

LFC Requester:

Henry Jacobs

**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto: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: 1/26/2026

Check all that apply:

Bill Number: SB 115Original  Correction Amendment  Substitute Sponsor: Roberto "Bobby" J. Gonzales  
George K. MuñozAgency Name  
and CodeRegulation & Licensing Dept.  
(RLD), 420Short  
Title: Franchise Termination Changes

Person Writing

Kevin GrahamPhone: 505-274-0214Email kevin.graham@rld.nm.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
N/A	N/A	N/A	N/A

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
N/A	N/A	N/A	N/A	N/A

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	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 115 (SB 115) amends the Franchise Termination Act (Act) by making changes in three (3) areas:

First, it amends certain definitions in the Act. The term “dealer” is amended to add certain utility equipment and construction equipment to the farm equipment farm items currently included, and to also include attachments and repair parts. “Good cause” is added and defined to be a failure by a dealer to substantially comply with the requirements imposed by the franchise.

Second, a notice provision is added requiring the dealer to provide thirty (30) days’ notice of termination of an agreement and prohibiting the supplier to terminate except upon good cause as such is defined, such as for bankruptcy or failure to meet performance objectives; timelines for notice of termination based on cause; and additional notice requirements based on the particular contract between the dealer and the supplier.

Third, SB 115 would amend the Act to specifically provide for a civil rights cause of action, including the damages authorized and provisions for attorney’s fees; would prohibit choice of law provisions in an agreement, and would render void any agreement containing an attempt to waive the requirements of the Act.

### **FISCAL IMPLICATIONS**

SB 115 is not expected to have any direct fiscal or operational impact on the Regulation and Licensing Department if implemented.

### **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**