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FISCAL IMPACT REPORT

ORIGINAL DATE 02/14/13

SPONSOR SJC LAST UPDATED _____ HB _____

SHORT TITLE Unlawful Acts for Car Dealers SB 189/SJC

ANALYST Boerner

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$0.0	\$0.0	\$0.0	Nonrecurring	None

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

The bill amends Section 57-16-5 NMSA 1978 by adding to the list of unlawful acts for motor vehicle manufacturers or distributors or their representatives. New language prohibits manufacturers, distributors, or their representatives from requiring a dealer or the dealer's successor to:

- 1) Construct a new dealership or relocate or substantially change a dealer's facility except as necessary to comply with health and safety laws or technology requirements necessary to sell or service vehicles;
- 2) Construct a new dealership, require relocation of an existing dealership or substantially change, alter or remodel an existing dealership within 10 years of a previous such change if the change was in compliance with standards or plans provided by a manufacturer, distributor or representative;
- 3) Unreasonably withhold approval for a dealer to purchase substantially similar goods or services related to the construction, alteration, remodel or renovation of a dealership facility from the vendors of the dealer's choice. Finally, the bill notes that this subsection is not to be construed to allow a dealer or vendor to infringe upon or impair a manufacturer's trademark rights or to erect or maintain signage that doesn't conform to the manufacturer's reasonable guidelines.

The bill declares an emergency and is to take effect immediately.

FISCAL IMPLICATIONS

None noted.

CEB/blm