

LFC Requester:

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: 2.1.2025 *Check all that apply:*
Bill Number: SB194 Original Correction
 Amendment Substitute

Sponsor: Joshua A Sanchez & Roberto J Bobby Gonzales **Agency Name and Code:** Economic Development Department
Short Title: Notice of terminations of Franchises **Number:** 41900
Person Writing: Tim Hagaman **Phone:** 505-862-2322 **Email:** tim.hagaman@edd.nm

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(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						

(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 194 (SB 194) amends the Franchise Termination Act, Section 57-23-1 NMSA 1978. The bill adds a definition of “good cause” as “the failure by a dealer to substantially comply with essential and reasonable requirements imposed upon the dealer by the franchise...” when “the dealer has transferred a controlling interest in the dealer’s business without the supplier's written consent” and a number of factors are found.

SB 194 also adds new sections to the Act which specify the notice required for termination of a franchise, clarify the applicability of the Act, and provide for dealer’s attorneys fees in a civil action.

FISCAL IMPLICATIONS None Identified

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES None identified

PERFORMANCE IMPLICATIONS None identified

ADMINISTRATIVE IMPLICATIONS None identified

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP None identified

TECHNICAL ISSUES no apparent technical errors or breaks in the chain

OTHER SUBSTANTIVE ISSUES none identified

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS