

LFC Requester:	Felix Chavez
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**AGENCY BILL ANALYSIS
2025 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

Analysis.nmlegis.gov

{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:
Original **Amendment** _____
Correction _____ **Substitute** _____

Date 1/31/2025
Bill No: SB194

Sponsor: Sen. Joshua Sanchez
Sen. Roberto Gonzales
Short Title: Franchise Termination Act

Agency Name and Code Regulation & Licensing
Department - 420
Number: _____
Person Writing Mark Sadowski, Director
Phone: (505)476-4566 **Email** Mark.Sadowski@rld.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
None	None		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
None	None	None		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI			

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY Senate Bill 194 (SB194)

SB194 expands definitions currently in use in the Franchise Termination Act §57-23-1 NMSA 1978 (Act). It expands the definition of “dealer” from just farm equipment and implements. It adds a definition of “good cause” for a dealer’s failure to substantially comply with essential and reasonable requirements imposed upon the dealer by the franchise.

SB194 provides for new sections as follows:

- (1) on the suppliers, required notice to the dealer of franchise termination;
- (2) voiding any attempted waiver of any provision of the Act, application of any other state laws other than this state, and any provision that requires a dealer to pay a suppliers attorney fees;
- (3) provides the dealer with greater protection;
- (4) in the event of supplier violation of the Act, damages sustained by the dealer can include the dealer’s attorney and paralegal fees and costs of arbitration and injunctive relief against unlawful termination.

SB194 does not contain an effective date and, as a result, would go into effect June 20, 2025, if signed into law.

FISCAL IMPLICATIONS

The Regulation and Licensing Department anticipates no significant fiscal impact to the Department if SB194 is enacted.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Current definitions will remain in place, the provisions of 'good cause' will not be included as they are in most other states and fewer protections will be accorded to a dealer.

AMENDMENTS