

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

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

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

14 "66-3-4. APPLICATION FOR REGISTRATION AND CERTIFICATE
15 OF TITLE.--

16 A. Except for a vehicle owned by a carrier that is
17 from a jurisdiction that is not a participant in the
18 International Fuel Tax Agreement, that is authorized by the
19 United States government or an agency of the United States
20 government to conduct cross-border operations beyond the
21 commercial border zone pursuant to the provisions of the
22 United States-Mexico-Canada Agreement Implementation Act and
23 that identifies New Mexico as the carrier's base
24 jurisdiction, every owner of a vehicle of a type required to
25 be registered in this state shall make application to the

1 division for the registration and issuance of a certificate
2 of title for the vehicle. Applications shall be upon the
3 appropriate forms furnished by the division and shall bear
4 the signature of the owner; provided that the signature may
5 either be made using an electronic signature in conformance
6 with the Electronic Authentication of Documents Act and the
7 Uniform Electronic Transactions Act or written with pen and
8 ink. All applications presented to the division shall
9 contain:

10 (1) for a vehicle other than a recreational
11 vehicle, the name, bona fide New Mexico residence address and
12 mail address of the owner or, if the owner is a firm,
13 association or corporation, the name, bona fide New Mexico
14 business address and mail address of the firm, association or
15 corporation and for a recreational vehicle, the name, bona
16 fide residence address and mail address of the owner and
17 proof of delivery in New Mexico;

18 (2) a description of the vehicle, including,
19 to the extent that the following specified data may exist
20 with respect to a given vehicle, the make, model, type of
21 body, number of cylinders, type of fuel used, serial number
22 of the vehicle, odometer reading, engine or other
23 identification number provided by the manufacturer of the
24 vehicle, whether new or used, and, if a vehicle not
25 previously registered, date of sale by the manufacturer or

1 dealer to the person intending to operate the vehicle. In
2 the event a vehicle is designed, constructed, converted or
3 rebuilt for the transportation of property, the application
4 shall include a statement of its rated capacity as
5 established by the manufacturer of the chassis or the
6 complete vehicle;

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

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

25 (5) if the vehicle required to be registered

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1 is a house trailer, as defined in the Motor Vehicle Code, a
2 certificate from the treasurer or assessor of the county in
3 which the house trailer is located showing that either:

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

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

10 (6) further information as may reasonably be
11 required by the division to enable it to determine whether
12 the vehicle is lawfully entitled to registration and the
13 owner entitled to a certificate of title.

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

22 C. When an application refers to a vehicle not
23 previously registered and the vehicle is purchased from a
24 dealer licensed in this state or a dealer licensed or
25 recognized as such in any other state, territory or

1 possession of the United States, the application shall be
2 accompanied by a manufacturer's certificate of origin duly
3 assigned by the dealer to the purchaser. In the event that a
4 vehicle not previously registered is sold by the manufacturer
5 to a dealer in a state not requiring a manufacturer's
6 certificate of origin and in the event that the vehicle is
7 subsequently purchased by a dealer or any person in this
8 state, the application for title shall be accompanied by the
9 evidence of title accepted by the state in which the vehicle
10 was sold by the manufacturer to a dealer in that state
11 together with evidence of subsequent transfers.

12 D. The department shall not issue a new
13 registration card and certificate of ownership pursuant to
14 Subsection A, B or C of this section on a vehicle that has
15 been issued a nonrepairable vehicle certificate pursuant to
16 Section 66-3-4.1 NMSA 1978."

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

19 "66-3-4.1. NONREPAIRABLE VEHICLE CERTIFICATE--OBTAINING
20 EVIDENCE OF OWNERSHIP AFTER TOTAL LOSS PAYMENT BY AN
21 INSURANCE COMPANY.--

22 A. Prior to the sale or disposal of a
23 nonrepairable vehicle, the owner, owner's agent or salvage
24 pool shall obtain a properly endorsed nonrepairable vehicle
25 certificate from the department and deliver it to the

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

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

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

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

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

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

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

25 E. If a nonrepairable vehicle is not the subject

1 of an insurance settlement, the owner shall, within twenty
2 days from the date of the loss, forward a properly endorsed
3 certificate of title or manufacturer's certificate of origin
4 or other evidence of ownership acceptable to the department
5 together with the proper fee to the department. The
6 department, upon receipt of the title or manufacturer's
7 certificate of origin or other evidence of ownership, shall
8 issue a nonrepairable vehicle certificate for the vehicle.

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

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

25 (a) evidence satisfactory to the

1 department that all owners and lienholders with an interest
2 in the vehicle have been notified in writing and that the
3 requester has attempted two separate requests for the title
4 documents no earlier than ten days apart and been unable to
5 obtain a properly endorsed certificate of title or other
6 acceptable evidence of ownership;

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

12 (c) the applicable fee to the
13 department;

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

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

G. 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.

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.

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

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