

LFC Requester:	Emily Hilla
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.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}

Date Prepared: February 20, 2025 *Check all that apply:*
Bill Number: SB 439 Original Correction
 Amendment Substitute

Sponsor: <u>Joshua A. Sanchez</u>	Agency Name and Code Regulation and Licensing Department - 420
Short Title: <u>Deceptive Franchise Practices Act</u>	Number: _____
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
n/a	n/a	n/a	n/a

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
n/a	n/a	n/a	n/a	n/a

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	n/a	n/a	n/a	n/a	n/a	n/a

(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

Synopsis: Senate Bill 439 (SB 439)

SB 439 creates the “Deceptive Franchise Practices Act” (the “Act”) (p. 1). The Act would become effective on July 1, 2025 (p. 9).

SB 439 provides a definition to the term “franchise” (p. 1).

SB 439 identifies and describes contract provisions that would be unlawful pursuant to the Act if contained in a franchise agreement between a franchisor and franchisee who is either a resident of or operating a franchise in New Mexico (pp. 1-5).

SB 439 identifies and describes acts and practices that are unlawful pursuant to the Act for a franchisor to engage in in relation to a franchise agreement (pp. 5-8).

SB 439 requires at least ninety (90) days notice to terminate or elect not to renew a franchise (p. 9).

SB 439 creates a cause of action for parties of franchise agreements entered into or renewed after July 1, 2025, for agreements that contain provisions deemed unlawful pursuant to the Act or acts or practices deemed unlawful pursuant to the Act (p. 9).

SB 439 creates a five (5) year statute of limitations to bring an action pursuant to the Act (p. 9).

SB 439 applies the Act only to agreements entered into or renewed, or an act or a practice occurring, after June 30, 2025 (p. 9).

FISCAL IMPLICATIONS

No fiscal or operational impact is expected for the New Mexico Regulation and Licensing Department if SB 439 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

AMENDMENTS