



# NEW MEXICO BUSINESS COALITION

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## RE: SB 22 Motor Vehicle Manufacturers as Dealers – NMBC Opposes

Chair and Members of the Committee,

I write in opposition to SB 22, which would allow motor vehicle manufacturers to be licensed as motor vehicle dealers in New Mexico. While framed as a modernization effort, this bill would fundamentally undermine the long-standing franchise system that supports local businesses, protects consumers, and sustains thousands of jobs across our state.

New Mexico's independently owned vehicle dealerships are significant employers, taxpayers, and community partners. They invest millions of dollars in facilities, inventory, employee training, warranty service, and compliance with state and federal requirements. SB 22 would allow manufacturers—entities with vastly greater market power, capital, and control over pricing, supply, and warranties—to directly compete against the very dealers they currently franchise. This creates an uneven playing field that existing dealers cannot reasonably match.

The franchise system exists for good reason. It prevents vertical integration and ensures competition at the retail level. By allowing manufacturers to become dealers, SB 22 erodes these safeguards and opens the door to market dominance by a small number of large companies. Over time, this will likely lead to dealership closures, job losses, and reduced consumer choice—particularly in rural and underserved areas where independent dealers are often the only local option.

Finally, existing dealers made their investments under a clear legal framework that prohibited manufacturers from operating as dealers. Changing the rules mid-stream devalues those investments and sends a troubling signal to all New Mexico businesses about regulatory certainty and fairness.

For these reasons, SB 22 poses a serious risk to New Mexico's automotive retail ecosystem, local employment, and consumer protections. I respectfully urge the committee to oppose this bill and preserve a competitive, locally driven marketplace that works for New Mexico communities.

Thank you for your consideration.

Carla J. Sonntag  
President and CEO