

## **Abandoned or Sunken Vessels Disposition Law**

By Steven J. Corodemus, Giordano, Halleran & Ciesla, P.C.

“I’m from Trenton and I am here to help you” is a phrase that has caused many business owners in the State of New Jersey concern and disbelief. However, this news from Trenton for marina owners may in fact be good. Effective November 2008, the New Jersey Legislature amended the 1975 Abandoned Vessels Disposition Law N.J.S.A. 12C-7. It will now be known as the Abandoned or Sunken Vessels Disposition Law. The hallmark of these welcomed revisions is that marina owners no longer have to wait six months before taking action to dispose of a abandoned or sunken vessel.

After seven days an abandoned or sunken vessel may be impounded, moved and stored in a secure impound area by the appropriate person under the revised statute *if* that person has reason to believe the vessel has been abandoned. The marina owner must also notify New Jersey Motor Vehicle commission (MVC) by filing an incident report.

The revisions further provide that if a vessel owner fails to claim its abandoned or sunken vessel and pay any storage, moving cost, charges or fines within thirty days notice, marina owners can apply to the MVC to become the title owner. It should be noted that these helpful revisions to the law apply to both private and public marinas. Additionally, the definition of “vessel” has been expanded to include boat trailers.

To acquire title, proper notification must be given to the vessel owner and lien holder of record. Proper notification consists of a specific notice delivered by registered mail and by

publication in a newspaper. Failure by the vessel owner or lien holder to claim ownership and pay monies owed within the notice period shall be *prima facie* evidence of abandonment. Application can then be made to MVC to acquire title to the vessel. Pursuant to the new revisions, abandoned vessel owners or lien holders would be responsible for payment of the moving costs and storage charges. Once title is acquired the new owner can sell the vessel or its parts or destroy and dispose of the vessel. In either case the new owner must notify MVC of the disposition of the newly acquired vessel. The acquisition of title divests not only the owner's interests but any interest of the lien holder.

The new changes encourage marina owners to have a municipal ordinance adopted requiring transient vessel registration. The ordinance must require marina owners to affix notices throughout the marina about the vessel registration requirement and to designate a secure holding area for impounded vessels. Adoption of such an ordinance also empowers the municipality to seek a civil penalty in amount not to exceed \$1,250 for each day the vessel is abandoned in the marina. If collected, the civil penalty monies remain in the municipality's coffers.

The MVC has a "kit" for marina owners interested in acquiring title to the abandoned vessels. The kit contains detailed instructions and duplicate original forms that must be used for the title acquisition process, including the vessel title application form, lien holder search form and the abandoned vessel notice. The costs for acquiring title are born by the marina owner. It should be noted that MVC has not updated its forms. The forms still reference the old law's six month abandonment period. MVC hopefully, will be updating its forms and new regulations for the implementation and enforcement of the revisions in the future.

The new changes in the law are remedies in addition to filing suit against the vessel owner for a money judgment.

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