

[Second Reprint]

SENATE, No. 2882

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED SEPTEMBER 14, 2020

Sponsored by:

Senator PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

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District 25 (Morris and Somerset)

SYNOPSIS

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

CURRENT VERSION OF TEXT

As reported by the Senate Commerce Committee on June 16, 2021, with amendments.



(Sponsorship Updated As Of: 10/8/2020)

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:*

6
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
41 by this paragraph shall be cause for the chief administrator to deny
42 issuance of a certificate of ownership or a salvage certificate of title.

43 (3) The application for a certificate of ownership or a salvage
44 certificate of title shall be made on a form prescribed by the chief
45 administrator and shall include proof of payment of the claim, proof

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:

¹Senate STR committee amendments adopted October 8, 2020.

²Senate SCM committee amendments adopted June 16, 2021.

1 that the insurer requested the certificate of ownership, and proof that
2 notice was provided, as required by paragraph (2) of this subsection, to
3 the owner and any lienholders of the motor vehicle. Failure to provide
4 the proof required by this paragraph shall be cause for the chief
5 administrator to deny issuance of a certificate of ownership or a
6 salvage certificate of title.

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

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

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

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

43 (2) The insurer shall provide notice by certified mail or
44 commercial courier whose regular business is delivery service and that
45 provides proof of delivery to the owner at least 30 days prior to
46 applying for a certificate of ownership or a salvage certificate of title
47 pursuant to this subsection. Failure to provide the notice required by

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

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

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

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

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

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

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

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

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

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

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

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

1 i. Notwithstanding any provision of law to the contrary, ¹the
2 chief administrator shall not require a notarized signature on the
3 certificate of ownership surrender statement, submitted pursuant to
4 subsection a. of this section, that is from a person¹ notarization of the
5 signature or electronic signature of the owner of a motor vehicle¹ who
6 has received or is due to receive a total loss settlement from an insurer,
7 ¹is not required on a power of attorney¹ or ¹on a¹ other¹ document
8 ¹authorizing the insurer or insurer's agent to act as power of attorney,
9 in order to obtain¹ supporting an application for¹ a certificate of
10 ownership or a salvage certificate of title ¹submitted by an insurer or
11 an agent of an insurer¹ Notwithstanding any provision of law or
12 regulation to the contrary, an insurer licensed to do business in this
13 State shall be permitted to submit with an application for a certificate
14 of ownership or salvage certificate of title a power of attorney
15 executed electronically by a person who has received or is due to
16 receive a total loss settlement from an insurer in a form and in a format
17 to be prescribed by the chief administrator.

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

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

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

29

30 2. This act shall take effect ²immediately on the first day of the
31 twelfth month following enactment².