

39:10-31 to 39:10-37

LEGISLATIVE HISTORY CHECKLIST

NJSA: 39:10-31 to 39:10-37

("Salvage certificates of title"
- Certain Motor Vehicles)

LAWS OF: 1983

CHAPTER: 323

Bill No: A1301

Sponsor(s): Paterniti

Date Introduced: May 13, 1982

Committee: Assembly: Judiciary, Law, Public Safety and Defense

Senate: Law, Public Safety and Defense

Amended during passage: YES

Substituted for S3176 (not attached since identical to A1301). Assembly Committee Substitute (OCR) enacted. Amendments during passage denoted by asterisks.

Date of Passage: Assembly: April 25, 1983

Senate: June 27, 1983

Date of Approval: September 1, 1983

Following statements are attached if available:

Sponsor statement: YES

Committee statement: Assembly NO

Senate YES

Fiscal Note: YES

Veto Message: NO

Message on Signing: NO

Following were printed:

Reports: NO

Hearings: NO

Bill mentioned in sponsor's statement (s. 558 of 1980) reintroduced in 1982-83 as A1293, and enacted as L. 1983, c.368.

ASSEMBLY, No. 1301

STATE OF NEW JERSEY

INTRODUCED MAY 13, 1982

By Assemblyman PATERNITI

AN ACT concerning the licensing, certification or identification of certain persons engaged in the acquisition, transfer, disposal, or sale of salvage motor vehicles, supplementing Title 39 of the Revised Statutes, and repealing R. S. 39:11-1 to R. S. 39:11-11.

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

1 1. As used in this act:

2 a. "Distressed vehicle collector" means a person engaged in
3 the business of buying vehicles 7 or more model years old including
4 the current model year, for resale as a vehicle or major component
5 parts only to a salvage vehicle dealer or scrap processor.

6 b. "Major motor vehicle component part" or "component part"
7 means the following parts of any motor vehicle:

8 (1) engine;

9 (2) cowl;

10 (3) transmission;

11 (4) frame;

12 (5) each door;

13 (6) trunk floor;

14 (7) each front fender or each rear fender of a rear panel;

15 (8) front end assembly;

16 (9) rear clip; and

17 (10) any other parts of a motor vehicle designated by the
18 director.

19 c. "Mobile car crusher" means any person who engages in the
20 business of operating a transportable car crusher, but who does
21 not acquire ownership of the vehicles which he crushes.

22 d. "Salvage certificate of title" means a document issued by the
23 director which shall serve as proof of ownership for a vehicle and
24 shall provide a method of transfer of the vehicle as a salvage motor
25 vehicle.

26 e. "Salvage motor vehicle" means any motor vehicle which (1)
27 the owner conveys to a salvage vehicle dealer or scrap processor;
28 (2) is incapable of being operated on a highway and is sold for
29 parts or scrap to a salvage vehicle dealer, scrap processor, or other
30 persons; or (3) an insurance company declares economically im-
31 practical to repair because of collision or other damage and has
32 paid an agreed upon price for the purchase of the vehicle to an
33 insured or claimant, and after taking title, conveys ownership to
34 a salvage vehicle dealer or scrap processor.

35 f. "Salvage pool" means any person acting on behalf of the
36 owner or an insurance company who sells, offers for sale or solicits
37 bids for the sale of salvage vehicles or major motor vehicle com-
38 ponent parts of such vehicles, or displays or permits the display
39 of such vehicles or parts upon premises owned or controlled by
40 him, but who does not dismantle vehicles.

41-53 g. "Salvage vehicle dealer" means any person who is engaged
54 in the business of acquiring salvage motor vehicles solely for the
55 purpose of selling such vehicles or major motor vehicle component
56 parts thereof, and includes any business and any place of storage
57 or deposit adjacent to or visible from a State highway, which dis-
58 plays, or in or upon which there are displayed, to the public view,
59 two or more unregistered motor vehicles which, in the opinion of
60 the director, are unfit for reconditioning for use for highway trans-
61 portation, or used parts of motor vehicles or materials which have
62 been a part of a motor vehicle, the sum of which parts or material
63 shall, in the judgment of the director, be equal in bulk to two or
64 more motor vehicles.

65 h. "Scrap collector" means any person, other than a governmen-
66 tal agency, whose primary business is the collection of miscellaneous
67 scrap for disposal, who may as an incident of such business collect
68 motor vehicles 7 or more model years old including the current
69 model year or major motor vehicle component parts of such
70 vehicles as scrap.

71 i. "Scrap processor" means any person who, from a fixed location,
72 utilizes machinery and equipment for processing and manufactur-
73 ing iron, steel, or non-ferrous metallic scrap, which is or has been a
74 motor vehicle or component part, into prepared grades for sale for
75 remelting purposes.

76 j. "Vehicle dismantler" means any person who is engaged in the
77 business of acquiring major motor vehicle component parts for the
78 purpose of resale or acquiring motor vehicles for the purpose of
79 dismantling for the resale of major motor vehicle component parts
80 or vehicles as scrap.

81 k. "Vehicle rebuilder" means any person engaged in the business
82 of repairing damaged motor vehicles or acquiring them for the
83 purpose of resale.

1 2. No person shall engage in the business of or operate as a
2 vehicle dismantler, salvage pool, mobile car crusher, vehicle re-
3 builder, salvage vehicle dealer, or scrap collector unless licensed
4 under the provisions of section 3 of this act.

1 3. An application for a license as a vehicle dismantler, salvage
2 pool, mobile car crusher, vehicle rebuilder, salvage vehicle dealer,
3 or scrap collector shall be made to the director on a form pre-
4 scribed by him which shall contain the name and address of the
5 applicant and the names and addresses of all persons having a
6 financial interest in the business. The application shall contain a
7 listing, if any, of all convictions for any designated crimes, offenses,
8 or violations by the applicant or by any other person required to
9 be named in the application. The applicant shall list therein all
10 such convictions whether he was convicted in this State or in any
11 jurisdiction, including the United States, either having crimes,
12 offenses, or violations of a substantially similar nature to those
13 designated for this State, or having crimes, offenses, or violations
14 containing one or more elements which the director determines
15 would otherwise adversely reflect on fitness to hold a license pur-
16 suant to this act. The director shall promulgate a list of designated
17 crimes, offenses and violations, either individually or by class or
18 grade of offense, the conviction of which he determines would
19 adversely reflect on fitness to hold a license pursuant to this act.
20 The application shall contain the business address of the applicant
21 and any other information required by the director. Any person
22 licensed under this act may also be licensed as a dealer under R. S.
23 39:10-19. However, a separate license is required for each activity.

1 4. The director shall determine the annual fee for obtaining a
2 license under this act. Upon approval of an application, an appro-
3 priate license shall be issued for a period of 1 year, renewable
4 annually.

1 5a. Except as otherwise provided, no license shall be issued or
2 renewed unless the applicant has an established place of business,
3 as determined by the director, at which the activity requiring
4 licensing is performed which conforms to all State laws and to all

5 local laws or ordinances and the applicant and all persons having
6 a financial interest in the business have been determined by the
7 director to be fit persons to engage in such business. The director
8 may issue a temporary license for no more than 90 days pending
9 final investigation of an application.

10 b. The provision of subsection a. of this section requiring a
11 place of business at which the activity requiring a license is per-
12 formed shall not apply to a mobile car crusher.

13 c. Notwithstanding the provisions of subsection a. of this section,
14 the director may issue a license for a salvage vehicle dealer to
15 an applicant who may not comply with local laws relating to zoning
16 provided that the applicant has engaged in business at that location
17 as a vehicle dismantler prior to the effective date of this act. The
18 issuance of a license shall not be a defense with respect to any
19 action brought with respect to violation of local law.

1 6a. Every person required to be licensed under this act shall
2 maintain a record of all motor vehicles and major motor vehicle
3 component parts coming into his possession together with a record
4 of the disposition of motor vehicles or component parts. Records
5 shall be maintained in a manner and form prescribed by the director
6 and shall include proof of ownership for any motor vehicle or
7 component part in the licensee's possession. Any person who is
8 licensed under this act for more than one activity shall maintain
9 separate records for each activity. The director may, by regulation,
10 exempt vehicles or component parts from all or a portion of the
11 record keeping requirements based upon the age of the vehicle
12 or component parts if he finds that such record keeping serves no
13 useful purpose. Upon request of an agent of the director or of any
14 police officer, a licensee shall produce such records and permit
15 the agent or police officer to examine them, and any vehicles or
16 component parts on the premises during business hours. The
17 failure to produce records or to permit inspection as required by
18 this section is a crime of the fourth degree. In addition, if a licensee
19 fails to produce records and permit their inspection or that of
20 vehicles or component parts, an agent of the director or any police
21 officer may seize and take possession of the vehicles or component
22 parts and hold and dispose of them in accordance with rules and
23 regulations adopted by the director.

24 b. Every person subject to the licensing provisions of this act
25 shall display a sign, including his license number and other in-
26 formation prescribed by the director, at his place of business, and
27 his license number in all advertising, including business cards, and
28 shall display evidence of a license upon any vehicle used by him

29 for the purpose of transporting vehicles or parts of vehicles, in
30 accordance with regulations prescribed by the director. The
31 director may, by regulation, require a licensee to identify major
32 motor vehicle component parts of vehicles which come into his
33 possession by stamping or tagging in a manner and form which
34 would serve to identify the licensee who acquires or transfers the
35 component part, and which would additionally serve to identify
36 the motor vehicle from which the component part was removed.
37 The failure to display a license number as provided for in this
38 section shall be a violation punishable by a fine not to exceed
39 \$500.00.

40 c. The unauthorized use of a legitimate license number or the
41 use of a false license number in the instances specified in this
42 section or a violation of any regulation promulgated pursuant to
43 this section is a crime of the fourth degree.

1 7a. A license may be suspended or revoked, or renewal of a
2 license refused upon conviction of any provision of law, any false
3 statement in an application for a license, any violation of section
4 6 of this act, or after the licensee has had an opportunity to be
5 heard upon any change of status of the licensee which would have
6 resulted in refusal to issue a license.

7 b. The director, in addition to or in lieu of revoking or suspending
8 the license may require the licensee to pay a civil penalty in a sum
9 not exceeding \$500.00 for each violation.

10 The penalty shall be enforced and collected by the director in a
11 summary proceeding in accordance with the "penalty enforcement
12 law" (N. J. S. 2A :58-1 et seq.).

1 8. a. The person in charge of a garage or repair shop shall apply
2 to the director for certification to dispose of motor vehicles or
3 major motor vehicle component parts as scrap to a person licensed,
4 certified, or issued an identification number under this act. Upon
5 certification, the shop shall maintain records of disposition of such
6 scrap in a manner prescribed by the director. Upon request of an
7 agent of the director or of any police officer, a repair shop shall
8 produce the records and permit the agent or police officer to inspect
9 them, subject to the record keeping requirements of section 6 of
10 this act, and any vehicles or component parts during business
11 hours. The failure to produce such records as required by this
12 section is a crime of the fourth degree. In addition, if the person
13 fails to produce the records and permit their inspection or that of
14 any vehicles or component parts, an agent of the director or any
15 police officer may seize and take possession of the vehicles or com-
16 ponent parts and hold and dispose of them in accordance with rules

17 and regulations adopted by the director. The director shall deter-
18 mine the annual fee for obtaining a certificate under this subsection.

19 b. Every scrap processor shall apply to the director for certifica-
20 tion to purchase or acquire motor vehicle scrap in a manner pre-
21 scribed by the director. Every scrap processor shall maintain
22 records by weight, as prescribed by the director, of all motor vehicle
23 scrap purchased or acquired, as well as the following information:
24 the date of acquisition, the name and address of the person from
25 whom the motor vehicle scrap was acquired, and, except where
26 purchased from a person licensed or certified by this act, whether:

27 (1) A certificate of title or salvage certification of title was
28 obtained, or

29 (2) The proper ownership documents were surrendered to the
30 director,

31 by the person from whom the motor vehicle scrap was obtained.

32 Upon request of an agent of the director or of any police officer,
33 a scrap processor shall produce the records and permit the agent
34 or police officer to inspect them and any scrap during business
35 hours. The failure to produce such records as required by this
36 section is a crime of the fourth degree. In addition, if a scrap
37 processor fails to produce the records and permit their inspection
38 or that of any scrap, an agent of the director or any police officer
39 may seize and take possession of the scrap and hold and dispose
40 of it in accordance with rules and regulations adopted by the
41 director. The director shall determine the annual fee for obtaining
42 a certificate under this subsection.

1 9. A person doing business in this State in material identified
2 either as salvage motor vehicles or component parts, or both, and
3 which has not been processed into prepared grades of scrap who
4 does not have a place of business in this State, but has a place of
5 business or engages in such business in another state or province
6 of Canada and who would be required to be licensed or certified
7 pursuant to this act if he were in this State, shall apply to the
8 director for an identification number in a manner prescribed by
9 the director. The identification number shall be issued provided
10 that the person complies with all the laws and regulations of the
11 jurisdiction in which he has his principle place of business and
12 operates in accordance with the requirements of this State appli-
13 cable to such business. The director shall determine the annual
14 fee for obtaining an identification number under this section.

1 10. Every person who is certified or who has been issued an
2 identification number by the director shall display or possess the
3 certification or identification number upon or within any vehicle

4 used by him for the business of transporting vehicles or parts of
5 vehicles, in accordance with regulations prescribed by the director.
6 The failure to display or possess the certification or identification
7 number as provided for in this section shall be in violation punish-
8 able by a fine not to exceed \$500.00.

1 11. A certification or identification number issued under sections
2 8 and 9 of this act may be suspended or revoked upon conviction
3 of any provision of law, any false statement made in connection
4 with the issuance of an identification number or certification, any
5 violation of record keeping requirements or regulations promul-
6 gated by the director with respect to this act, or after the holder
7 has had an opportunity to be heard upon any change in status of
8 the holder which would have resulted in refusal to issue an
9 identification number or certification.

1 12. No person shall purchase any material which may have been
2 a motor vehicle or a component part of a vehicle, if recognizable as
3 such, from any person other than a dealer, an insurance company, a
4 governmental agency, a person in whose name a certificate of title
5 or other ownership document as determined by the director has
6 been issued for such vehicle, a certified garage or repair shop or a
7 person issued an identification number under this act. A violation
8 of this section is a crime of the fourth degree.

1 13. a. Whenever a person licensed or certified under this act
2 acquires a motor vehicle 6 model years or younger which has been
3 sold or otherwise disposed of for salvage, the person shall deliver
4 a statement on a form and in a manner prescribed by the director
5 concerning the acquisition to the director as provided in this sub-
6 section. The person shall deliver the certificate of title or any other
7 ownership documents as determined by the director relating to the
8 motor vehicle properly endorsed by the transferor to the person
9 and notices of release of security interest from any lien holder
10 whose lien has been satisfied to the director with the required state-
11 ment of acquisition within 10 days from the date of acquisition.
12 The director shall issue a salvage certificate of title to the person.
13 The provisions of this subsection shall not apply to a vehicle for
14 which a statement of acquisition has previously been submitted
15 to the director pursuant to this subsection.

16 b. Whenever a person not licensed or certified under this act
17 acquires ownership of a motor vehicle which has been sold or other-
18 wise disposed of as salvage or which is to be dismantled for use
19 other than as a motor vehicle, such person shall deliver a statement
20 concerning the acquisition to the director as provided in subsection
21 a. of this section. The person shall deliver the certificate of title

22 and any other ownership document as determined by the director
23 relating to the motor vehicle properly endorsed by the transferor to
24 the person and notices of release of security interest from any
25 lienholder whose lien has been satisfied to the director with the
26 required statement of acquisition and the director shall issue a
27 salvage certificate of title to the person, except that the provisions
28 of this subsection shall not apply to a vehicle which has been trans-
29 ferred to the person by means of a document issued pursuant to
30 subsection a. of this section or to a scrap processor by a person
31 licensed or certified under this act.

1 14a. When an insurance company, any person licensed or certified
2 under this act, or any other person submits a statement of acquisi-
3 tion to the director for a salvage motor vehicle, as provided in
4 section 13 of this act, such insurance company, licensee, person
5 certified, or other person shall prepare and distribute a statement
6 of acquisition in accordance with regulations promulgated by the
7 director. A salvage certificate of title shall serve as proof of owner-
8 ship for the vehicle and shall provide a method of transfer of the
9 vehicle as a salvage motor vehicle and may serve as an application
10 for title if the vehicle is subsequently rehabilitated or repaired for
11 the purpose of being operated upon the public highways. A
12 certification of title or registration plates shall not be issued
13 for a vehicle for which a salvage certificate of title was issued
14 unless a specially trained official designated by the director certifies
15 that the vehicle identification number has been examined as to its
16 accuracy, the applicant has proof of ownership of repair parts
17 used, certification accompanies the application for a certificate to
18 title, and an appropriate fee, as determined by the director, is paid
18A to the Division of Motor Vehicles for inspection of the vehicle.

19 b. No person shall sell or advertise for sale or solicit a bid for
20 the purchase of a salvage motor vehicle without notifying any
21 prospective purchaser or bidder of the existence or non-existence
22 of any security interest with respect to the salvage vehicle. If a
23 security interest exists with respect to the vehicle, the name or
24 names and address or addresses of the secured party or parties
25 must also be provided to the prospective purchaser or bidder.

1 15. Any person who crushes a motor vehicle shall crush it so
2 that the vehicle identification number plate cannot be readily
3 removed. The last title owner of a crushed motor vehicle shall
4 surrender to the director the proper ownership documents, as
5 determined by the director, and shall present to the person purchas-
6 ing or acquiring the crushed vehicle, on a form and in a manner
7 prescribed by the director, proof that he has surrendered the proper

8 ownership documents to the director. For purposes of this section,
 9 a "crushed motor vehicle" means a vehicle destroyed or dismantled
 10 in such a manner that the vehicle loses its character as a motor
 11 vehicle and is not the motor vehicle described on the certificate of
 12 ownership.

1 16. Any forms or documents used in conjunction with this act
 2 shall be in a form prescribed by the director and shall set forth
 3 a complete description of the motor vehicle, the name and address
 4 of the person to whom the motor vehicle was sold or transferred or
 5 from whom the motor vehicle was acquired together with any other
 6 information deemed necessary or desirable by the director to
 7 effectuate the provisions and purposes of this act. Any statement,
 8 document or item required to be delivered to the director by any
 9 provision of this act shall be deemed to have been delivered when
 10 it has been either personally delivered or sent by mail to the office
 11 of the director at the address designated by him.

1 17. The director shall prescribe rules and regulations necessary
 2 to carry out the provisions of this act.

1 18. The "Motor Vehicle Junk Law" (R. S. 39:1-1 to R. S.
 2 39:11-11) is repealed.

1 19. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to reduce the incidence and prevalence of motor vehicle thefts which, in addition to the loss of one's vehicle, also directly affect automobile insurance premiums for comprehensive coverage. Furthermore, police officials are forced to spend much of their valuable time investigating motor vehicle thefts. One of the major sources of stolen vehicles and stolen parts involves vehicles which are disposed of as salvage vehicles. This bill attempts to curb the sources of illegal vehicles and major motor vehicle component parts, as defined in this bill.

The various businesses which are engaged in dismantling or scrapping vehicles and parts thereof would be licensed under this bill and required to operate in a manner conducive to good business practices while making it extremely difficult for a person to profitably transfer a stolen vehicle or stolen part. The general scheme is to identify every person who may legitimately be involved in the operation and to provide a record keeping system which will enable salvage motor vehicles and parts thereof to be traced back to the last legitimately registered or titled owner.

Since all businesses engaged in dismantling or scrapping vehicles would be licensed and regulated under this bill, the "Motor Vehicle Junk Law" (R. S. 39:11-1 to R. S. 39:11-11) would be superseded by this bill and a provision repealing R. S. 39:11-1 to R. S. 39:11-11 is provided in this bill.

This bill is a companion bill to Senate Bill No. 558 of 1980, now pending in the Legislature, which requires the identification of major motor vehicle component parts.

FISCAL NOTE TO
ASSEMBLY, No. 1301

STATE OF NEW JERSEY

DATED: SEPTEMBER 17, 1982

Assembly Bill No. 1301, of 1982, would provide for licensing of individuals engaged in the acquisition, transfer, disposal or sale of salvage motor vehicles. A companion and interdependent Assembly Bill No. 1293, of 1982, (now pending before the Legislature) would provide that all major motor vehicle component parts have an identification number.

The Department of Law and Public Safety indicates fiscal effect on both bills as follows:

	1st year	2nd year	3rd year
Expenditures	\$1,911,226.00	\$1,674,706.00	\$1,874,403.00
Less: license revenue	600,000.00	600,000.00	600,000.00
Net Deficit	\$1,311,226.00	\$1,074,706.00	\$1,174,403.00

The above department estimates are based on the current Reinspection Program which is administered by the Division of Motor Vehicles, and, the fact that the salvage program will be 1½ times larger than the number of handlings in the Reinspection Program. The above figures include the initial purchase of 60 vehicles, and staff equipment.

The department further notes that no provisions have been made in the Salvage Bill, Assembly Bill No. 1301, to charge a fee for the issuance of salvage titles. A fee of \$5 per salvage title will cover the anticipated deficit if this and its companion bills are enacted.

The Office of Legislative Services concurs.

In compliance with written request received, there is hereby submitted a fiscal estimate for the above bill, pursuant to P. L. 1980, c. 67.

ASSEMBLY COMMITTEE SUBSTITUTE FOR

ASSEMBLY, No. 1301

STATE OF NEW JERSEY

ADOPTED APRIL 11, 1983

Sponsored by Assemblyman PATERNITI

AN ACT concerning salvage certificates of title for motor vehicles
and supplementing chapter 10 of Title 39 of the Revised Statutes.

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

1 1. As used in this act "salvage certificate of title" means a
2 document issued by the Director of the Division of Motor Vehicles
3 which serves as proof of ownership of a motor vehicle and provides
4 a method of transfer of the vehicle only as a salvage motor vehicle.

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

7 b. The director shall issue a salvage certificate of title to a
8 person who surrenders a certificate of ownership pursuant to
9 subsection a. of this section.

1 3. If a motor vehicle reported as being stolen is subsequently
2 recovered, a certificate of ownership for the vehicle which had been
3 surrendered to the director by a person pursuant to subsection a.
4 of section 2 of this act may be issued by the director to that person
5 only if:

6 a. The person presents to the director a salvage certificate of
7 title for the motor vehicle;

8 b. The person presents to the director a report from the law
9 enforcement agency which recovered the vehicle; and

10 c. The vehicle passes an inspection at a State inspection facility
11 to determine the accuracy of its vehicle identification number.

1 4. If a motor vehicle which has suffered sufficient damage to
2 render it economically impractical to repair is subsequently re-
3 paired, a certificate of ownership for the vehicle may be issued
4 to a person only if:

5 a. The person presents to the director a salvage certificate of
6 title;

7 b. The repaired vehicle passes an inspection at a State inspection
8 facility to determine the accuracy of its vehicle identification
9 number;

10 c. The person submits proof of ownership of repair parts used to
11 the director; and

12 d. The person complies with any other requirement the director
13 deems appropriate.

1 5. The director shall establish a fee for the inspections required
2 under sections 3 and 4 of this act. The fees shall be deposited in a
3 non-lapsing fund which is dedicated to the administration of this
4 act.

1 6. If a motor vehicle has been issued a salvage certificate of
2 title, or similar document, by another state, that vehicle may be
3 issued a certificate of ownership pursuant to sections 3 or 4 of
4 this act.

1 7. The director shall promulgate rules and regulations pursuant
2 to the "Administrative Procedure Act," P. L. 1968, c. 410 (C.
3 52:14B-1 et seq.) he deems advisable to effectuate the purposes
4 of this act.

1 8. This act shall take effect on the ninetieth day following
2 enactment.

STATEMENT

This bill would mandate that if a motor vehicle is reported stolen or is damaged beyond economical repair the person in possession of the certificate of ownership to that vehicle shall surrender the certificate of ownership to the director. The director would then issue a salvage certificate of title to the person. This process permits the Division of Motor Vehicles to recall the certificate of ownership but allows the owner to transfer the vehicle using the salvage certificate.

At the present time, if a motor vehicle is stolen, the certificate of ownership is usually retained by the person who has title to the stolen vehicle. This practice can lead to abuses, such as using the certificate of ownership to register another vehicle of the same make and year.

Under this bill if a stolen motor vehicle is subsequently recovered, a person may apply for a certificate of ownership. The applicant must thereupon present his salvage certificate of title along with the report of the law enforcement agency which recovered the vehicle. Additionally the applicant must have the vehicle inspected to determine the accuracy of its vehicle identification number.

The bill also provides that if a severely damaged vehicle is repaired using parts from other vehicles, among other requirements, the person applying for a new certificate of ownership must also have the car inspected by an official designated by the director to determine if the vehicle has the proper vehicle identification number. There will be special fees for inspections conducted pursuant to this act.

Penalties for violations of this act would be provided by R. S. 39:10-24 which provides for fines of up to \$2,000.00 or jail sentences not exceeding two years.

The purpose of this bill is to prevent fraud involving certificates of ownership. Additionally, this bill is supported by New Jersey Auto Salvage Association, the Institute of Scrap Iron and Steel, the Automobile Rebuilders Association, and the New Jersey Automobile Dealers Association (NJADA).

SENATE LAW, PUBLIC SAFETY AND DEFENSE
COMMITTEE

STATEMENT TO
ASSEMBLY COMMITTEE SUBSTITUTE FOR

ASSEMBLY, No. 1301

with Senate committee amendments

STATE OF NEW JERSEY

DATED: JUNE 20, 1983

The purpose of Assembly Committee Substitute for Assembly Bill No. 1301, as amended by the Senate Law, Public Safety and Defense Committee, is to prevent fraud involving the certificates of ownership of motor vehicles that are stolen or damaged beyond repair.

Assembly Committee Substitute for Assembly Bill No. 1301 would require that if a motor vehicle is reported to be stolen or is damaged beyond the point where it is economical to repair it, the person in possession of the certificate of ownership to that vehicle would be required to surrender the certificate of ownership to the Director of the Division of Motor Vehicles, who would then issue to the person a salvage certificate of title. This process permits the Division of Motor Vehicles to recall the certificate of ownership while still allowing the owner to transfer the vehicle using the salvage certificate.

At the present time, if a motor vehicle is stolen, the certificate of ownership is usually retained by the person who has title to the stolen vehicle. This practice can lead to abuses, such as using the certificate of ownership to register another vehicle of the same make and year.

Under this bill if a stolen motor vehicle is subsequently recovered, a person may apply for a certificate of ownership. The applicant must thereupon present his salvage certificate of title along with the report of the law enforcement agency which recovered the vehicle. Additionally the applicant must have the vehicle inspected to determine the accuracy of its vehicle identification number.

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Penalties for violation of this act would be provided by R. S. 39:10-24 which provides for fines of up to \$2,000.00 or jail sentences not exceeding two years.

The committee amended the bill to require the director to determine ownership of the vehicle before issuing a salvage certificate of title to a person who surrenders a certificate of ownership; and to authorize the director to designate a special inspector other than an inspector at a State inspection facility to determine the accuracy of the vehicle identification number.

[SENATE REPRINT]
ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 1301

STATE OF NEW JERSEY

ADOPTED APRIL 11, 1983

Sponsored by Assemblyman PATERNITI

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4 a method of transfer of the vehicle only as a salvage motor vehicle.

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

7 b. The director*, *after determining ownership,** shall issue a
8 salvage certificate of title to a person who surrenders a certificate
9 of ownership pursuant to subsection a. of this section.

1 3. If a motor vehicle reported as being stolen is subsequently
2 recovered, a certificate of ownership for the vehicle which had been
3 surrendered to the director by a person pursuant to subsection a.
4 of section 2 of this act may be issued by the director to that person
5 only if:

6 a. The person presents to the director a salvage certificate of
7 title for the motor vehicle;

8 b. The person presents to the director a report from the law
9 enforcement agency which recovered the vehicle; and

10 c. The vehicle passes an inspection at a State inspection facility
11 to determine the accuracy of its vehicle identification number.

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 printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Senate committee amendments adopted June 20, 1983.

[OFFICIAL COPY REPRINT]
ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 1301

STATE OF NEW JERSEY

ADOPTED APRIL 11, 1983

Sponsored by Assemblyman PATERNITI

AN ACT concerning salvage certificates of title for motor vehicles
and supplementing chapter 10 of Title 39 of the Revised Statutes.

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

1 1. As used in this act "salvage certificate of title" means a
2 document issued by the Director of the Division of Motor Vehicles
3 which serves as proof of ownership of a motor vehicle and provides
4 a method of transfer of the vehicle only as a salvage motor vehicle.

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

7 b. The director*, *after determining ownership,** shall issue a
8 salvage certificate of title to a person who surrenders a certificate
9 of ownership pursuant to subsection a. of this section.

1 3. If a motor vehicle reported as being stolen is subsequently
2 recovered, a certificate of ownership for the vehicle which had been
3 surrendered to the director by a person pursuant to subsection a.
4 of section 2 of this act may be issued by the director to that person
5 only if:

6 a. The person presents to the director a salvage certificate of
7 title for the motor vehicle;

8 b. The person presents to the director a report from the law
9 enforcement agency which recovered the vehicle; and

10 c. The vehicle passes an inspection at a State inspection facility
11 to determine the accuracy of its vehicle identification number.

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 printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Senate committee amendments adopted June 20, 1983.

1 4. If a motor vehicle which has suffered sufficient damage to
2 render it economically impractical to repair is subsequently re-
3 paired, a certificate of ownership for the vehicle may be issued
4 to a person only if:

5 a. The person presents to the director a salvage certificate of
6 title;

7 b. The repaired vehicle *~~passes an inspection at a State inspec-~~
8 ~~tion facility]~~* *is inspected by an official specially designated by*
9 *the director** to determine the accuracy of its vehicle identification
9A number;

10 c. The person submits proof of ownership of repair parts used to
11 the director; and

12 d. The person complies with any other requirement the director
13 deems appropriate.

1 5. The director shall establish a fee for the inspections required
2 under sections 3 and 4 of this act. The fees shall be deposited in a
3 non-lapsing fund which is dedicated to the administration of this
4 act.

1 6. If a motor vehicle has been issued a salvage certificate of
2 title, or similar document, by another state, that vehicle may be
3 issued a certificate of ownership pursuant to sections 3 or 4 of
4 this act.

1 7. The director shall promulgate rules and regulations pursuant
2 to the "Administrative Procedure Act," P. L. 1968, c. 410 (C.
3 52:14B-1 et seq.) he deems advisable to effectuate the purposes
4 of this act.

1 8. This act shall take effect on the ninetieth day following
2 enactment.

OFFICE OF THE GOVERNOR

RELEASE: IMMEDIATE

CONTACT: PAUL WOLCOTT

SEP 12 1983

THURSDAY, SEPTEMBER 1, 1983

185 W. State Street
Trenton, N. J.

Governor Thomas H. Kean has signed the following bills:

A-1515, sponsored by Assemblywoman Catherine A. Costa, D-Burlington, which consolidates 56 separate existing laws into a single act governing the operation of State Parks and Forests.

A-3396, sponsored by Assemblyman Willie Brown, D-Essex, which amends the New Jersey Local Development Financing Fund Act to include a county development corporation as a project sponsored with the approval of the county government.

A-3265, sponsored by Assemblyman John S. Watson, D-Mercer; which validates certain transfer of title in lands and buildings to War Memorial Commissions. The bill will permit the State to convey title to the land occupied by the Trenton War Memorial Building to the Trenton and Mercer County War Memorial Commission.

A-1301, sponsored by Assemblyman Thomas H. Paterniti, D-Middlesex, which provides for salvage certificates of title for stolen and destroyed motor vehicles. The bill is intended to prevent the use of regular certificates of title from being used to register stolen vehicles after the original vehicle has been stolen or wrecked. It requires the owner of a stolen or wrecked vehicle to turn in the regular certificate in exchange for a "salvage" certificate. Should a stolen vehicle be recovered, the owner can obtain a new certificate of title by turning in the salvage certificate.

A-201, sponsored by Assemblyman Edward K. Gill, R-Union, which permits county clerks to destroy county court records if the records are more than 25 years old and form no part of an enforceable judgment.

~~these~~