

CHAPTER 360

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

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

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

C.39:10-32 Vehicle reported stolen or damaged; surrender of certificate of ownership; issuance of salvage certificate of title.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) The application for a certificate of ownership or a salvage certificate of title shall be made on a form prescribed by the chief administrator and shall include proof of payment of the claim, the certificate of ownership, proof that the insurer attempted to obtain the proper assignment of the

certificate of ownership, and proof that notice was provided to the owner of the motor vehicle and any lienholder, in accordance with paragraph (2) of this subsection. Failure to provide the proof required by this paragraph shall be cause for the chief administrator to deny issuance of a certificate of ownership or a salvage certificate of title.

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

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

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

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

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

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

h. Notwithstanding any provision of law or regulation to the contrary, an insurer licensed to do business in this State shall be permitted to submit with an application for a certificate of ownership or salvage certificate of title a power of attorney executed electronically by a person who has received or is due to receive a total loss settlement from an insurer in a form and in a format to be prescribed by the chief administrator.

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

The chief administrator shall adopt regulations to implement the provisions of this subsection, and may prescribe the form and format of an electronically signed power of attorney and any additional security requirements the chief administrator deems necessary, including any

requirements to ensure that any power of attorney signed electronically complies with federal odometer disclosure requirements under 49 C.F.R. s.580.1 et seq.

2. This act shall take effect on the first day of the twelfth month following enactment.

Approved January 10, 2022.