

**DEVELOPING REAL INFLUENCE:
THE REAL ESTATE INDUSTRY AND THE NEW MEXICO
LEGISLATURE**

A Connect the Dots Report

July 2004

Acknowledgments

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About Common Cause New Mexico

Established in 1973 as a state chapter of the national organization Common Cause, Common Cause New Mexico is a non-profit, non-partisan citizens lobby organization. The group works to strengthen public participation in the political process and to make public institutions and officials accountable and responsive to citizens.

About Common Cause Education Fund

Established by Common Cause in February 2000 as a separately chartered (501)(c)(3) organization, the Common Cause Education Fund (CCEF) seeks to promote open, honest and accountable government through research, public education and innovative programs.

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Abstract

This is the third in a series of reports that examine how campaign contributions from different industries in New Mexico affect legislation of importance to New Mexicans. The goal of Connect the Dots reports is to broaden the debate about key public policy issues by providing a perspective often missing from the discourse surrounding policy making. The focus of the third report is the real estate industry, and its potential influence on water policy in New Mexico. The access to, and availability of water are concerns for each resident of New Mexico. Hence, it is imperative that water policy in New Mexico serves the public interest, and not just the interest of a politically influential few. The report will demonstrate how the real estate industry cultivates influence with policy makers, perhaps at the expense of the public interest. We begin by explaining some important issues about water in New Mexico. The second section examines real estate contributions to legislators over the past three (1998, 2000, 2002) election cycles. The final two substantive sections examine the creation of the New Mexico State Water Plan, and the defeat of proposed legislation that would have strengthened the regulatory authority of the State Engineer, and could have ensured that new development was linked to the availability of water resources.

Introduction

When it comes to building influence with the New Mexico Legislature, very few groups are on more solid ground than the real estate industry. General contractors, homebuilders, and realtors gave more than \$1.7 million over the past three election cycles, almost three times as much as the alcohol and tobacco industries combined gave during the same period.¹ Why has the real estate industry in New Mexico given such a large amount of money to political campaigns?

The most important issue in New Mexico is the availability of water. Throughout the summer and fall of 2003, a New Mexico State Water Plan was written with considerable input from citizens from all areas of the state. A common theme during the public input process was the need to better regulate the drilling of new domestic wells in areas of critically limited water resources. As a result, this policy is included in the State Water Plan, which received broad public and legislative support. During the last three legislative sessions, bills were introduced that would have given the Office of the State Engineer the ability to curb the drilling of new domestic wells in critical management areas, like the lower Pecos River basin. Without limits on the amount of water taken from the lower Pecos River basin, New Mexico's water debt to Texas will continue to grow, requiring millions of dollars in direct fines, and hundreds of millions of dollars to ensure future compliance with our interstate stream compacts. *This is something that will affect all taxpayers in the state.*

Pursuant to the ideas set forth in the State Water Plan, Senator Carlos Cisneros (D-Quetta) introduced Senate Bill 89 in 2004 in an effort to provide the State Engineer

¹ Common Cause New Mexico examined only the real estate industry (as defined by The National Institute on Money in State Politics), refraining from a much broader examination that may have included the construction industry.

with the enforcement mechanism that was recommended in the State Water Plan. The bill was narrowly defeated. Key campaign contributors and lobbyists for the real estate industry were intent on preventing Senate Bill 89 from passing, and made the defeat of the bill their top legislative priority in the 2004 legislative session.²

This Common Cause Education Fund report seeks to increase public awareness of the real estate industry's influence in the Legislature by showing the link between the real estate industry's campaign contributions, its lobbying efforts, and its ability to influence public policy. The report will begin by highlighting some issues surrounding the water debate in New Mexico. The second section will reveal how the real estate industry has contributed an astounding amount of money to legislators over the past three election cycles. The third and fourth sections will show how the creation of the State Water Plan, and the introduction of Senate Bill 89 were efforts to include the public in the water debate, while also providing the greatest good for the greatest number of New Mexicans. Following the substantive sections of the report, an appendix reveals industry contributions to individual legislators, and an addendum examines the industry's past legislative interests.

Water in New Mexico

Current prolonged drought has increasingly focused public debate on how best to use the limited amount of surface and ground water available in the state. Even during wet periods, demand for water in the state can exceed supply, and where ground water supply is limited, water quality becomes a concern. Water in New Mexico lies on the surface (in rivers and streams) and underground (in aquifers). It's an interrelated system

² Among these groups were the New Mexico Realtors' PAC, and the New Mexico Home Builders Association.

that requires balance. The Office of the State Engineer is charged with supervising, measuring and distributing water resources (according to state constitutional and statutory water law), and must see that the required amounts of water are delivered downstream to neighboring states and Mexico, per interstate stream compacts.

New Mexico is bound by eight interstate stream compacts to deliver certain amounts of water downstream to other states, and to honor prior agreements concerning water rights. In 1988, the United States Supreme Court found New Mexico had violated a compact signed with Texas by not delivering a promised 10,000 acre-feet of water from the Pecos River.³ The penalty was severe. New Mexico was mandated to pay \$14 million and deliver the water in a short amount of time. New Mexico continues to struggle to fulfill its compact with Texas.

According to the Office of the State Engineer, during the past 34 years for which data are available, New Mexico may have underdelivered as much as 10,000 acre-feet of water on an annual basis to its neighbors in Texas.⁴ Of this 10,000 acre-feet underdelivery per year, roughly 2000-3000 acre-feet are a result of domestic wells positioned between one and five miles from the Pecos River. This underdelivery has forced the state to lease water to make good on its compact with Texas. State Engineer John D'Antonio estimates this necessary leasing has cost New Mexico \$100 million over the past five years. Consequently, domestic well use along the lower Pecos River has already cost the state \$20-\$30 million over the same period of time. D'Antonio points out that his office has yet to obtain data for underdelivery on the Rio Grande, but he

³ An acre-foot is 326,000 gallons of water, or enough water to cover one acre of land one-foot deep with water.

⁴ This figure represents only the underdelivery on the Pecos River. Data are unavailable for the Rio Grande.

suspects the financial burden placed upon New Mexicans will climb much higher when those data become available.

The Office of the State Engineer has the authority to designate specific areas in New Mexico where surface and underground water supplies are in danger as critical management areas. While not defined precisely, a critical management area is one in which the water supply is not abundant and must be managed in order to meet the demand. Two such areas are the lower Pecos River basin, and the Estancia basin. It is important that some kind of action be taken in order to address the water problems in areas like Estancia and the lower Pecos.

Water is a vital resource to all New Mexicans, and because the state has a finite supply, there are bound to be disagreements about how to best allocate the resource. One thing is certain; serving the public interest must always be the foremost goal of water allocation and conservation policy in New Mexico. With some background information on river compacts, the concept of underdelivery, the Pecos River, and the presence of domestic wells in potential critical management areas, it is time to reveal how much money the real estate industry has poured into state campaigns during recent elections.

Real Estate Industry Campaign Contributions

The real estate industry contributes a significant amount of money to New Mexico state campaigns each election cycle. Given this fact, one cannot help but wonder how influential the industry is in the policy making process, and the passage of laws. During the election cycles included in this report, the real estate industry contributed almost three

times the amount of money as the alcohol and tobacco industries combined.⁵ In the 2002 election campaign alone, real estate contributors gave \$1,164,282 to legislative and gubernatorial candidates in each of the state's two major political parties. In the relatively young 2004 campaign season (as of the end of June), individuals and businesses affiliated with real estate have contributed \$15,335. Full public disclosure of the amount of money the real estate industry contributes to each party, which state legislators receive the largest sums of money, and which companies make the largest contributions is necessary.⁶

Of the Legislature's 112 members, only 19 have not had contributions, or attempts to contribute (as documented by lobbyists and corporate reports), from the real estate industry since 1998. Since 1998, the real estate industry has contributed \$196,724 to legislative candidates who have won seats. During the same period, the industry contributed an additional \$648,341 to winning gubernatorial candidates. Again, these figures cover only the money contributed to candidates who won elections. The figures climb higher when money contributed to all candidates for office is included.⁷ The real estate industry targets legislative officials in positions of leadership in both the House and the Senate. House leadership received \$22,550 over the past three election cycles, while Senate leadership received \$16,000 during the same time period. Contributions to key committee chairpersons in the House and Senate during 1998-2002 total \$34,466.⁸

⁵ Total combined contributions for the alcohol and tobacco industries to all candidates for statewide offices during the past three election cycles are \$615,275. The real estate industry contributed \$1,776,634 to the same offices during the same election cycles.

⁶ Data for this section can be found in the appendix following the report narrative.

⁷ Separate totals for current and former office holders will show up in the Appendix tables.

⁸ This total does not include the \$11,250 received by Senator Manny Aragon, because this figure is represented in the senate leadership total.

Over the last three election cycles, the real estate industry has made a greater proportion of its contributions to Democrats, who have long controlled both chambers. Democrats currently control 61% of the seats in the House.⁹ Of the total contributions from the real estate industry to current members of the House since 1998, Democrats have received \$60,599, or 58% of contributions from the real estate industry. In the Senate, where Democrats control 57% of the seats, they have received 82% of real estate contributions since 1998. Of the \$53,295 contributed to current members of the Senate since 1998, Democrats have received \$43,920.

Contributions from the real estate industry to gubernatorial candidates over the past three election cycles have been significant. During the 1998 election cycle, Governor Gary Johnson received \$109,945, while candidate for governor and current Albuquerque Mayor Martin Chavez received \$175,046. The 2002 election cycle brought a much larger contribution from the real estate industry to the gubernatorial race. Governor Bill Richardson received \$538,396, and gubernatorial candidate John Sanchez took in \$239,669.

A few companies and one individual have made consistent contributions to members of the House, Senate, and both governors during the three elections covering 1998-2002. The largest six contributing companies and individual made approximately 27% of the contributions during this time period (\$470,750 out of \$1,776,634). Bob Perry, a real estate developer and homebuilder from Houston, contributed \$183,000 to the John Sanchez campaign in 2002.¹⁰ Mr. Perry resides in the state of Texas, and yet his

⁹ The ratio of representation in each chamber is reflective of the 2004 legislative session.

¹⁰ Doylene Perry, the spouse of Bob Perry, contributed an additional \$55,000 to the Sanchez campaign. However, she does not appear in the appendix because of the manner in which The National Institute on Money in State Politics defines her occupation.

significant contribution found its way into New Mexico state politics. The New Mexico Realtors PAC contributed \$72,750, CAP Peterson Properties gave \$61,000, Paseo Del Norte Limited Partnership chipped in \$54,000, and BGK Equities contributed \$50,000. Finally, LA Comp. MGMT Account gave Martin Chavez \$50,000 in 1998. It is important to note that Common Cause New Mexico contacted five of the top campaign contributors named in this section by phone, and by letter to ask about their reasons for contributing. None of those contacted responded to our requests.

Contributions from the real estate industry to New Mexico state political offices have been documented. The amount of money given to politicians over the past three electoral cycles by this industry is almost three times the total given by the alcohol and tobacco industries combined. Why does the real estate industry feel compelled to give such large sums of money to people seeking public office in our state? Why is the largest single contributor from the real estate industry between 1998 and 2002 a resident of the state of Texas? Did campaign contributions from the real estate industry help defeat Senate Bill 89? How have contributions from the industry affected other pieces of legislation that sought to respond to the public interest? These questions need to be asked so that the public can gauge the real estate industry's political influence. Keeping industry contributions in mind, the report will move on to describe the development of the State Water Plan.

Development of the State Water Plan

In 2003, the Office of the State Engineer held 29 public meetings in communities across New Mexico, including tribal and pueblo lands, culminating in a final two-day

Town Hall on the subject of water.¹¹ Over 1500 people attended the meetings in total, which the Office of the State Engineer called “listening sessions.” A common theme at every meeting was the protection of senior water users.¹² Despite the different levels of understanding with respect to what differentiates a senior from a junior water user, the public overwhelmingly supported the doctrine that senior water rights should trump junior water rights. State Engineer John D’Antonio echoes this sentiment by declaring that a major part of his job is to protect senior water rights, pursuant to the New Mexico Constitution. To date, this public information gathering process remains an excellent effort to understand the public’s will about the subjects of domestic wells and senior water rights. Moving forward, any proposed legislation regarding water use in New Mexico must take this fact into consideration.

Section C.7 of the State Water Plan, concerning the relationship between water availability and land use decisions, states “...Domestic wells can adversely impact senior water rights and our ability to meet interstate stream compact obligations, and can reduce the availability of limited water supplies and calls for a thorough review of options for better regulating domestic wells in general.” In the same section the document states, “the public strongly recommended the state engineer have the authority to deny applications for new appropriations where critical management areas are established.”¹³ While the plan did not establish a regulatory mechanism for the Office of the State

¹¹ The State Water Plan was commissioned by the state legislature during the 2003 session, it was unanimously supported by a vote in both houses, and Governor Bill Richardson touted it as positive legislation.

¹² The phrase “senior water user” is a relative one; a senior water user is someone whose appropriation of water preceded that of another user. This other user would subsequently be designated a junior water user.

¹³ The New Mexico State Water Plan can be found on the Office of the State Engineer website, www.seo.state.nm.us.

Engineer to limit domestic well development, it did indicate a widespread desire for the regulation of domestic wells in critical management areas.

Virtually everyone throughout the state understood the challenge New Mexicans faced with respect to water management. The New Mexico State Water Plan was created to further the efforts to formally address water issues in New Mexico. The open planning process ensured public participation, which was essential if the plan were to win widespread support. Legislators overwhelmingly endorsed the process that created the plan. In fact, the bill to create the State Water Plan did not receive one opposition vote—either in committee or on the floor. The plan indicates the need to regulate domestic well development, but it stops short of giving the Office of the State Engineer the authority to do so. Thus, the plan was simply an agreement about what needed to be done. The Legislature would have to address the legal shortcomings in order to put the plan into action. Some members of the House and Senate attempted to do so during the 2004 legislative session.

The Life of Senate Bill 89

According to New Mexico state law, anyone wishing to drill a domestic well must only fill out an application with the Office of the State Engineer, and pay a small permit fee. The state engineer, by law, is required to issue the permit. Every permit holder has rights to use up to 3 acre-feet of water per year, irrespective of possessing water rights. Denying permits in critical management areas would reduce the options and the profits of developers, homebuilders, and real estate salespersons. The real estate industry does not want geographical limits on where new homes can be built. Some of the areas hardest hit by the current drought (and most likely to be declared critical management areas) are

some of the industry's greatest potential sources of growth. The New Mexico Bureau of Business and Economic Research has identified Estancia as the fastest growing region in New Mexico. By 2060 the population in the Estancia region is expected to almost quadruple to 118,000 from its current population of just over 30,000. This area will be forced to address its water challenges, especially the challenge of continued drilling of new domestic wells.

During legislative sessions in 2002 and 2003, four different legislators (Representatives Stell, D-Carlsbad, and Varela, D-Santa Fe, Senators Feldman, D-Albuquerque and Jennings, D-Roswell) sponsored unsuccessful bills that would have closed the so-called "developer loophole" in state law by giving the state engineer the authority to deny permits for domestic wells when the State Engineer deemed it necessary to protect water resources and the rights of senior water users. Each of these bills was opposed by the real estate industry, and each bill failed to become law.

With overwhelming support for the ideas offered by the State Water Plan, specifically those regarding senior water rights, critical management areas, and domestic wells, the 2004 legislative session appeared to be the time to pass legislation giving the Office of the State Engineer the power it needed to address these issues. Capitalizing on this momentum, Senator Carlos Cisneros (D-Questa) introduced Senate Bill 89. Senate Bill 89 was not as far-reaching as previous legislative attempts. The bill sought to give the State Engineer the legal mandate to require applicants for new domestic wells in critical management areas to acquire water rights, if the wells were deemed harmful to water supplies. This would have placed developers and new domestic well owners on the same legal footing as every other water user in the state, requiring them to possess water

rights for the water they use. Fortunately, this version of Senate Bill 89 passed the Senate by a slim 22-20 vote. Unfortunately, when the bill moved to the House, an amendment was introduced that not only destroyed the reform measures offered by the bill, but also diminished the already limited regulatory power of the State Engineer. The amendment passed in the House, and the real estate industry, predictably, supported the amended version of the bill. Whereas the unamended version of Senate Bill 89, passed in the Senate, was a step forward in the effort to regulate the affects of domestic wells in critical management areas, the amended version of the bill passed in the House was effectively two steps back in the regulatory effort. Ultimately, the bill did not pass, due to disagreement over the Senate and House versions.

The New Mexico Home Builders Association, the New Mexico Realtors' PAC, and other real estate industry groups strongly opposed the unamended version of Senate Bill 89. Jack Millarch, Executive Vice President of the New Mexico Home Builders Association, viewed Senate Bill 89's unamended version as a punitive, no growth initiative. Mr. Millarch went further, calling the Senate version of the bill "draconian," and stating that if the State Engineer could deny domestic well permits, property owners would find it frightening. Mary Martinek of the New Mexico Realtors' PAC was also asked about the bill, and she gave the following response.

***Common Cause Question:** What was RPAC's position on Senate Bill 89 (2004) that would have given the Office of the State Engineer authority to deny domestic well permits in critical management areas?*

Martinek Response: RPAC, per se, takes no legislative positions. This is done by the Association's Legislative Committee and its Board of Directors. RANM, through its Legislative Committee, strongly opposed SB 89.

Governor Bill Richardson is on record supporting the curbing of indiscriminate domestic well drilling, the public in the development of the State Water Plan supported the notion,

and repeated efforts have been made to pass legislation that would directly address this problem.¹⁴ Governor Gary Johnson’s Blue Ribbon Task Force on Water also supported the principle of limiting domestic well drilling in critical management areas, or areas where compact delivery (such as the lower Pecos River basin) may be impeded.¹⁵ The principles set forth in the unamended version of Senate Bill 89 appeared to have overwhelming support. However, Senate Bill 89 was defeated, due in no small part to strong opposition from the powerful real estate industry.

Conclusion

The goals of long-term sustainability, and short-term growth with immediate profits, sometimes conflict with each other. The real estate industry’s interest in affecting public policy coincides with its own interests of maximizing development, home building, real estate sales, and profits. Like all self-interested parties or special interests, it is naturally blinded to concerns that are broader than those interests, such as protecting senior water rights, protecting an aquifer’s long-term sustainability, or protecting taxpayers who ultimately will have to pay if New Mexico cannot comply with interstate stream compacts. Through an astonishing amount of campaign contributions to candidates for public office, the real estate industry has built a solid foundation of influence with elected officials. However, elected officials are charged with protecting the public interest, which includes insuring that the state’s natural resources are available for generations to come.

Methodology

¹⁴ See “H20 – A Plan for Water Security.”

¹⁵ See 10/21/02 Blue Ribbon Task Force on Water in New Mexico recommendations.

The National Institute on Money in State Politics supplied campaign contribution data for this report. The authors conducted a series of interviews with the New Mexico State Engineer, the New Mexico Deputy State Engineer, a representative from the Realtor's Association of New Mexico, and a representative from the New Mexico Home Builders Association. Conversations with public interest groups, and tax experts also contributed to the report.

**APPENDIX: REAL ESTATE INDUSTRY CONTRIBUTIONS TO
STATE ELECTED OFFICIALS** ¹⁶

**TOTAL CAMPAIGN CONTRIBUTIONS FOR 1998-2002 FROM THE
REAL ESTATE INDUSTRY TO
MEMBERS OF THE NEW MEXICO HOUSE**

Recipient	Party	District	Industry Contributions
Taylor, Thomas	R	1	\$1,250
Cheney, Richard ¹⁷	R	2	\$0
Townsend, Sandra*HAG ¹⁸	R	3	\$1,170
Begaye, Ray*HAGL	D	4	\$750
Harrison, Irvin	D	5	\$0
Hanosh, George	D	6	\$700
Cordova, Kandy	D	7	\$650
Luna, Fred	D	8	\$3,300
Lundstrom, Patricia	D	9	\$750
Saavedra, Henry	D	10	\$1,400
Miera, Rick	D	11	\$700
Taylor, James* HL ¹⁹	D	12	\$4,200
Silva, Daniel	D	13	\$2,100
Garcia, Miguel*HENRL ²⁰	D	14	\$200
Zanetti, Teresa	R	15	\$200
Ruiz, Raymond	D	16	\$225
Sandoval, Edward	D	17	\$600
Beam, Gail	D	18	\$800
Stapleton, Sheryl	D	19	\$200
Hobbs, Ted* HL	R	20	\$8,550
Stewart, Mimi	D	21	\$1,975
Godbey, Ron	R	22	\$1,200
Youngberg, Eric	R	23	\$6,420
Arnold-Jones, Janice	R	24	\$720
Picraux, Danice* HL,HENR	D	25	\$200

¹⁶ All campaign contribution data was obtained from the National Institute on Money in State Politics, as reported by the New Mexico Secretary of State's office. The data may not reflect gifts and/or contributions returned by an officeholder to a contributor.

¹⁷ Representative Cheney was appointed to his seat in 2003. Therefore, his "\$0" industry contribution since 1998 could be misleading. This could be the case with other legislators as well.

¹⁸ Referring to House Agriculture and Water Resources Committee; Committee Chairs/Vice-Chairs denoted as HAGL.

¹⁹ Referring to House Leadership, other House leaders will be denoted as such.

²⁰ Referring to House Energy and Natural Resources Committee, Chairs/Vice-Chairs denoted as HENRL.

Recipient	Party	District	Industry Contributions
Park, Al	D	26	\$2,450
Larranaga, Larry*HAG	R	27	\$4,066
Ogle, Rory	R	28	\$300
Anderson, Thomas*HENR	R	29	\$400
White, Robert	R	30	\$0
Thompson, Joe* HL	R	31	\$5,550
Irwin, Dona	D	32	\$1,825
Taylor, Paul J.	D	33	\$100
Garcia, Mary *HENR	D	34	\$600
Lujan, Antonio*HENR	D	35	\$800
Nunez, Andy*HAG	D	36	\$600
Boykin, William	R	37	\$925
Hamilton, Dianne	R	38	\$1,775
Herrera, Manuel	D	39	\$250
Salazar, Nick*HENRL	D	40	\$100
Rodella, Debbie	D	41	\$2,200
Gonzales, Roberto "Bobby"	D	42	\$2,625
Wallace, Jeannette	R	43	\$1,200
Powdrell-Culbert, Jane	R	44	\$500
Trujillo, Jim	D	45	\$0
Lujan, Ben* HL	D	46	\$4,050
Coll, Max	D	47	\$2,425
Varela, Luciano "Lucky"	D	48	\$3,225
Tripp, Don*HAG	R	49	\$1,375
King, Rhonda	D	50	\$9,549
Vaughn, Gloria*HENR	R	51	\$1,650
Cervantes, Joseph*HAG	D	52	\$2,200
Marquardt, Terry	R	53	\$1,200
Stell, Joe*HAGC	D	54	\$700
Heaton, John*HENR	D	55	\$700
Williams, W. C. "Dub"	R	56	\$200
Foley, Daniel	R	57	\$1,250
Ponce, Pauline	D	58	\$800
Wilson, Avon*HENR	R	59	\$300
Swisstack, Thomas	D	60	\$0
Whitaker, Donald	D	61	\$1,350
Bratton, Donald	R	62	\$700
Campos, Jose	D	63	\$0
Crook, Anna	R	64	\$750

Recipient	Party	District	Industry Contributions
Madalena, James*HENRL	D	65	\$250
Roberts, Earlene*HENR	R	66	\$1,050
Moore, Brian*HAG	R	67	\$670
Regensberg, Bengie*HAG	D	68	\$450
Martinez, Ken W.*HENRL	D	69	\$3,950
Vigil, Richard	D	70	\$550
Total For Current House Members 1998- 2002			\$103,970
Total For All Current and Former House Members 1998-2002			\$139,029

Source: National Institute on Money in State Politics

**TOTAL CAMPAIGN CONTRIBUTIONS FOR 1998-2002 FROM THE
REAL ESTATE INDUSTRY TO
MEMBERS OF THE NEW MEXICO SENATE**

Recipient	Party	District	Industry Contributions
Sharer, William	R	1	\$450
Kysar, Raymond L.	R	2	\$0
Pinto, John	D	3	\$0
Rainaldi, Lidio	D	4	\$200
Martinez, Richard*SCON ²¹	D	5	\$300
Cisneros, Carlos*SCON	D	6	\$800
Harden, Clinton	R	7	\$0
Campos, Pete	D	8	\$200
Komadina, Steve	R	9	\$350
Gorham, Ramsay*SCON	R	10	\$1,500
Lopez, Linda	D	11	\$1,000
Romero, Richard* SL ²²	D	12	\$1,300
Feldman, Dede	D	13	\$250
Aragon, Manny* SL,SCON	D	14	\$11,250
Snyder, H. Diane	R	15	\$300
McSorley, Cisco	D	16	\$300
Robinson, Shannon	D	17	\$2,050
Boitano, Mark	R	18	\$500
Beffort, Sue	R	19	\$1050
Payne, William*SCON	R	20	\$750
Cravens, Kent	R	21	\$550
Tsosie, Leonard	D	22	\$0
Carraro, Joseph	R	23	\$950
Rodriguez, Nancy*SCON	D	24	\$440
Maes, Roman	D	25	\$2,800
Sanchez, Bernadette	D	26	\$1,150
Ingle, Stuart* SL	R	27	\$700
Altamirano, Ben	D	28	\$2,650
Sanchez, Michael	D	29	\$5,600
Fidel, Joseph	D	30	\$50
Nava, Cynthia	D	31	\$400
Jennings, Timothy	D	32	\$1,000
Adair, Rod	R	33	\$0

²¹ Referring to Senate Conservation Committee; Chairs/Vice-Chairs denoted as SCONL.

²² Referring to Senate Leadership, other Senate leaders will be denoted as such.

Recipient	Party	District	Industry Contribution
Kidd, Don*SCON	R	34	\$200
Smith, John Arthur	D	35	\$0
Garcia, Mary Jane*SL	D	36	\$2,550
Rawson, Leonard*SL	R	37	\$500
Papen, Mary Kay	D	38	\$1,560
Griego, Phil *SCON	D	39	\$7,470
Duran, Dianna*SCON	R	40	\$1,025
Leavell, Carroll	R	41	\$550
Kernan, Gay	R	42	\$0
Total For Current Senate Members 1998- 2002			\$53,295
Total For All Current and Former Senate Members 1998-2002			\$57,695

Source: National Institute on Money in State Politics

**TOTAL CAMPAIGN CONTRIBUTIONS FOR 1998-2002 FROM THE
REAL ESTATE INDUSTRY TO
MEMBERS OF THE NEW MEXICO SENATE AND HOUSE, BY
POLITICAL PARTY**

Recipient	Party	Office	Industry Contributions
Winning Democrats	D	Current House and Senate Members	\$104,519
Winning Republicans	R	Current House and Senate Members	\$52,746
Total For Current House and Senate Members 1998-2002			\$157,265
Total For All Current and Former Senate and House Members 1998-2002			\$196,724

Source: National Institute on Money in State Politics.

**TOTAL CAMPAIGN CONTRIBUTIONS FOR 1998-2002 FROM THE
REAL ESTATE INDUSTRY TO
NEW MEXICO STATE PARTY ORGANIZATIONS**

Recipient	Industry Contributions
Democratic Party of New Mexico	\$94,115
Republican Party of New Mexico	\$59,025
Total Contributions to State Political Party Organizations 1998-2002	\$153,140

Source: National Institute on Money in State Politics.

**CONTRIBUTIONS FROM THE REAL ESTATE INDUSTRY
TO STATEWIDE ELECTED OFFICIALS
DURING THE 2002 ELECTION CAMPAIGN**

Recipient	Party	Office	Industry Contributions
Madrid, Patricia A	D	Attorney General	\$18,275
Richardson, Bill	D	Governor	\$538,396
Denish, Diane D	D	Lt. Governor	\$38,370
Lyons, Patrick H	R	Public Lands	\$11,675
Vigil, Robert E.	D	Treasurer	\$3,600
Total For 2002 Election Campaign			\$610,316

Source: National Institute on Money in State Politics.

**CONTRIBUTIONS FOR 1998-2002 FROM SELECTED REAL
ESTATE INDUSTRY CONTRIBUTORS TO MEMBERS OF THE
HOUSE AND SENATE, AS WELL AS GOVERNORS***

Contributor	1998	2000	2002	Total
Bob Perry (<i>Texas contributor</i>)			\$183,000	\$183,000
New Mexico Realtors PAC	\$13,200	\$26,450	\$33,100	\$72,750
CAP Peterson Properties Real Estate Services Inc.	\$6,100		\$55,000	\$61,000
Paseo Del Norte Limited Partnership	\$10,500	\$10,000	\$33,500	\$54,000
BGK Equities			\$50,000	\$50,000
LA Comp. MGMT Account	\$50,000			\$50,000
Total For All Current and Former Senate and house Members 1998-2002	\$79,800	\$36,450	\$304,600	\$470,750

*This data represents contributions from some of the larger contributors-it does not include all 1998-2002 contributions to current and former members of the House and Senate.

Source: National Institute on Money in State Politics.

Addendum: The Real Estate Industry's Legislative Agenda

The well-organized real estate industry has crafted positions on a number of issues over recent legislative sessions beyond issues of water availability. The New Mexico Home Builders Association lists seven key issues of concern to its members. Some of these issues include workers' compensation, housing affordability, growth, development fees, and state water issues. The organization's website states, "Water policy must not be used as a tool of 'no growth' movements. We believe our water challenges can be solved in a manner that allows continued population growth and continued economic prosperity into the foreseeable future." Further, "for areas not served by municipal water systems we will oppose efforts to grant the power to stop the drilling of any well for household and domestic use."²³

The Realtors' Association of New Mexico (represented by the Realtors PAC), a professional trade organization representing 6,000 realtors throughout the state, is busy raising its political money for the coming year. In May of 2004, Gayla Rumfield, president of the Realtors' Association of New Mexico, spoke of the group's plans to increase their political influence. In 2003, the group took in a total of \$85,000 for support of "candidates and officials who support personal property rights, home ownership and a favorable climate for business." Through May 2004, the group had already collected \$100,000 for similar purposes.²⁴ During the 2003 Special Session, and 2004 short legislative session, the priorities of the Realtors' PAC were the defeat of a transfer tax on residential property and a change of a subdivision law the association had been trying to get amended for several years. They achieved both goals.

²³ The full issue position of the New Mexico Home Builders Association can be found at www.nmhba.com.

²⁴ See the Albuquerque Journal Business Outlook, May 17, 2004.

Governor Bill Richardson's Blue Ribbon Tax Reform Commission included a transfer tax among its recommendations to the governor for consideration during the October 2003 Special Session. Transfer taxes have become popular in states like Florida and California where home sales thrive, and tax experts have often identified them as progressive taxes. The transfer tax recommendation from the Blue Ribbon Tax Reform Commission called for the tax to be applied to home prices only in excess of \$150,000. For example, if a home were sold for \$165,000, the seller would pay a tax only on the \$15,000 in excess of \$150,000. The tax would not have applied to commercial property in New Mexico, and thus would have brought the state a rather modest sum of money. However, as mentioned before, tax experts have identified this as a progressive tax. Hence, the tax could have been a fair mechanism in the effort to raise revenue for the state.

The Realtors Association of New Mexico considered its opposition to transfer taxes one of its highest 2003 legislative priorities. Realtors pay income tax on their commission in the sale of a home, and they often refer to the transfer tax as double taxation.²⁵ The Governor did not take the Blue Ribbon Tax Reform Commission's recommendation as a whole to the legislature but instead put specific tax proposals on his call for the 2003 Special Session. After the commission's recommendation, but before the Special Session, he specifically stated his opposition to transfer taxes. The issue was never considered during the 2004 legislative session. Once again, the interests within the real estate industry prevailed in this fight. When asked about this matter, Mary Martinek of the Realtor's PAC responded with the following statement.

²⁵ Ibid.

Common Cause Question: *In a May 17, Albuquerque Journal Business Outlook article, Gayla Brumfield mentions a victory of RPAC: a defeat of a transfer tax on residential property. I have not been able to locate such a bill and wonder if it was actually introduced in the 2004 session. If so, could you tell me the title or number of the bill and its sponsor? If it was not introduced, how was RPAC able to help defeat this tax?*

Martinek Response: The Blue Ribbon Tax Reform Commission (BRTRC) included a transfer tax among its recommendations to the governor for consideration during the Special Session called in October 2003. Transfer taxes are taxes that would be levied as a percentage of a home's sale price at the time of closing. RANM opposes transfer taxes because:

- Transfer taxes amount to double taxation.
- Transfer taxes steal equity from home sellers.
- Increasing closing costs will make it harder to buy a home,
- Transfer taxes are discriminatory.
- Transfer taxes unfairly target the middle class.
- The transfer tax, as proposed, will encourage urban sprawl.
- Transfer taxes are an end run around the state constitution.
- This tax puts New Mexico at a disadvantage compared to neighboring states.

RPAC provided funds for a RANM-backed initiative to launch a public education campaign opposing the imposition of transfer taxes on the sale of residential property. We planned to initiate this campaign if and when the legislation proposed by the BRTRC was introduced.

The purpose of this campaign would be to educate the public and members of the legislature as to the inherent inequity in a transfer tax, and to give them an understanding of the harm it would cause to individuals struggling to get ahead – to purchase their own little part of the American Dream, a home – and to the state's economy overall.

Fortunately, the Governor decided against taking the BRTRC's recommendation as a whole to the legislature during the Special Session – opting to put specific tax proposals on his call instead. Subsequent to the BRTRC's final recommendations but prior to the Special Session, he specifically stated his opposition to transfer taxes, which he subsequently reiterated in the press several times. We applauded his position and his commitment to homeownership, to New Mexico families, and to advancing the state's economy.

The real estate industry has enjoyed success with these, and other legislative initiatives. What are the reasons for their rate of success with legislative advocacy? Various groups within the industry, such as the Realtors' PAC and the New Mexico Home Builders Association are well organized. Groups within the industry also have a keen understanding of the legislative process. However, this Connect the Dots report contends one glaring reason groups within the real estate industry have achieved public policy goals might be due to the amount of money they give to legislators in New Mexico.