

The Legislature
of the
State of New Mexico

50th Legislature, 2nd Session

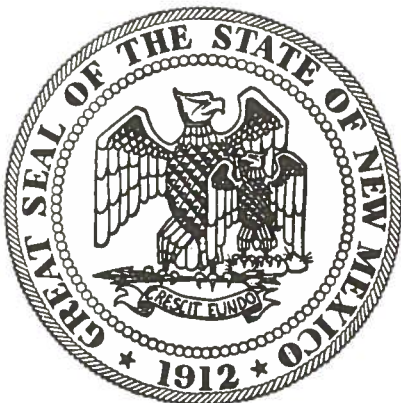
LAWS 2012

CHAPTER _____

SENATE MEMORIAL 26

Introduced by

SENATOR DAVID ULIBARRI
SENATOR CARLOS R. CISNEROS
SENATOR RICHARD C. MARTINEZ
SENATOR BERNADETTE M. SANCHEZ



1 A MEMORIAL

2 REQUESTING THE ECONOMIC DEVELOPMENT DEPARTMENT TO STUDY THE
3 EFFECTS OF BELOW-COST SALES ON NEW MEXICO SMALL BUSINESSES.
4

5 WHEREAS, fair and healthy competition in the marketplace
6 provides maximum benefits to New Mexico's small businesses
7 and residents; and

8 WHEREAS, certain marketing practices impair competition
9 and are contrary to the public interest; and

10 WHEREAS, advertising, offers to sell or sales of
11 commodities at below cost by retailers or wholesalers, with
12 the intent of inducing the sale of the commodities and of
13 unfairly diverting trade from a competitor or otherwise
14 injuring a competitor, impair or prevent fair competition,
15 slow economic development and are not in the best interest of
16 the public; and

17 WHEREAS, any person who is engaged in the production,
18 manufacture or distribution of a below-cost commodity for the
19 purpose of damaging the competition of an established seller,
20 or a person who intends to sell such a commodity, is engaging
21 in an activity against the public interest; and

22 WHEREAS, the practice of selling merchandise below cost
23 in order to attract patronage is generally a form of unfair
24 competition, and such practice causes commercial
25 dislocations, indirectly burdens and obstructs commerce and

1 diverts business from dealers who maintain fair prices; and

2 WHEREAS, such practice can cause bankruptcies and
3 business failures, which result in unemployment, disruption
4 of leases and nonpayment of taxes and loans and contribute to
5 undesirable consequences, including economic depression;

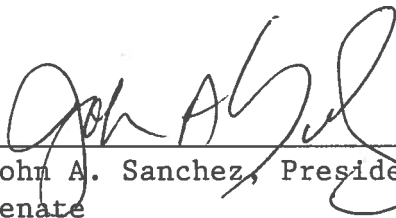
6 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE
7 STATE OF NEW MEXICO that the economic development department
8 be requested to study the impact of below-cost sales on small
9 businesses in New Mexico; and

10 BE IT FURTHER RESOLVED that the economic development
11 department report its findings to the appropriate interim
12 legislative committee by November 2012; and

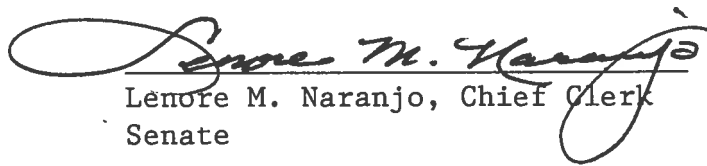
13 BE IT FURTHER RESOLVED that a copy of this memorial be
14 transmitted to the economic development department. _____

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John A. Sanchez, President
Senate



Lenore M. Naranjo, Chief Clerk
Senate