

P.L. 2021, CHAPTER 360, *approved January 10, 2022*
Assembly, No. 4521 (*Second Reprint*)

1 **AN ACT** concerning certain motor vehicle certificates of ownership
2 and salvage certificates of title and amending P.L.1983, c.323.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. Section 2 of P.L.1983, c.323 (C.39:10-32) is amended to read
8 as follows:

9 2. a. If a motor vehicle has either been reported as being stolen or
10 suffered sufficient damage to render it economically impractical to
11 repair, the person in possession of the certificate of ownership for the
12 vehicle shall surrender the certificate of ownership to the chief
13 administrator along with a statement setting forth how the person
14 acquired the certificate of ownership.

15 b. The chief administrator, after determining ownership, shall
16 issue a salvage certificate of title to a person who surrenders a
17 certificate of ownership pursuant to subsection a. of this section.

18 c. (1) Notwithstanding any provision of law to the contrary,
19 when an insurer licensed to do business in New Jersey settles a total
20 loss claim with the owner of a motor vehicle, and the owner of the
21 motor vehicle fails to assign and deliver the motor vehicle's certificate
22 of ownership to the insurer within 30 days of the payment of the claim,
23 the insurer or an agent of the insurer may apply to the chief
24 administrator for a certificate of ownership or a salvage certificate of
25 title for the motor vehicle in the name of the insurer without providing
26 a certificate of ownership; provided that the chief administrator
27 determines that the issuance of a certificate of ownership is
28 appropriate, in accordance with the provisions of P.L.1983, c.323
29 (C.39:10-31 et seq.).

30 The provisions of this subsection shall only apply when the most
31 recent certificate of ownership for the motor vehicle was issued by this
32 State.

33 (2) The insurer shall provide notice to the owner and any
34 lienholder of the motor vehicle identified in the records of the
35 commission at least 30 days prior to applying for a certificate of
36 ownership or a salvage certificate of title pursuant to this subsection.
37 The notice shall be sent by certified mail or commercial courier whose
38 regular business is delivery service and that provides proof of delivery
39 to the owner and any lienholders at the last known address identified in
40 the records of the commission. Failure to provide the notice required

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ATR committee amendments adopted January 25, 2021.

²Senate SCM committee amendments adopted June 16, 2021.

1 by this paragraph shall be cause for the chief administrator to deny
2 issuance of a certificate of ownership or a salvage certificate of title.

3 (3) The application for a certificate of ownership or a salvage
4 certificate of title shall be made on a form prescribed by the chief
5 administrator and shall include proof of payment of the claim, proof
6 that the insurer requested the certificate of ownership, and proof that
7 notice was provided, as required by paragraph (2) of this subsection, to
8 the owner and any lienholders of the motor vehicle. Failure to provide
9 the proof required by this paragraph shall be cause for the chief
10 administrator to deny issuance of a certificate of ownership or a
11 salvage certificate of title.

12 (4) If, based upon the records of the commission, there was an
13 outstanding lien or liens against the motor vehicle immediately prior to
14 the payment of the claim and the claim was paid to a lienholder or
15 lienholders, or to a lienholder or lienholders and the owner jointly, the
16 proof of payment required pursuant to paragraph (3) of this subsection
17 shall also include proof that the claim was paid to, or a letter stating
18 that the lienholder has no interest in the motor vehicle was received
19 from, each lienholder identified in the records of the commission.
20 Failure to provide the proof required by this paragraph shall be cause
21 for the chief administrator to deny issuance of a certificate of
22 ownership or a salvage certificate of title.

23 (5) Upon proper application, the chief administrator shall issue a
24 certificate of ownership or a salvage certificate of title, as appropriate,
25 in the name of the insurer. In the event the insurer sells the motor
26 vehicle, the insurer shall assign the certificate of ownership or salvage
27 certificate of title to the buyer.

28 d. (1) Notwithstanding any provision of law to the contrary,
29 when an insurer licensed to do business in New Jersey settles a total
30 loss claim with the owner of a motor vehicle, and the owner of the
31 motor vehicle fails to assign and deliver the motor vehicle's certificate
32 of ownership to the insurer within 30 days of the payment of the claim,
33 the insurer or an agent of the insurer may apply to the chief
34 administrator for a certificate of ownership or a salvage certificate of
35 title for the motor vehicle in the name of the insurer without providing
36 a certificate of ownership; provided that the chief administrator
37 determines that the issuance of a certificate of ownership is
38 appropriate, in accordance with the provisions of P.L.1983, c.323
39 (C.39:10-31 et seq.).

40 The provisions of this subsection shall only apply when the most
41 recent certificate of ownership for a motor vehicle was issued by
42 another state; the motor vehicle records of the jurisdiction that issued
43 the certificate of ownership indicate that there are no liens recorded
44 against the motor vehicle; and the motor vehicle was damaged, stolen,
45 or recovered in this State, was owned by a resident of this State
46 immediately prior to a total loss settlement by an insurer, or as
47 otherwise permitted by the chief administrator.

1 (2) The insurer shall provide notice by certified mail or
2 commercial courier whose regular business is delivery service and that
3 provides proof of delivery to the owner at least 30 days prior to
4 applying for a certificate of ownership or a salvage certificate of title
5 pursuant to this subsection. Failure to provide the notice required by
6 this paragraph shall be cause for the chief administrator to deny
7 issuance of a certificate of ownership or a salvage certificate of title.

8 (3) The application shall be made on a form prescribed by the
9 chief administrator and shall include proof of payment of the claim,
10 proof that the insurer requested the certificate of ownership, and proof
11 that notice was provided to the owner of the motor vehicle pursuant to
12 paragraph (2) of this subsection. Failure to provide the proof required
13 by this paragraph shall be cause for the chief administrator to deny
14 issuance of a certificate of ownership or a salvage certificate of title.

15 (4) Upon proper application, the chief administrator shall issue a
16 certificate of ownership or a salvage certificate of title, as appropriate,
17 in the name of the insurer for the motor vehicle. In the event the
18 insurer sells the motor vehicle, the insurer shall assign the certificate of
19 ownership or salvage certificate of title to the buyer.

20 e. (1) Notwithstanding any provision of law to the contrary,
21 when an insurer licensed to do business in New Jersey settles a total
22 loss claim with the owner of a motor vehicle and the insurer obtains
23 the certificate of ownership for the vehicle, but it is not properly
24 assigned to the insurer within 30 days of the payment of the claim, the
25 insurer or an agent of the insurer may apply to the chief administrator
26 for a certificate of ownership or a salvage certificate of title, as
27 appropriate, in the name of the insurer.

28 (2) The insurer shall provide notice to the owner and any
29 lienholder, based upon the records of the commission, at least 30 days
30 prior to applying for a certificate of ownership or a salvage certificate
31 of title pursuant to this subsection. The notice shall be sent by
32 certified mail or commercial courier whose regular business is delivery
33 service and that provides proof of delivery to the owner and any
34 lienholder at the last known address based upon the records of the
35 commission. Failure to provide the notice required by this paragraph
36 shall be cause for the chief administrator to deny issuance of a
37 certificate of ownership or a salvage certificate of title.

38 (3) The application for a certificate of ownership or a salvage
39 certificate of title shall be made on a form prescribed by the chief
40 administrator and shall include proof of payment of the claim, the
41 certificate of ownership, proof that the insurer attempted to obtain the
42 proper assignment of the certificate of ownership, and proof that notice
43 was provided to the owner of the motor vehicle and any lienholder, in
44 accordance with paragraph (2) of this subsection. Failure to provide
45 the proof required by this paragraph shall be cause for the chief
46 administrator to deny issuance of a certificate of ownership or a
47 salvage certificate of title.

1 (4) Upon proper application, the chief administrator shall issue a
2 certificate of ownership or a salvage certificate of title, as appropriate,
3 in the name of the insurer. In the event the insurer sells the motor
4 vehicle, the insurer shall assign the certificate of ownership or salvage
5 certificate of title to the buyer.

6 f. (1) If an insurer requests that a salvage processor, whose
7 primary business is the sale of total loss motor vehicles on behalf of
8 insurers, take possession of a motor vehicle that is the subject of an
9 insurance claim and subsequently, the insurer does not take ownership
10 of the vehicle, the insurer may authorize the salvage processor to
11 release the vehicle to the owner or lienholder. The insurer shall
12 provide to the salvage processor a release statement authorizing the
13 release of the vehicle to the owner or lienholder.

14 Upon receiving a release statement from an insurer, the salvage
15 processor shall, within five business days, provide notice to the owner
16 and any lienholder identified in the records of the commission,
17 informing the owner and any lienholder that the vehicle may be
18 released, upon payment of any outstanding charges, and that failure to
19 claim the vehicle will result in the vehicle being deemed abandoned.
20 The notice shall include an invoice for any outstanding charges owed
21 to the salvage processor and shall inform the owner or lienholder that
22 the vehicle is required to be claimed within 60 days from the date of
23 the notice. The notice shall also inform the owner or lienholder of the
24 location of the vehicle. The notice required under this subsection shall
25 be sent by certified mail or commercial courier whose regular business
26 is delivery service and that provides proof of delivery to the last
27 known address based upon the records of the commission.

28 (2) Notwithstanding any provision of law to the contrary, in the
29 event the owner or lienholder of the vehicle does not claim the vehicle
30 within 60 days after the date of the notice, the vehicle shall be deemed
31 abandoned and the salvage processor may apply to the chief
32 administrator for the issuance of a salvage certificate of title or a junk
33 title certificate for the motor vehicle in the name of the salvage
34 processor without providing a certificate of ownership. The
35 application shall include proof that notice was provided to the owner
36 of the motor vehicle and any lienholder.

37 (3) Upon proper application, the chief administrator shall issue a
38 salvage certificate of title or a junk title certificate, as appropriate, in
39 the name of the salvage processor, which shall extinguish any existing
40 liens against the motor vehicle. If the salvage processor sells the
41 motor vehicle, the salvage certificate of title or junk title certificate
42 shall be assigned to the buyer and the vehicle shall be transferred
43 without any liens against it.

44 g. The chief administrator shall be immune from liability for any
45 errors or misrepresentations made by an insurer pursuant to
46 subsections c., d., and e. of this section or by a salvage processor
47 pursuant to subsection f. of this section.

1 h. ²Notwithstanding the provisions of this section, an insurer
2 licensed to do business in this State shall not be required to submit
3 with an application for a certificate of ownership or salvage ¹certificate
4 of¹ title any document from the insurer providing proof of power of
5 attorney.

6 i. Notwithstanding any provision of law to the contrary, ¹the
7 chief administrator shall not require a notarized signature on the
8 certificate of ownership surrender statement, submitted pursuant to
9 subsection a. of this section, that is from a person notarization of the
10 signature or electronic signature of the owner of a motor vehicle¹ who
11 has received or is due to receive a total loss settlement from an insurer,
12 ¹is not required on a power of attorney¹ or ¹on a other¹ document
13 ¹authorizing the insurer or insurer's agent to act as power of attorney,
14 in order to obtain supporting an application for¹ a certificate of
15 ownership or a salvage certificate of title ¹submitted by an insurer or
16 an agent of an insurer¹ Notwithstanding any provision of law or
17 regulation to the contrary, an insurer licensed to do business in this
18 State shall be permitted to submit with an application for a certificate
19 of ownership or salvage certificate of title a power of attorney
20 executed electronically by a person who has received or is due to
21 receive a total loss settlement from an insurer in a form and in a format
22 to be prescribed by the chief administrator.

23 A power of attorney signed electronically is not required to be
24 notarized but shall, at a minimum, meet security requirements
25 prescribed by the chief administrator.

26 The chief administrator shall adopt regulations to implement the
27 provisions of this subsection, and may prescribe the form and format
28 of an electronically signed power of attorney and any additional
29 security requirements the chief administrator deems necessary,
30 including any requirements to ensure that any power of attorney signed
31 electronically complies with federal odometer disclosure requirements
32 under 49 C.F.R. s.580.1 et seq².

33 (cf: P.L.2015, c.208, s.1)

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35 2. This act shall take effect ¹immediately on the first day of the
36 ²sixth¹ twelfth² month following enactment¹.

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41 Allows insurer to submit to MVC power of attorney executed
42 electronically for certificate of ownership or salvage certificate of
43 title by person who received or is due to receive total loss
44 settlement from insurer.