

1 SENATE CORPORATIONS AND TRANSPORTATION COMMITTEE SUBSTITUTE FOR
2 SENATE BILL 441

3
4
5
6
7
8
9
10 47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

11 AN ACT

12 RELATING TO MOTOR VEHICLES; DISTINGUISHING BETWEEN SALVAGE AND
13 NONREPAIRABLE VEHICLES FOR TITLE PURPOSES; LIMITING SALE OF
14 NONREPAIRABLE VEHICLES TO CERTAIN LICENSED ENTITIES; AMENDING,
15 REPEALING AND ENACTING SECTIONS OF THE NMSA 1978.

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

17 Section 1. Section 66-1-4.12 NMSA 1978 (being Laws 1990,
18 Chapter 120, Section 13) is amended to read:

19 "66-1-4.12. DEFINITIONS. -- As used in the Motor Vehicle
20 Code:

21 A. "nonrepairable vehicle" means a motor vehicle of
22 a type otherwise subject to registration that:

23 (1) has no resale value except as a source of
24 parts or scrap metal and that the owner irreversibly designates
25 as a source of parts or scrap metal or for destruction;

. 156997. 1

underscored material = new
[bracketed material] = delete

1 (2) has been substantially stripped as a
2 result of theft and is missing all of the bolts on sheet metal
3 body panels, all of the doors and hatches, substantially all of
4 the interior components and substantially all of the grill and
5 light assemblies and has little or no resale value other than
6 its worth as a source of a vehicle identification number that
7 could be used illegally; or

8 (3) is a substantially burned vehicle that has
9 burned to the extent that there are no more usable or
10 repairable body or interior components, tires and wheels or
11 drive train components and that the owner irreversibly
12 designates for destruction or as having little or no resale
13 value other than its worth as a source of scrap metal or as a
14 source of a vehicle identification number that could be used
15 illegally;

16 B. "nonrepairable vehicle certificate" means a
17 vehicle ownership document conspicuously labeled
18 "NONREPAIRABLE" issued to the owner of the nonrepairable
19 vehicle;

20 ~~[A.]~~ C. "nonresident" means every person who is not
21 a resident of this state;

22 ~~[B.]~~ D. "nonresident commercial driver's license"
23 means a commercial driver's license issued by a state defined
24 within "state" to an individual who resides in another state or
25 foreign jurisdiction; and

1 ~~[E.]~~ E. "nonresident's operating privilege" means
 2 the privilege conferred upon a nonresident by the laws of this
 3 state pertaining to the operation by the nonresident of a motor
 4 vehicle, or the use of a motor vehicle owned by the
 5 nonresident, in this state."

6 Section 2. Section 66-1-4.16 NMSA 1978 (being Laws 1990,
 7 Chapter 120, Section 17, as amended) is amended to read:

8 "66-1-4.16. DEFINITIONS. --As used in the Motor Vehicle
 9 Code:

10 A. "safety glazing materials" means glazing
 11 materials constructed, treated or combined with other materials
 12 to reduce substantially, in comparison with ordinary sheet
 13 glass or plate glass, the likelihood of injury to persons by
 14 objects from exterior sources or by these safety glazing
 15 materials when they are cracked and broken;

16 B. "safety zone" means the area or space that is
 17 officially set apart within a highway for the exclusive use of
 18 pedestrians and that is protected or is so marked or indicated
 19 by adequate signs as to be plainly visible at all times while
 20 set apart as a safety zone;

21 C. "salvage vehicle" means a motor vehicle:

22 (1) other than a nonrepairable vehicle, of a
 23 type subject to registration that has been wrecked, destroyed
 24 or damaged to the extent that the owner, leasing company,
 25 financial institution or the insurance company that insured or

. 156997. 1

1 is responsible for repair of the vehicle considers it
2 uneconomical to repair the vehicle and that is subsequently not
3 repaired by or for the person who owned the vehicle at the time
4 of the event resulting in damage; or

5 (2) that was determined to be uneconomical to
6 repair and for which a total loss payment is made by an
7 insurer, whether or not the vehicle is subsequently repaired,
8 if, prior to or upon making payment to the claimant, the
9 insurer obtained the agreement of the claimant to the amount of
10 the total loss settlement and informed the claimant that,
11 pursuant to rules of the department, the title must be branded
12 and submitted to the department for issuance of a salvage
13 certificate of title for the vehicle;

14 ~~[C.]~~ D. "school bus" means a commercial motor
15 vehicle used to transport preprimary, primary or secondary
16 school students from home to school, from school to home or to
17 and from school-sponsored events, but not including a vehicle:

18 (1) operated by a common carrier, subject to
19 and meeting all requirements of the public regulation
20 commission but not used exclusively for the transportation of
21 ~~[pupils]~~ students;

22 (2) operated solely by a government-owned
23 transit authority, if the transit authority meets all safety
24 requirements of the public regulation commission but is not
25 used exclusively for the transportation of ~~[pupils]~~ students;

1 or

2 (3) operated as a per capita feeder as defined
3 in Section 22-16-6 NMSA 1978;

4 [~~D.~~] E. "seal" means the official seal of the
5 taxation and revenue department as designated by the secretary;

6 [~~E.~~] F. "secretary" means the secretary of taxation
7 and revenue, and, except for the purposes of Sections 66-2-3
8 and 66-2-12 NMSA 1978, also includes the deputy secretary and
9 any division director delegated by the secretary;

10 [~~F.~~] G. "semitrailer" means a vehicle without
11 motive power, other than a pole trailer, designed for carrying
12 persons or property and for being drawn by a motor vehicle and
13 so constructed that some significant part of its weight and
14 that of its load rests upon or is carried by another vehicle;

15 [~~G.~~] H. "sidewalk" means a portion of street
16 between the curb lines, or the lateral lines of a roadway, and
17 the adjacent property lines, intended for the use of
18 pedestrians;

19 [~~H.~~] I. "slow-moving vehicle" means a vehicle that
20 is ordinarily moved, operated or driven at a speed less than
21 twenty-five miles per hour;

22 [~~I.~~] J. "solid tire" means every tire of rubber or
23 other resilient material that does not depend upon compressed
24 air for the support of the load;

25 [~~J.~~] K. "special mobile equipment" means a vehicle

. 156997. 1

1 not designed or used primarily for the transportation of
2 persons or property and incidentally operated or moved over the
3 highways, including but not limited to farm tractors, road
4 construction or maintenance machinery, ditch-digging apparatus,
5 well-boring apparatus and concrete mixers;

6 ~~[K.]~~ L. "specially constructed vehicle" means a
7 vehicle of a type required to be registered under the Motor
8 Vehicle Code not originally constructed under a distinctive
9 name, make, model or type by a generally recognized
10 manufacturer of vehicles and not materially altered from its
11 original construction;

12 ~~[L.]~~ M. "state" means a state, territory or
13 possession of the United States, the District of Columbia or a
14 province of the Dominion of Canada;

15 ~~[M.]~~ N. "state highway" means a public highway that
16 has been designated as a state highway by the legislature, the
17 state transportation commission or the secretary of
18 transportation;

19 ~~[N.]~~ O. "stop", when required, means complete
20 cessation from movement;

21 ~~[O.]~~ P. "stop, stopping or standing", when
22 prohibited, means any stopping or standing of a vehicle,
23 whether occupied or not, except when necessary to avoid
24 conflict with other traffic or in compliance with the
25 directions of a police officer or traffic-control sign or

1 signal;

2 [P-] Q. "street" or "highway" means a way or place
3 generally open to the use of the public as a matter of right
4 for the purpose of vehicular travel, even though it may be
5 temporarily closed or restricted for the purpose of
6 construction, maintenance, repair or reconstruction;

7 [Q-] R. "subsequent offender" means a person who
8 was previously a first offender and who again, under state law,
9 federal law or a municipal ordinance or a tribal law, has been
10 adjudicated guilty of the charge of driving a motor vehicle
11 while under the influence of intoxicating liquor or any drug
12 that rendered [him] the person incapable of safely driving a
13 motor vehicle, regardless of whether the person's sentence was
14 suspended or deferred; and

15 [R-] S. "suspension" means that a person's driver's
16 license and privilege to drive a motor vehicle on the public
17 highways are temporarily withdrawn. "

18 Section 3. Section 66-1-4.19 NMSA 1978 (being Laws 1990,
19 Chapter 120, Section 20) is amended to read:

20 "66-1-4.19. DEFINITIONS. -- As used in the Motor Vehicle
21 Code:

22 A. "validating sticker" means the tab or sticker
23 issued by the division to signify, upon a registration plate,
24 renewed registration;

25 B. "vehicle" means every device in, upon or by

. 156997. 1

1 which any person or property is or may be transported or drawn
2 upon a highway, including any frame, chassis, [øø] body or
3 unitized frame and body of any vehicle or motor vehicle, except
4 devices moved exclusively by human power or used exclusively
5 upon stationary rails or tracks; and

6 C. "vehicle-business number" means the distinctive
7 registration number given by the division to any manufacturer,
8 wrecker of vehicles or dealer."

9 Section 4. Section 66-3-4 NMSA 1978 (being Laws 1978,
10 Chapter 35, Section 24, as amended) is amended to read:

11 "66-3-4. APPLICATION FOR REGISTRATION AND CERTIFICATE OF
12 TITLE-- NONREPAIRABLE VEHICLE CERTIFICATE. --

13 A. Every owner of a vehicle of a type required to
14 be registered in this state shall make application to the
15 division for the registration and issuance of a certificate of
16 title for the vehicle. Applications shall be upon the
17 appropriate forms furnished by the division and shall bear the
18 signature of the owner written with pen and ink. All
19 applications presented to the division shall contain:

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

1 residence address and mail address of the owner and proof of
2 delivery in New Mexico;

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

16 (3) a statement of the applicant's title and
17 of all liens or encumbrances upon the vehicle and the names and
18 addresses of all persons having any interest therein and the
19 nature of every such interest and the name and address of the
20 person to whom the certificate of title shall be delivered by
21 the division;

22 (4) if the vehicle required to be registered
23 is a house trailer, as defined in the Motor Vehicle Code, a
24 certificate from the treasurer or assessor of the county in
25 which the house trailer is located showing that either:

. 156997. 1

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

4 (b) no liability for property taxes on
5 the house trailer exists for the current year or any past tax
6 years; and

7 (5) further information as may reasonably be
8 required by the division to enable it to determine whether the
9 vehicle is lawfully entitled to registration and the owner
10 entitled to a certificate of title.

11 B. Any owner of a vehicle subject to registration
12 [~~which~~] that has never been registered in this state and
13 [~~which~~] that has been registered in another state shall have
14 such vehicle examined and inspected for its identification
15 number or engine number by the division or an officer or
16 designated agent thereof incident to securing registration,
17 reregistration or a certificate of title from the division.

18 C. When such application refers to a vehicle not
19 previously registered and the vehicle is purchased from a
20 dealer licensed in this state or a dealer licensed or
21 recognized as such in any other state, territory or possession
22 of the United States, the application shall be accompanied by a
23 manufacturer's certificate of origin duly assigned by the
24 dealer to the purchaser. In the event that a vehicle not
25 previously registered is sold by the manufacturer to a dealer

1 in a state not requiring a manufacturer's certificate of origin
2 and in the event that the vehicle is subsequently purchased by
3 a dealer or any person in this state, the application for title
4 shall be accompanied by the evidence of title accepted by the
5 state in which the vehicle was sold by the manufacturer to a
6 dealer in that state together with evidence of subsequent
7 transfers.

8 D. Prior to the sale or disposal of a nonrepairable
9 vehicle, the owner, owner's agent or salvage pool shall obtain
10 a properly endorsed nonrepairable vehicle certificate from the
11 department and deliver it to the purchaser within fifteen days
12 after payment in full for the nonrepairable vehicle and shall
13 also comply with Section 66-3-10.1 NMSA 1978. The department
14 shall accept the endorsed nonrepairable vehicle certificate in
15 lieu of the certificate of ownership or other evidence of
16 ownership when accompanied by an application and other
17 documents and fees as may be required by the department. A
18 vehicle for which a nonrepairable vehicle certificate has been
19 issued shall not be titled or registered for use on the
20 highways of this state.

21 E. If an insurance company makes a total loss
22 settlement on a nonrepairable vehicle and takes possession of
23 that vehicle, either itself or through an agent or salvage
24 pool, the insurance company or an authorized agent of the
25 insurance company shall:

. 156997. 1

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

6 (2) within fifteen days after receipt of title
7 by the insurer, free and clear of all liens, submit a copy of
8 the branded title or manufacturer's certificate of title to the
9 department together with documents explaining the reason for
10 branding, and shall forward a properly endorsed certificate of
11 title or manufacturer's certificate of origin or other evidence
12 of ownership acceptable to the department together with the
13 license plates and the proper fee to the department. The
14 department, upon receipt of the title or manufacturer's
15 certificate of origin or other evidence of ownership, shall
16 issue a nonrepairable vehicle certificate for the vehicle.

17 F. If an owner of a nonrepairable vehicle elects to
18 retain possession of the vehicle, the insurance company shall
19 notify the department of the retention on a form prescribed by
20 the department. The insurance company shall also notify the
21 insured or owner of the insured's or owner's responsibility to
22 comply with this section. The owner shall, within fifteen days
23 from the date of settlement of the loss, forward a properly
24 endorsed certificate of title or manufacturer's certificate of
25 origin or other evidence of ownership acceptable to the

underscored material = new
[bracketed material] = delete

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

6 G. If a nonrepairable vehicle is not the subject of
 7 an insurance settlement, the owner shall, within fifteen days
 8 from the date of the loss, forward a properly endorsed
 9 certificate of title or manufacturer's certificate of origin or
 10 other evidence of ownership acceptable to the department
 11 together with the license plates and the proper fee to the
 12 department. The department, upon receipt of the title or
 13 manufacturer's certificate of origin or other evidence of
 14 ownership, shall issue a nonrepairable vehicle certificate for
 15 the vehicle.

16 H. The department shall not issue a new
 17 registration card and certificate of ownership pursuant to
 18 Subsection A, B or C of this section on a vehicle that has been
 19 issued a nonrepairable vehicle certificate pursuant to
 20 Subsections E, F and G of this section."

21 Section 5. Section 66-3-10.1 NMSA 1978 (being Laws 1990,
 22 Chapter 120, Section 24) is repealed and a new Section
 23 66-3-10.1 NMSA 1978 is enacted to read:

24 "66-3-10.1. [NEW MATERIAL] SALVAGE VEHICLES--
 25 NONREPAIRABLE VEHICLES--CERTIFICATE OF TITLE--TRANSFER OF
 . 156997. 1

underscoring material = new
 [bracketed material] = delete

1 OWNERSHIP. --

2 A. It is unlawful for a person to sell or otherwise
3 convey ownership of a salvage or nonrepairable vehicle unless
4 the certificate of title or ownership is branded or a
5 comparable title, certificate or ownership document has been
6 issued by another state or jurisdiction.

7 B. An owner of a nonrepairable vehicle shall sell
8 or otherwise convey that vehicle only to a licensed wrecker of
9 vehicles or a person licensed by a jurisdiction outside of this
10 state to process vehicles by dismantling, wrecking, shredding,
11 crushing or selling motor vehicle parts or scrap material or
12 otherwise disposing of motor vehicles.

13 C. A nonrepairable vehicle shall not be repaired,
14 reconstructed or restored for operation on the roads or
15 highways of this state.

16 D. This section does not apply to:

17 (1) a person whose motor vehicle has been
18 stolen or taken without that person's consent unless, if the
19 motor vehicle is recovered, it is a salvage or nonrepairable
20 vehicle; or

21 (2) a person conveying ownership of a motor
22 vehicle to an insurance company as a result of a total loss
23 insurance settlement. For the purpose of this paragraph,
24 "total loss insurance settlement" means the transfer of
25 ownership of a motor vehicle by a person to an insurance

1 company as a result of a settlement in which the motor vehicle
2 is determined to be salvage or nonrepairable. "

3 - 15 -
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

underscored material = new
[bracketed material] = delete