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HOUSE BILL 570

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

EDWARD C. SANDOVAL

AN ACT

RELATING TO MOTOR VEHICLE DEALER FRANCHISES; LIMITING THE TIME PERIOD FOR CERTAIN AUDITS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 57-16-7 NMSA 1978 (being Laws 1973, Chapter 6, Section 7, as amended) is amended to read:

"57-16-7. WARRANTY CLAIMS--PAYMENT.--

A. Every manufacturer, distributor or representative shall properly fulfill any warranty agreement and adequately and fairly compensate each of its motor vehicle dealers for labor, parts and other expenses incurred by the dealer to perform the required warranty repairs. All compensation for labor shall be the same as the dealer would have made to and collected from an individual retail customer for the same repairs if performed in the normal course of business not covered by a warranty.

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1 Compensation for parts shall be in an amount not less than the
2 manufacturer's warranty reimbursement rate for parts or the
3 amount received by the motor vehicle dealer from retail
4 customers for parts used in non-warranty work of like kind. All
5 claims made by motor vehicle dealers ~~[under]~~ pursuant to
6 provisions of this section and ~~[under]~~ Section 57-16-6 NMSA 1978
7 shall be paid within thirty days following their approval. All
8 claims shall be either approved or disapproved within thirty
9 days after their receipt, and when any claim is disapproved, the
10 motor vehicle dealer who submits it shall be notified in writing
11 of its disapproval within that period, and each notice shall
12 state the specific grounds upon which the disapproval is based.
13 Any special handling of claims required by the manufacturer,
14 distributor or representative not uniformly required of all
15 dealers of that make may be enforced only after thirty days'
16 notice in writing and upon good and sufficient reason. A
17 manufacturer or distributor may audit a warranty claim only
18 during the twelve-month period immediately following payment or
19 credit issued for the claim; however, this limitation shall not
20 apply if there is a reasonable suspicion of fraud.

21 B. The provisions of this section shall not apply to
22 recreational travel trailers or to parts of systems, fixtures,
23 appliances, furnishings, accessories and features of motor
24 homes. "

25 Section 2. A new section of Chapter 57, Article 16 NMSA

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1978 is enacted to read:

"[NEW MATERIAL] SALES AND SERVICE INCENTIVES--AUDIT.--A
manufacturer or distributor may audit a claim for sales and
service incentives only during the twenty-four month period
immediately following payment or credit issued for the claim;
however, this limitation shall not apply if there is a
reasonable suspicion of fraud."

State of New Mexico House of Representatives

FORTY-THIRD LEGISLATURE

FIRST SESSION, 1997

February 20, 1997

Mr. Speaker:

**Your BUSINESS AND INDUSTRY COMMITTEE, to whom has
been referred**

HOUSE BILL 570

**has had it under consideration and reports same with
recommendation that it DO PASS, and thence referred to the
APPROPRIATIONS AND FINANCE COMMITTEE.**

Respectfully submitted,

Fred Luna, Chairman

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

HBIC/HB 570

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Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 9 For 0 Against

Yes: 9

Excused: Corley, Getty, Olguin, Varela

Absent: None

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State of New Mexico House of Representatives

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

February 25, 1997

Mr. Speaker:

Your APPROPRIATIONS AND FINANCE COMMITTEE, to
whom has been referred

HOUSE BILL 570

has had it under consideration and reports same with
recommendation that it DO PASS.

Respectfully submitted,

Max Coll, Chairman

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

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Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 9 For 0 Against

Yes: 9

Excused: Buffett, Garcia, M H., Heaton, Marquardt, Picraux,
Salazar, Varela, Watchman

Absent: None

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

March 6, 1997

Mr. President:

Your CORPORATIONS & TRANSPORTATION COMMITTEE, to
whom has been referred

HOUSE BILL 570

has had it under consideration and reports same with
recommendation that it DO PASS.

Respectfully submitted,

Roman M. Maes, III, Chairman

Adopted _____ Not Adopted _____

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

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(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 7 For 0 Against

Yes: 7

No: 0

Excused: Griego, Kidd, Robinson

Absent: None

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Underscored material = new
[bracketed material] = delete