of financial responsibility within twenty days after receipt of the department's demand for satisfactory proof of financial responsibility, the department may suspend the person's [registration] license as provided in Section 66-5-236 NMSA 1978."

Section 22. Section 66-5-236 NMSA 1978 (being Laws 1983, Chapter 318, Section 35, as amended) is amended to read:

"66-5-236. SUSPENSION FOR NONPAYMENT OF JUDGMENT OR FOR FALSE AFFIRMATION. --

- A. Except as otherwise provided, the secretary shall suspend:
- (1) [the motor vehicle registration for all motor vehicles and] the driver's license of any person against whom a judgment has been rendered, the department being in receipt of a certified copy of the judgment on a form provided by the department; or
- (2) the [registration] driver's license for a period not to exceed one year of a person who is operating a motor vehicle in violation of Section 66-5-205 NMSA 1978 or falsely affirms the existence of a [motor vehicle] drivers insurance policy or some other means of satisfying the financial responsibility requirements of the Mandatory

Financial Responsibility Act, but only if evidence of financial responsibility is not submitted within twenty days after the date of the mailing of the department's demand therefor. The department shall notify the person that he may request a hearing within twenty days after the date of the mailing of the department's demand as provided under this subsection.

B. The [registration] license shall remain suspended and shall not be renewed, nor shall any [registration] license be issued thereafter in the name of that person, unless and until every judgment is stayed, satisfied in full or to the extent provided in the Mandatory Financial Responsibility Act and evidence of financial responsibility as required in Section 66-5-218 NMSA 1978 is provided to the department."

Section 23. Section 66-5-301 NMSA 1978 (being Laws 1978, Chapter 35, Section 325, as amended) is amended to read:

"66-5-301. INSURANCE AGAINST UNINSURED AND UNKNOWN
MOTORISTS--REJECTION OF COVERAGE BY THE INSURED. --

A. No [motor vehicle or automobile liability]

drivers insurance policy insuring against loss resulting from liability imposed by law for bodily injury or death suffered by any person and for injury to or destruction of property of others arising out of the [ownership] maintenance or use of a motor vehicle shall be delivered or issued for delivery in New Mexico with respect to any [motor vehicle registered or

principally garaged] driver licensed in New Mexico unless coverage is provided therein or supplemental thereto in minimum limits for bodily injury or death and for injury to or destruction of property as set forth in Section 66-5-215 NMSA 1978 and such higher limits as may be desired by the insured, but up to the limits of liability specified in bodily injury and property damage liability provisions of the insured's policy, for the protection of persons insured thereunder who are legally entitled to recover damages from [owners or] operators of uninsured motor vehicles because of bodily injury, sickness or disease, including death, and for injury to or destruction of property resulting therefrom, according to the rules [and regulations] promulgated by, and under provisions filed with and approved by, the superintendent of insurance.

B. The uninsured motorist coverage described in Subsection A of this section shall include underinsured motorist coverage for persons protected by an insured's policy. For the purposes of this subsection, "underinsured motorist" means an operator of a motor vehicle with respect to the [ownership] maintenance or use of which the sum of the limits of liability under all bodily injury liability insurance applicable at the time of the accident is less than the limits of liability under the insured's uninsured motorist coverage. No motor vehicle or automobile liability policy

sold in New Mexico shall be required to include underinsured motorist coverage until January 1, 1980.

C. The uninsured motorist coverage shall provide an exclusion of not more than the first two hundred fifty dollars (\$250) of loss resulting from injury to or destruction of property of the insured in any one accident. The named insured shall have the right to reject uninsured motorist coverage as described in Subsections A and B of this section; provided that unless the named insured requests such coverage in writing, such coverage need not be provided in or supplemental to a renewal policy where the named insured has rejected the coverage in connection with a policy previously issued to him by the same insurer."

Section 24. A new section of the Mandatory Financial Responsibility Act is enacted to read:

"[NEW MATERIAL] MINIMUM LIABILITY POLICIES--SELECTION OF INSURANCE CARRIER--SALES BY DEPARTMENT--PENALTY FOR FALSE INFORMATION.--

A. In consultation with the superintendent of insurance and pursuant to the provisions of the Procurement Code, the secretary shall request proposals from insurance carriers to issue minimum liability policies to be sold by the department. Proposals submitted pursuant to the request shall state the cost of a minimum liability policy for different classes of drivers, as specified in the request for proposals.

2

3

4

5

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

After consulting with the superintendent of insurance, the secretary shall contract with the insurance carrier that, in the opinion of the secretary, will provide reliable minimum liability policies for the most drivers that would otherwise be uninsured.

- Pursuant to the contract entered into pursuant to В. Subsection A of this section, the department, by mail and at each location where drivers licensees may be issued, shall offer minimum liability policies for sale. Department employees or agents shall accept each application and, as specified in the contract, determine the eligibility of the applicant and the cost of the minimum liability policy for the class of driver to be insured. Upon payment of the cost plus a ten-dollar (\$10.00) processing fee to be retained by the department and deposited in the motor vehicle suspense fund, the applicant shall be issued a minimum liability policy. Pursuant to the terms of the contract, the secretary shall remit all money collected for the costs of minimum liability policies to the insurance carrier.
- C. As used in the Mandatory Financial Responsibility Act, "minimum liability policy" means a drivers insurance policy issued for a term of one year and including only the minimum bodily injury and property damage liability coverages required by the Mandatory Financial Responsibility Act. Even though a minimum liability policy does not include uninsured

motorist coverage or other coverage, any requirement in the Mandatory Financial Responsibility Act for coverage under a drivers insurance policy or for evidence of financial responsibility is satisfied by coverage under a minimum liability policy or evidence of a minimum liability policy.

- D. The maximum term for a contract entered into pursuant to Subsection A of this section is four years.
- E. No civil liability shall accrue to the department or any of its employees or agents for making a determination or a sale in good faith pursuant to the provisions of this section.
- F. The secretary shall adopt rules necessary for the implementation of this section.
- G. In addition to other civil or criminal penalties that may be applicable, a person who provides false information in order to acquire a minimum liability policy is guilty of a misdemeanor and shall be sentenced pursuant to the provisions of Subsection A of Section 31-19-1 NMSA 1978."

Section 25. Section 66-7-302.1 NMSA 1978 (being Laws 1989, Chapter 318, Section 30 and also Laws 1989, Chapter 319, Section 8, as amended) is amended to read:

"66-7-302. 1. SPEED LIMIT--CONVICTION--USE LIMITED. --

A. The division shall not use a violation under Paragraph (3) or (4) of Subsection A of Section 66-7-301 NMSA 1978 for the purpose of suspending or revoking a driver's . 126520.1

license unless the driver was exceeding the speed of seventyfive miles an hour.

B. An insurer shall not consider a violation under Paragraph (3) or (4) of Subsection A of Section 66-7-301 NMSA 1978 as a moving traffic violation against a person, unless the person was exceeding the speed of seventy-five miles an hour, for the purpose of establishing rates of [motor vehicle] drivers insurance charged by the insurer nor shall the insurer cancel or refuse to renew any policy of insurance for such a violation."

Section 26. REPEAL. -- Sections 66-5-206, 66-5-222 and 66-5-234 NMSA 1978 (being Laws 1983, Chapter 318, Section 7, Laws 1977, Chapter 61, Section 2 and Laws 1983, Chapter 318, Section 33, as amended) are repealed.

- 38 -

. 126520. 1

FORTY-FOURTH LEGISLATURE FIRST SESSION, 1999 February 23, 1999 Mr. President: Your CORPORATIONS & TRANSPORTATION COMMITTEE, to whom has been referred SENATE BILL 568 has had it under consideration and reports same with recommendation that it DO PASS, and thence referred to the FINANCE COMMITTEE. Respectfully submitted,

Roman M Maes, Chairman

```
1
2
    Adopted_____
3
                                 Not
4
    Adopted_____
             (Chief Clerk)
                                                  (Chief Clerk)
5
6
7
                     Date _____
8
9
10
    The roll call vote was \underline{5} For \underline{1} Against
11
12
    Yes:
            5
            Kysar
13
    No:
    Excused: Fidel, Kidd, Macias, McKibben
14
15
    Absent:
            None
16
17
18
    S0568CT1
19
20
21
22
23
24
25
```

underscored unterial = new

FORTY-FOURTH LEGISLATURE FIRST SESSION, 1999 March 1, 1999 Mr. President: Your **FINANCE COMMITTEE**, to whom has been referred **SENATE BILL 568** has had it under consideration and reports same with recommendation that it **DO PASS**. Respectfully submitted, Ben D. Altanirano, Chairnan

	Adonted			_ Not			
	_						
1 2	Adopted_	(Chi ef Cl		_		(Chi	ef Clerk)
3		(cirrer cr	er k)			(cm	er crerk)
4							
5							
6		D	ate				
7							
8							
9	The roll	call vote	was <u>6</u> For	<u>1</u> Aga	i nst		
10	Yes:	6					
11	No:	Wilson					
12	Excused:	Carraro, E	i senstadt,	Ingle,	Lyons,	McKi bben,	Tsosi e
13	Absent:	None					
14							
15							
16	S0568FC1						
17							
18							
19							
20							
21							
22							
23							
24							
25							