reasons that the Legislature had for exempting the latter necessarily would apply to the former type of operation.

You are therefore advised that the hotel employment exemption contained in *R.S.* 34:11–34 applies where the hotel dining room is operated by a concessionaire as where it is operated by the hotel itself.

Very truly yours,

DAVID D. FURMAN
Attorney General

By: STEPHEN F. LICHTENSTEIN
Deputy Attorney General

JUNE 2, 1960

HONORABLE NED J. PARSEKIAN
Acting Director
Division of Motor Vehicles
State House
Trenton 25, New Jersey

FORMAL OPINION 1960—No. 15

DEAR DIRECTOR PARSEKIAN:

You have requested an opinion concerning the use of "dealer" plates issued to manufacturers and dealers pursuant to N.J.S.A. 39:3–18. This section permits the Director, Division of Motor Vehicles, to issue special registrations and registration plates bearing the word "dealer" to manufacturers of and dealers in motor vehicles. These registrations are issued for separate fees to any manufacturer of motor vehicles and to bona fide dealers licensed as such by the Director under the terms of this section. *Metropolitan Motors, Inc.* v. *State*, 39 N.J. Super. 208 (App. Div. 1956).

You have asked whether manufacturers of trucks or bona fide dealers can permit the use of vehicles so registered by prospective purchasers on a trial basis prior to sale. During this period, ownership would remain in the manufacturer or dealer; the vehicle would continue to display "dealer" plates.

You have indicated that in the course of business, especially when trucks or other commercial vehicles are involved, it is necessary for manufacturers and dealers to authorize the use of a truck on trial in order for the purchaser to learn whether the vehicle performs the work satisfactorily. Under such circumstances, trucks with dummy loads or payloads perform tests under operating conditions. At no time is any compensation paid for use of the vehicles.

N.J.S.A. 39:3–18 authorizes the use of "dealer" plates by manufacturers so long as the vehicle is "* * * owned or controlled by such manufacturer * * *," and "* * * only if it is operated only for shop, demonstration or delivery purposes.* * *." The same section permits dealers to use such plates on any vehicle "* * * owned by such dealer; and *provided* such vehicle is not used for hire.* * *."

It is our opinion that, subject to reasonable regulations you may promulgate under N.J.S.A. 39:3–3, the use of "dealer" plates by vehicles under the control of a purchaser on trial but before sale would not violate the terms of this section.

Clearly, the terms of N.J.S.A. 39:3–18 authorize such use of "dealer" plates issued to a manufacturer. Express language in the section permits use for demonstration purposes so long as ownership remains in the manufacturer. There is no express statutory time limitation as to such use. However, the duration as to such use could not be prolonged beyond a reasonable period for demonstration purposes to avoid the obtaining of commercial plates by the user. N.J.S.A. 39:3–20; *State* v. *Tucker*, 61 N. J. Super. 161 (App. Div. 1960); *cf. N.Y. Vehicle and Traffic Law*, par. 63, *62 A. McKinney's Laws, Vehicle and Traffic*, § 63; *N.Y. Laws 1959*, c. 775, effective October 1, 1960.

As to the use of "dealer" plates issued to a dealer, as distinguished from a manufacturer, during a demonstration or trial period, it is our opinion that such use is sanctioned under N.J.S.A. 39:3–18. Demonstration use was originally specifically authorized as to dealers in L. 1921, c. 208. In 1926 an amendment occurred permitting dealer plates on any vehicle "owned by such dealer" and, although demonstration use was not expressly authorized, it was not prohibited. L. 1926, c. 192. The only limitation was that a dealer could not lend his plates to any person for use on any vehicle not owned by the dealer. Thus, under the 1926 law, demonstration use could be permitted providing the vehicle remained the property of the dealer.

The next amendment, by L. 1934, c. 123, imposed the condition that the vehicle bearing "dealer" plates must be operated "exclusively for his business and not for hire." The present statute results from an amendment in 1951, L. 1951, c. 4, which removed the prohibition against the personal use of the vehicle by dealers.

Never has there been a prohibition against use of "dealer" plates on vehicles during demonstration or trial periods.

While there is a difference in the specific language regulating use by a manufacturer as compared to use by a dealer, the entire section must be read as a whole and a sensible interpretation given to its terms which is "consonant to reason and good discretion." *Schierstead* v. *Brigantine*, 29 N.J. 220, 230 (1959). Certainly, permitting use during ownership by a dealer of a vehicle for demonstration purposes does not derogate the purpose of the section and the limitations contained therein. The prospective purchaser is not hiring the vehicle or otherwise paying for its use.

That the express authorization of demonstration use as to vehicles owned by manufacturers does not imply the prohibition of such use as to vehicles owned by dealers can be ascribed to the difference in their operations. Manufacturers in the normal course of business sell vehicles to dealers and not directly to users. Specific authorization to manufacturers for the use by occasional purchasers of their vehicles for test or demonstration purposes was therefore necessary to remove any doubt of its legality. On the other hand, such activity is a normal incident of a bona fide dealer's operation, and is clearly lawful even without specific authorization. *Cf. Metropolitan Motors, Inc.* v. *State, supra; State* v. *Tucker, supra.*

Very truly yours,

DAVID D. FURMAN
Attorney General

By: DAVID M. SATZ, JR.
Assistant Attorney General