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The North American Equipment Dealers Association is an international trade association that represents approximately 4,500 farm, industrial and outdoor power equipment dealers in North America.

In New Mexico, NAEDA represents 11 dealer locations. Through the sale of equipment, parts, and service, our dealer members work in partnership with farmers and ranchers across New Mexico to make them the most productive and competitive food producers in the world.

The proposed legislation is a much needed update to New Mexico's equipment dealer statutes. This area of law has not been updated for nearly 40 years. Meanwhile our industry has changed a great deal over that time and most states, including Texas and Oklahoma, have recently updated their statutes with very similar language to that proposed here.

With the adoption of these changes, New Mexico equipment dealers will have a more transparent and fair process when dealing with Original Equipment Manufacturers. This legislation will prevent multinational corporations from arbitrarily harming New Mexico based businesses.

Definitions:

- Expands definition of equipment to include construction, industrial and outdoor power equipment
- Defines the term "good cause" for the purpose of dealer termination

Termination Notice and Procedure; Transfers:

- Requires consistent failure to meet performance requirements before termination can be initiated
- Requires a supplier to have good cause and provide notice and a cure period before the supplier can terminate a dealer franchise
- Provides for and clarifies process and timeline in the event of an owner's death
- Establishes process for supplier to approve or deny sale or transfer of a dealer business

Choice of Law and Waiver:

- Requires legal action or arbitration to be brought in state where dealer is located

Cause of Action and Remedies:

- Creates a cause of action against suppliers for violation of the statute