

For the foregoing reasons we advise you that the engagement or association of state medical examiners with insurance companies or affiliates of companies which write workmen's compensation insurance should be prohibited. This may be accomplished by regulation. It need not be a part of the rules of practice before the agency but could be a part of the internal regulations of the division.

Yours very truly,

GROVER C. RICHMAN, JR.  
*Attorney General*

By: JOHN F. CRANE  
*Deputy Attorney General*

JFC:jeb

MARCH 15, 1956

HON. FREDERICK J. GASSERT, JR.  
*Director, Division of Motor Vehicles*  
State House  
Trenton, New Jersey

FORMAL OPINION, 1956—No. 5

DEAR DIRECTOR GASSERT:

You have advised us that:

"Ever since license plates have been manufactured at the State Prison, it has been the practice of the Motor Vehicle Division to advise the State Use Industries in the Department of Institutions and Agencies well in advance of the Motor Vehicle Division's requirements for new plates or inserts. Many months ago we advised the State Use Industries that we would want a new general issue of plates, the first supply of which were to be available in June of 1956. Already, 110,000 sets of these plates have been manufactured. The ordering of the dies, of the material and paint for the plates was all made by the State Use Industries through the Division of Purchase and Property.

"The Appropriations Committee on Thursday last questioned the legality of this procedure noting that the appropriation request to pay for these plates was in the budget for the fiscal year 1956-1957."

You have requested an opinion whether or not this procedure is in any way illegal or not in conformity with the existing statutes.

It is our opinion that you have correctly conformed with the proper statutory procedure and that your actions were legal and proper.

R.S. 30:4-92 to 100, originally adopted in 1918 (P.L. 1918, c. 147, Secs. 701-709), provides a comprehensive scheme by which institutional labor may be employed to manufacture products that can be used by various State agencies. This program is under the supervision of the State Board of Control of the Department of Institutions and Agencies, which through its State Use Division has in previous years manufactured license plates which are required by the provisions of Title 39 to be displayed by every motor vehicle registered in this State.

R.S. 30:4-95 states that:

"The several state and county institutions and noninstitutional agencies,

the several counties and all departments and agencies of the state shall purchase from the state board all articles or supplies manufactured or produced by institutional labor which are needed by them and shall not purchase any such supplies or articles from another source unless the state board shall first certify on requisition made to it that it cannot furnish the same or the equivalent thereof. The state board as far as practicable shall honor all requisitions."

and, R.S. 30:4-96 provides that:

"At least thirty days before the commencement of each state fiscal year, the proper officials of each institution, noninstitutional agency, department or agency of the state or the counties thereof, shall report to the state board estimates for the ensuing year of the amount of supplies of different kinds required by them, which shall refer to the catalogue issued by the state board, in so far as the articles indicated are included within such catalogue. No purchasing agency shall be allowed to evade the intent and meaning of this article by specifying slight variations from the standards adopted by the state board, when the articles provided by it in accordance with its standards are reasonably adapted to the actual needs of the purchasing agency."

Pursuant to the above section, you held numerous conferences with the State Use Division regarding your requirements for license plates which you intended to use beginning June, 1956. Furthermore, we have been informed that the State Use Division, by prior experience, would require approximately seventy-five weeks of normal production to fill the demand for these plates during the fiscal year commencing July 1, 1956 and approximately fifteen weeks to complete requirements needed in the first quarter of that fiscal year. We understand that these plates are manufactured and kept on an inventory basis by the State Use Division and when needed, are purchased by the Division of Motor Vehicles out of available appropriations.

Clearly, no funds have been expended by you in excess of your appropriations or amount limited by law. You have simply advised the State Use Division, as required by statute, of your forthcoming needs.

R.S. 30:4-100 provides a method by which the expenses incurred by the State Use Division to manufacture products may be underwritten prior to the time of actual purchase and use by an agency which has complied with the provisions of R.S. 30:4-95 and 96. Under this section, a working capital fund is maintained on a revolving basis. This fund is supported by direct appropriations from the Legislature, by proceeds from sales to private persons under certain conditions pursuant to R.S. 30:4-97, and by moneys transferred into this fund on a debit and credit arrangement from appropriations made available to agencies for which such products have been manufactured.

In this instance, the working capital fund bears the cost of the manufacture of the license plates. No delivery is made until the Division of Motor Vehicles is prepared to and does reimburse the State Use Division out of such funds as are appropriated for this purpose by the Legislature.

If the Legislature fails to appropriate the necessary funds with which to pay for the license plates, the State Use Division may hold the plates in inventory until

such time as the Legislature does make an appropriation to the Division of Motor Vehicles to consummate the purchase.

Very truly yours,

GROVER C. RICHMAN, JR.  
*Attorney General*

By: DAVID M. SATZ, JR.  
*Deputy Attorney General*

DMS:kms

MARCH 22, 1956

HONORABLE JOSEPH E. McLEAN  
*Commissioner of Conservation and Economic Development*  
State House Annex  
Trenton, New Jersey

FORMAL OPINION, 1956—No. 6

DEAR COMMISSIONER McLEAN:

Our recent Formal Opinion (1955) No. 45 has prompted an inquiry from your department as to its effect on Formal Opinion (1949) No. 41. The 1949 opinion traced the history of the predecessors of the Planning and Development Council and concluded (we think erroneously) that the Council continued to possess the powers that had been possessed by its predecessors. Your request is directed to the questions designated as numbers 4 and 5 in Formal Opinion (1949) No. 41. The question, and the answers given, were:

"4. Whether they function in the matter of waterfronts and jetty improvements?

The answer is "Yes".

5. Do they have any right to pass on improvements to be made and the awarding of contracts?

The answer is "Yes".

Your inquiry states:

"What we would like to know is: Does this department have to secure the approval of the Planning and Development Council on location of water-frant and jetty improvements, and does the department have to secure the approval of the Planning and Development Council on contracts to be awarded for such work?"

As we advised you in Formal Opinion 1955 No. 45 the functions of the Planning and Development Council are to formulate comprehensive policies with respect to natural and economic resources, State forests and parks, historic sites, and beach erosion, to advise the commissioner, to study the activities of the Division of Planning and Development, to report to the Legislature and the Governor, and to approve riparian leases and grants. These are the only powers granted to the Planning and Development Council. The remaining powers of the former Navigation Council and