

MVD Procedural Quick Update

#126

RE: New NADA Vehicle Valuation Process
Effective date: May 18, 2011

Date: May 18, 2011
To: All MVD
From: Mac Lewis, MVD Policy and Procedures Manager

[This is the latest in a series of procedural updates. These updates deal with specific MVD procedures and practices. Managers and Supervisors should consistently distribute the updates to all personnel and integrate them into regular information and training sessions.]

Effective May 19, 2011, a new NADA valuation process will run in the background in MVD 2.0 and, for most used vehicle transfers, will automatically determine the appropriate vehicle value and the correct motor vehicle excise tax.

Effective May 19, 2011, when an MVD agent completes the vehicle transfer transaction screen in MVD 2.0, if the transfer is a sale, the system will automatically query the NADA online valuation system to determine the correct sale price and motor vehicle excise tax.

For the new system to work as it is intended to, it is important that all entries be made correctly on the Title Transfer information screen, including the sale price as stated on the title or bill of sale (5300.00 in the screen shot example below).

If the vehicle transferred is a motorcycle, the NADA process will not run in the background but must still be calculated manually using NADA online. The "Price" entered for a motorcycle should be calculated (per PQU#81rev2) as the higher of the stated sale price and 80% of the rough trade-in value provided online by NADA.

Vehicle Information			Title Information			Registration Information		
Suffix:	1	Title only:	N	Plate:	M222			
Sec. no.:		Purchased:	05 / 01 / 2011	County:	01.SANTA FE			
Veh Type:	10	Weight:	3752	Plate Issued:	Y			
Make:	HYUN	Odometer:	122256	1st Year Reg.:	2005			
Model Year:	2005	Odom code:	ACTUAL-AM	Reg. Type:	STAG-S			
Cylinders:	6	Odom Unit:	MILES-M	DGVW:				
Fuel:	GASOLINE-G	Price:	5300.00	Two Yr Reg:	N			
Body:	UT	Brand (1):	N/A	Reg Exp:	05 / 31 / 2012			
Series:	SAN	Brand (2):	N/A	Prorate Reg:	N Veh Type 13 Only			
Model:	SAN	Sale type:	PRIVATE	Emissions:	N/A			
Model no.:	SAN	Dealer no.:		Special Plate:	0-NOT SPECIAL			
Color1:	MER	Comments:	test nada	Commercial Vehicle Nbr.:				
Color2:		Nbr. of liens:	0	2290 report:	N			
Passengers:	0	Trade in:	N	Fleet:				
No. doors:	0	Non-use affidavit:	N	Modify Excise Tax:	N			
No. Seats:	0	Use Type:	PERSONAL P	Waive Late Transfer Fee:	N			
Title Form Number:	17431570							

If the transfer is a gift, and the customer presents a properly completed Affidavit of Gift form (MVD-10018), or if it is otherwise a non-sale transfer (e.g. a transfer from a deceased owner's estate to an estate beneficiary), enter zero (0). There will be no excise tax due, and the NADA query will not run. Remember: the motor vehicle excise tax is only due when a vehicle is sold or presumed to have been sold (as with a gift if there is no Affidavit of Gift).

However, it is also important to note that a vehicle may be transferred/sold in exchange for something other than money – perhaps in exchange for a service or an object of equivalent value. Although the customer may characterize the sale as a “trade” or “barter” transaction, and may not have entered a sale price dollar amount on the title or bill of sale, the fact remains that: a) the declared price paid and entered on the Title Transfer information screen should be the actual dollar value of whatever was given in exchange for the vehicle; and b) the excise tax should be calculated with reference to NADA values, the same as with any other vehicle sale transaction.

If the transfer is declared to be a gift, but no properly completed Affidavit of Gift is presented by the customer, or if for any other reason it is impossible to establish the actual price paid, enter one dollar (1) as the price paid. By doing so you will allow the NADA query to run and to establish the appropriate value and the correct excise tax.

If the vehicle is one for which NADA has an average trade-in value, that value and the amount equal to 80% of that value will both appear on the information verification screen, as in the example below. If the vehicle is one for which NADA does not have an average trade-in value, the “NADA Value” and “80% of NADA Value” numbers will both be zero (0).

In either case, the motor vehicle excise tax will be calculated based on the higher of the purchase price entered and 80% of NADA value.

Please verify the following information you have entered:

Form number: 17431570

Vehicle type: 10

Plate number: FFF222

No. of liens: 0

Purchase price: \$5300.00

Vin: KM8SC73D65U909847

Mileage: 122256

Trade in: N

Use type: P

NADA Value: 6700

80% of NADA Value: 5360

Go back to the previous form

Information is correct-proceed

Finally, one of two Transaction Fees screens will display the relevant values and the correct excise tax.

The first screen below will display the “Customer’s Purchase Price” if the stated sale price is higher than 80% of NADA value, or if no NADA value is available.

Transaction Fees	
Vehicle form no.:	16212152
Customer's Purchase Price:	5500.00
Applicable Fees	
Excise tax:	165.00

If, however, the stated purchase price is less than 80% of the NADA value, a screen will appear (below) that displays the "Customer's Purchase Price" (stated price), the NADA value and the taxable value (80% of the NADA average trade-in value) upon which the excise tax is based.

Transaction Fees	
Vehicle form no.:	16212152
Customer's Purchase Price:	5300.00
NADA Average Trade In Value:	6700.00
Taxable Value (80% of NADA Average Trade In):	5360.00
Applicable Fees	
Excise tax:	160.80

It may happen that the NADA online system is down. If a prompt appears indicating that NADA may be down, please proceed with manual lookup. If NADA really is down, so that you get no result, proceed to follow normal procedures using the price indicated on the title or bill of sale.

Also, please note that the NADA valuation process applies only to used car sales that are not dealer sales – never for a dealer new car sale with MSO/MCO, nor for a dealer used car sale, with or without trade-in.

Field office managers and supervisors should refer any comments or questions regarding this Procedural Quick Update to the Field Operations Help Desk or to their Bureau Chiefs, with cc to mac.lewis@state.nm.us. Others are encouraged to direct comments or questions directly to Mac Lewis, MVD Policy and Procedure Manager, at mac.lewis@state.nm.us.
