

**SENATE, No. 2629**

**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

INTRODUCED MAY 16, 2022

**Sponsored by:**

**Senator PATRICK J. DIEGNAN, JR.**

**District 18 (Middlesex)**

**SYNOPSIS**

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

**CURRENT VERSION OF TEXT**

As introduced.



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  
8 read 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

**S2629 DIEGNAN**

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** subsections f. and i. of this section.

47 h. Notwithstanding any provision of law or regulation to the  
48 contrary, an insurer licensed to do business in this State shall be

1 permitted to submit with an application for a certificate of  
2 ownership or salvage certificate of title a power of attorney  
3 executed electronically by a person who has received or is due to  
4 receive a total loss settlement from an insurer in a form and in a  
5 format to be prescribed by the chief administrator.

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

9 The chief administrator shall adopt regulations to implement the  
10 provisions of this subsection, and may prescribe the form and  
11 format of an electronically signed power of attorney and any  
12 additional security requirements the chief administrator deems  
13 necessary, including any requirements to ensure that any power of  
14 attorney signed electronically complies with federal odometer  
15 disclosure requirements under 49 C.F.R. s.580.1 et seq.

16 i. (1) With respect to salvage certificates of title and  
17 certificates of ownership issued pursuant to this section, the chief  
18 administrator shall allow any salvage processor, whose primary  
19 business is the sale of total loss motor vehicles on behalf of  
20 insurers, to electronically submit applications for the issuance of  
21 salvage certificates of title and certificates of ownership,  
22 documentation supporting such applications, and any required fees.

23 (2) The chief administrator shall adopt a process for the  
24 electronic issuance of salvage certificates of title and certificates of  
25 ownership that allows the salvage processor to print salvage  
26 certificates of title and certificates of ownership at the facility of the  
27 salvage processor.

28 (cf: P.L.2021, c.360, s.1)

29

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

32

33

34

#### STATEMENT

35

36 This bill requires the Chief Administrator of the New Jersey  
37 Motor Vehicle Commission to allow salvage processors to  
38 electronically submit applications for the issuance of salvage  
39 certificates of title and certificates of ownership, documentation  
40 supporting those applications, and any required fees. The bill also  
41 requires the chief administrator to allow salvage processors to print  
42 salvage certificates of title and certificates of ownership at the  
43 facility of the salvage processor.