

**Bill Analysis and Fiscal Impact Report  
Taxation and Revenue Department**

**February 4, 2026**

**Bill:**  
SB-22

**Sponsor:**  
Senator Harold Pope

**Short Title:**  
Motor Vehicle Manufacturers as Dealers

**Description:**  
This bill allows for a motor vehicle manufacture to be licensed as a motor vehicle dealer when the motor vehicle is offered for sale, lease, or distribution under a common name, trademark, service mark or brand name of the manufacturer of that same motor vehicle and does not have any independent franchise dealers in the state.

**Effective Date, Applicability, and Contingency Language:**  
Not specified or 90 days following adjournment (May 20, 2026).

**Taxation and Revenue Department Analyst:**  
Htet Wint and Sean Bulian – Motor Vehicle Division

**Methodology for Estimated Revenue Impact:**  
None.

**Policy Issues:**  
This bill creates a new definition in Section 57-16-3 NMSA 1978 for the term “line-make” which means a motor vehicle that is offered for sale, lease or distribution under a common name, trademark, service mark or brand name of the manufacturer of the same motor vehicle.

New Mexico is one of four states along with Texas, Oklahoma, and West Virginia, that prohibit or nearly prohibit direct-to-consumer motor vehicle sales by manufacturers and require sales to occur through franchised dealerships. This statutory framework limits manufacturers that operate without a franchise network from conducting vehicle sales within the state under existing law. As a result, Tesla has established sales and service facilities on sovereign tribal land, where state franchise restrictions do not apply. Any statutory change to allow direct-to-consumer sales would introduce competition into the existing franchised dealer marketplace licensed by the Motor Vehicle Division.

Concerns raised regarding direct-to-consumer sales often focus on consumer protection and long-term service considerations, including the potential risk that if a manufacturer ceases operations, consumers may have limited access to vehicle service and repair, whereas franchised dealerships typically continue to service makes and models even after a manufacturer exits the market. Manufacturers without franchise dealers, such as Rivian, Tesla and Lucid, would be allowed to sell and service their own line-make of vehicles they manufacture.

The bill states that a manufacturer licensed as a dealer may sell and service only the line-make of vehicles they manufacture. Should a manufacturer licensed as a dealer accept a trade-in vehicle that is of a different line-make, they would not be able to sell that vehicle in New Mexico.

**Technical Issues:**  
None.

**Other Issues:**

The term “independent” may cause confusion if a dealership is partially owned or an affiliation. We recommend that an independent franchise dealer be further clarified or a definition be provided.

Considering the changes necessary for the issuance of a new dealer license type change for manufacturers, July 1, 2026, would be a more feasible effective date.

**Administrative & Compliance Impact:**

MVD will provide dealer licensing bureau employee training on the process of licensing manufacturers as dealers. Implementation of this bill will have a moderate impact on Tax & Rev’s Information Technology Division (ITD). The estimated time to develop, test, and implement the changes is approximately 480 hours or 12 weeks for estimated \$33,220.80 of staff workload cost. This bill allows a motor vehicle manufacturer to be licensed as an independent motor vehicle dealer with the issuance of a new license type and will require the following system changes.

**Estimated Additional Operating Budget Impact\***

<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>3 Year Total Cost</b>	<b>Recurring or Non-Recurring</b>	<b>Fund(s) or Agency Affected</b>
\$33.2			33.2	NR	ITD – Staff Workload Cost

\* In thousands of dollars. Parentheses ( ) indicate a cost saving. \*\* Recurring (R) or Non-Recurring (NR).