

ASSEMBLY, No. 1274

STATE OF NEW JERSEY 220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

Sponsored by:

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SYNOPSIS

Requires MVC to establish system for salvage processors to electronically process salvage certificates of title.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning salvage certificates of title and amending
2 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
10 or suffered sufficient damage to render it economically impractical
11 to repair, the person in possession of the certificate of ownership for
12 the 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
22 certificate of ownership to the insurer within 30 days of the
23 payment of the claim, the insurer or an agent of the insurer may
24 apply to the chief administrator for a certificate of ownership or a
25 salvage certificate of title for the motor vehicle in the name of the
26 insurer without providing a certificate of ownership; provided that
27 the chief administrator determines that the issuance of a certificate
28 of ownership is appropriate, in accordance with the provisions of
29 P.L.1983, c.323 (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
32 this 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
37 subsection. The notice shall be sent by certified mail or commercial
38 courier whose regular business is delivery service and that provides
39 proof of delivery to the owner and any lienholders at the last known
40 address identified in the records of the commission. Failure to
41 provide the notice required by this paragraph shall be cause for the
42 chief administrator to deny issuance of a certificate of ownership or
43 a salvage certificate of title.

44 (3) The application for a certificate of ownership or a salvage
45 certificate of title shall be made on a form prescribed by the chief

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.

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

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

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

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

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

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

1 title pursuant to this subsection. Failure to provide the notice
2 required by this paragraph shall be cause for the chief administrator
3 to deny issuance of a certificate of ownership or a salvage
4 certificate of title.

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

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

18 e. (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 insurer obtains
21 the certificate of ownership for the vehicle, but it is not properly
22 assigned 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
25 of title, as appropriate, in the name of the insurer.

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

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

47 (4) Upon proper application, the chief administrator shall issue a
48 certificate of ownership or a salvage certificate of title, as

1 appropriate, in the name of the insurer. In the event the insurer sells
2 the motor vehicle, the insurer shall assign the certificate of
3 ownership or salvage certificate of title to the buyer.

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

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

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

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

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

47 h. (1) With respect to salvage certificates of title and
48 certificates of ownership issued pursuant to this section, the chief

1 administrator shall allow any salvage processor, whose primary
2 business is the sale of total loss motor vehicles on behalf of
3 insurers, to electronically submit applications for the issuance of
4 salvage certificates of title and certificates of ownership,
5 documentation supporting such applications, and any required fees.

6 (2) The chief administrator shall adopt a process for the
7 electronic issuance of salvage certificates of title and certificates of
8 ownership that allows the salvage processor to print salvage
9 certificates of title and certificates of ownership at the facility of the
10 salvage processor.

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

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13 2. This act shall take effect immediately but shall remain
14 inoperative until 180 days following enactment.

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STATEMENT

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19 This bill requires the Chief Administrator of the New Jersey
20 Motor Vehicle Commission to allow salvage processors to
21 electronically submit applications for the issuance of salvage
22 certificates of title and certificates of ownership, documentation
23 supporting those applications, and any required fees. The bill also
24 requires the chief administrator to allow salvage processors to print
25 salvage certificates of title and certificates of ownership at the
26 facility of the salvage processor.