| 1  | AN ACT   |        |
|----|--|--------|
| 2  | RELATING TO FRANCHISE AGREEMENTS; PROVIDING THAT A FRANCHISE |        |
| 3  | AGREEMENT INVOLVING RECREATIONAL VEHICLES INCLUDE RATES      |        |
| 4  | CHARGED BY A DEALER FOR PERFORMING WARRANTY SERVICE;         |        |
| 5  | AMENDING A SECTION OF THE NMSA 1978.                         |        |
| 6  |  |        |
| 7  | BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO: |        |
| 8  | Section 1. Section 57-16-6.2 NMSA 1978 (being Laws           |        |
| 9  | 1995, Chapter 19, Section 2) is amended to read:             |        |
| 10 | "57-16-6.2. RECREATIONAL VEHICLESFRANCHISE                   |        |
| 11 | AGREEMENTS   |        |
| 12 | A. Every recreational vehicle manufacturer,                  |        |
| 13 | distributor or representative shall execute a written        |        |
| 14 | franchise or sales agreement with each of its recreational   |        |
| 15 | vehicle dealers. Each agreement shall include the following  |        |
| 16 | provi si ons:  |        |
| 17 | (1) warranty service obligations, including                  |        |
| 18 | rates charged by a dealer for performing warranty service;   |        |
| 19 | (2) specific territory or market area                        |        |
| 20 | desi gnati on;   |        |
| 21 | (3) grounds for termination;                                 |        |
| 22 | (4) repurchase obligations;                                  |        |
| 23 | (5) sales volume and performance; and                        |        |
| 24 | (6) dispute resolution procedures.                           | SB 240 |
| 25 | B. Notwithstanding the provisions of Subsection              | Page 1 |

| 1  | A of this section, a dealer and manufacturer, distributor or |        |
|----|--|--------|
| 2  | representative may mutually agree not to include the         |        |
| 3  | provisions listed in Paragraphs (2) through (6) of           |        |
| 4  | Subsection A of this section; provided, however, a written   |        |
| 5  | declaration stating which of the provisions were             |        |
| 6  | intentionally omitted and not applicable shall be            |        |
| 7  | incorporated into the written agreement."                    |        |
| 8  | Section 2. EFFECTIVE DATEThe effective date of the           |        |
| 9  | provisions of this act is July 1, 2003.                      | SB 240 |
| 10 | =  | Page 2 |
| 11 |  |        |
| 12 |  |        |
| 13 |  |        |
| 14 |  |        |
| 15 |  |        |
| 16 |  |        |
| 17 |  |        |
| 18 |  |        |
| 19 |  |        |
| 20 |  |        |
| 21 |  |        |
| 22 |  |        |
| 23 |  |        |
| 24 |  |        |
| 25 |  |        |
|    |  |        |
|    |  |        |