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FISCAL IMPACT REPORT

SPONSOR: Martinez DATE TYPED: 03/16/01 HB 364/aHBIC
 SHORT TITLE: Unlawful Acts of Motor Vehicle Dealers SB _____
 ANALYST: Gonzales

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
			NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Attorney General

Taxation and Revenue Department did not prepare an analysis of this bill indicating this bill does not have an impact on the Motor Vehicle Division.

SUMMARY

Synopsis of HBIC Amendment

The House Business and Industry Committee amendment strikes the initial changes proposed in the bill related to unlawful acts of manufacturers, distributors or their representatives specifying when one must give or withhold consent to a proposed sale, transfer or assignment. With the new language, a manufacturer, distributor or representative shall send a letter by certified mail approving or withholding consent within sixty calendar days of receiving the completed application forms and related information requested by a manufacturer or distributor as provided below. A manufacturer, distributor or representative shall send its existing motor vehicle dealer the necessary application forms and identify the related information required within twenty calendar days of receiving written notice from the existing motor vehicle dealer of the proposed sale or transfer. No manufacturer, distributor or representative shall require any information not requested in the twenty-day period, and submission of the information requested within that period together with a completed form of the application provided shall constitute a completed application form. Any request for consent shall be deemed granted, and the manufacturer, distributor or representative shall be stopped from denying the consent, if the consent has not been expressly withheld during the applicable sixty-day period".

This bill also deletes the new section that would have prohibited manufacturers, distributors or dealers from setting a maximum retail price for the sale of a motor vehicle in New Mexico.

Synopsis of Original Bill

House Bill 364 makes the following changes related to unlawful acts of manufacturers, distributors or their representatives:

- 1) Establishes a 30 day window within which an automobile manufacturer, distributor or representative may give or withhold consent to the proposed sale or transfer of an automobile dealership beginning when the automobile manufacturer, distributor or representative receives notice of a proposed sale. The 30 day window is tolled if the manufacturer, distributor or representative request additional information within 20 days of receiving the notice of proposed sale or transfer. The 30 day window does not begin to run again until the manufacturer, distributor or representative receives the information requested. If the manufacturer, distributor or representative does not expressly withhold consent within the 30 day window, consent shall be deemed granted and the manufacturer, distributor or representative shall thereafter be barred from denying consent to the proposed sale or transfer of the dealership.
- 2) Adds a new section which prohibits manufacturers, distributors or dealers from setting a maximum retail price for the sale of a motor vehicle in New Mexico.

FISCAL IMPLICATIONS

A review of this bill indicates no fiscal impact should result from passage of this measure; therefore, an in-depth analysis of technical and other issues has not been conducted by the staff.

JMG/njw:ar