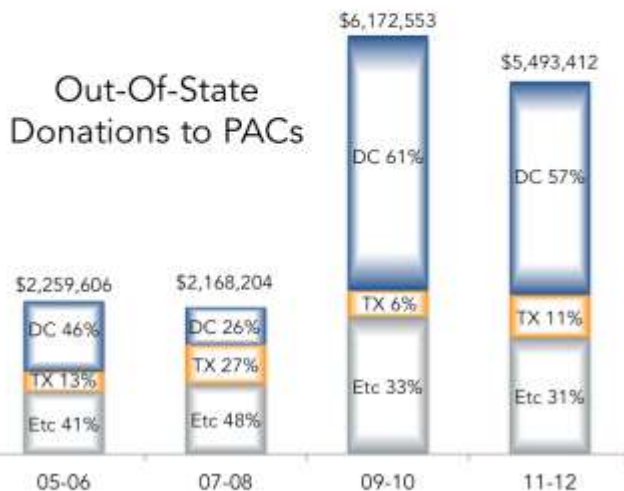
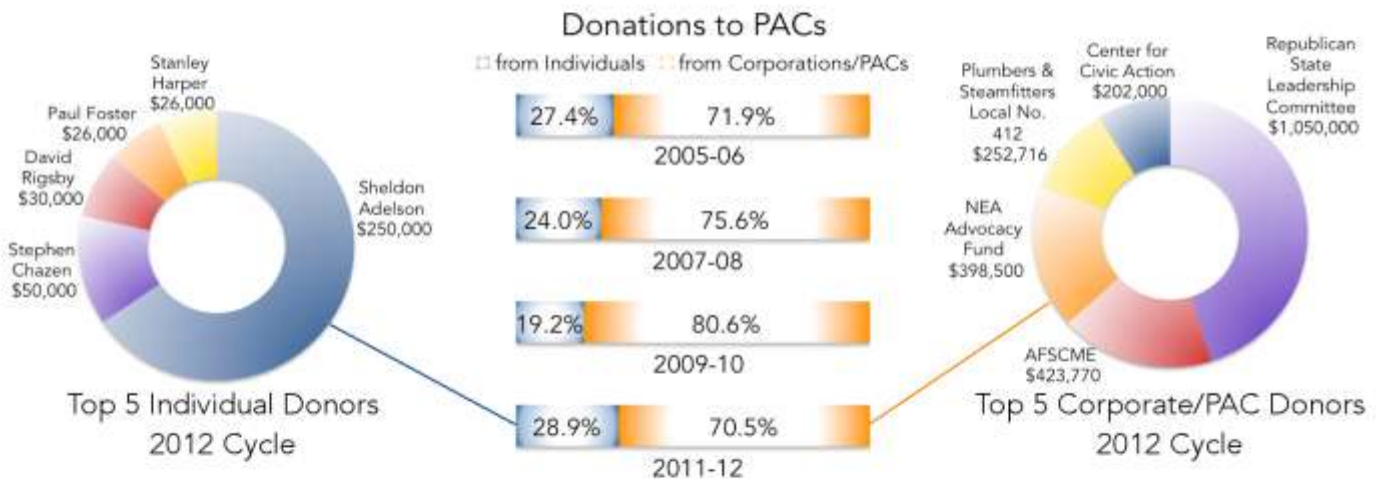
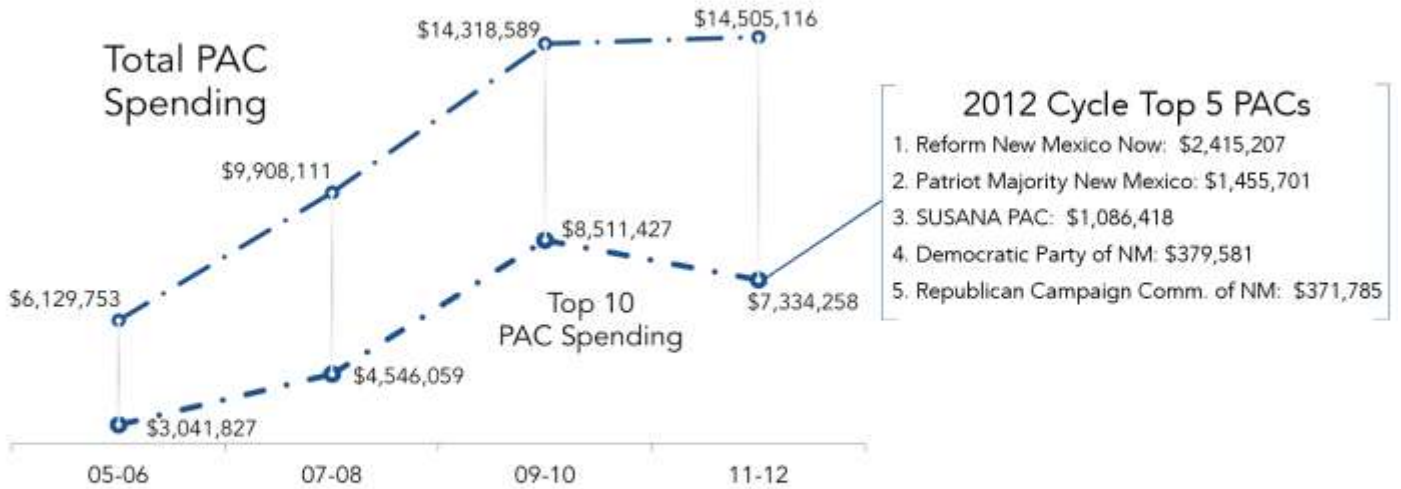


New Mexico PACs: Growth, Influence, and Shifting Interests



2012 Cycle: Top 5 PACs Receiving Donations from Out-Of-State

1. Reform New Mexico Now: \$1,928,993 (79.3%)
2. Patriot Majority New Mexico: \$1,168,750 (79.0%)
3. SUSANA PAC: \$354,587 (31.2%)
4. Property Casualty Ins. Assoc. of Amer.: \$235,709 (99.9%)
5. Verde Voters PAC: \$196,700 (51.7%)

*Percentages are of total donations to PAC in 2011-12

Political Action committees in New Mexico from 2005-2012

This research project tracks and analyzes Political Action Committee (PAC) contributions and spending in New Mexico from 2005 to 2012. The Office of the New Mexico Secretary of State provided the raw data. Data analysis includes spending by PACs, contributions received by PACs, the companies and individuals who contributed to PACs, and out-of-state contributions. In this report, Common Cause New Mexico (CCNM) analyzes PAC spending in the state to see how PACs influence New Mexico elections.

Political campaigns are costly. PACs are a common entity that help fund these campaigns. In addition to directly supporting campaigns, PACs may also help fund various initiatives and legislation. Essentially a PAC is an organization that pools contributions together for a common political purpose.

PACs often coordinate with political candidates when making a donation; however, contribution limits exist. In New Mexico, both contributions from an individual or company to a PAC and contributions from a PAC to a candidate or other PAC are limited to \$5,200.

As you will see in the accompanying infographic, “New Mexico PACs: Growth, Influence, and Shifting Interests,” contributions to PACs and spending by PACs have nearly doubled since the 2010 U.S. Supreme Court decision in *Citizens United*. Some key findings from our analysis include:

- A shift from party dominated PACs to ideological PACs
- PACs donating to other PACs, effectively concealing the true entities making contributions
- PACs that spend the most in New Mexico politics are primarily funded by organizations outside the state, mostly from Washington D.C.

CCNM believes that requiring full disclosure of money spent in politics will help restore voter trust to government and increase participation in our democratic process. The reforms CCNM proposes to address PAC spending are detailed at the end of this report and include passing a meaningful disclosure law; using uniform language on PAC reports; improving the SoS website usability; and increased SoS website audits.

PAC Research, 2005 to 2012

In this report, we look at four election cycles: 2005-06, 2007-08, 2009-10 and 2011-12. For our purposes, an election cycle starts on January 1 of an odd, non-election year, and continues through December 31 of the following even, election year.

Disclaimer: the Top 10 contributors listed below likely gave even more money than we are reporting. However, because of the inconsistent and/or inaccurate use of entity names, we were unable to determine if there were contributions other than those listed in this report.

Spending by NM PACs

- Between 2005 and 2012 New Mexico PACs spent almost \$45 million on political campaigns.
- The Top 10 PACs spent just over half of that money (about \$23.5 million).

- Only three PACs made the Top 10 in all four cycles: Republican Campaign Committee of NM, Go Bonds For Education and the Committee on Individual Responsibility.
- NM Democratic Legislative Campaign Committee made the Top 10 in cycles 2006 through 2010.
- Democratic Party of New Mexico made the Top 10 in cycles 2008 through 2012.
- Four new Top 10 PAC spenders emerged in the 2012 cycle: Reform NM Now, Patriot Majority NM, Verde Voters PAC, and the South Central PAC.
- **This trend appears to illustrate a shift from party dominated PACs in the earlier years to ideological PACs in more recent years.**

Contributions received by NM PACs

- Between 2005 and 2012 New Mexico PACs received just over \$46.5 million in contributions.
- Annual contributions to New Mexico PACs doubled from around \$7 million to about \$14 million.
- The Top 10 PACs received just over half that money (about \$24.5 million).
- Only two PACs made the Top 10 in all four cycles: Republican Campaign Committee of NM and Go Bonds For Education.
- NM Democratic Legislative Campaign Committee made the Top 10 in cycles 2006 through 2010.
- Democratic Party of NM made the Top 10 in cycles 2008 through 2012.
- Five new Top 10 PACs receiving the most contributions emerged in 2012: Reform NM Now, Patriot Majority NM, Susana PAC, Verde Voters PAC, and the Property Casualty Insurers Association of America Political Account.

Contributions to NM PACs from Companies & PACs

- About 70-80% of contributions to New Mexico PACs were from companies and/or other PACs.
- Between the 2010 cycle and the 2012 cycle the number of contributions quintupled.
- The Top 10 companies/PACs contributed approximately 30% of this total.
- No company/PAC made the Top 10 in all four cycles.
- **Many of the “company” contributions are really PACs, often from out-of-state, contributing to other PACs, obscuring the money’s true source.**

Contributions to NM PACs from Individuals

- About 20-30% of contributions to New Mexico PACs were from individuals.
- Between 2005 and 2012 individual contributions to PACs almost doubled. Furthermore, the number of individual contributions increased nearly six times in the 2012 cycle.
- No individual made the Top 10 in all four cycles.
- Sheldon Adelson was the top individual contributor in New Mexico during the 2012 cycle with \$250,000 in contributions -- \$200,000 more than the next highest individual contributor this cycle.
- The top individual contributor before the 2012 cycle contributed \$152,000 to New Mexico PACs.

Out-of-State Contributions

- Between 2005 and 2012 total contributions from outside New Mexico nearly doubled.
- The majority of out-of-state contributions came from Washington D.C. in the 2006, 2010 and 2012 cycles. Washington D.C. came in second in the 2008 cycle.
- In the 2008 cycle, the majority of out-of-state contributions came from Texas. Texas came in second in the 2006, 2010 and 2012 cycles.
- Washington D.C. and Texas spent more than \$10 million dollars contributing to New Mexico PACs between 2005 and 2012, 82% of which came from Washington.
- Although out-of-state contributions to New Mexico PACs represent only 20-40% of contributions to New Mexico PACs in any given cycle, that money is concentrated among the top PAC spenders.

- More than 60% of all out-of-state contributions to New Mexico PACs in the 2012 cycle went to the top three PAC spenders in New Mexico: Reform New Mexico Now, Patriot Majority New Mexico, and the Susana PAC.
- Approximately 80% of the almost \$4 million raised by the top two New Mexico PAC spenders (Reform New Mexico Now and Patriot Majority New Mexico) came from out-of state.
- Seven New Mexico PACs received virtually all of their contributions from out-of-state in various cycles:
 - Republican State Leadership Committee NM PAC (100% of \$672,900 in the 2006 cycle)
 - RGA NM PAC (100% \$155,100 in the 2006 cycle)
 - Vote Yes on Ordinance 529 Committee (100% of 147,513 in the 2008 cycle)
 - South-Central PAC (100% of \$90,635 in the 2008 cycle)
 - RGA New Mexico 2010 PAC (99.4% of \$1,758,804 in the 2010 cycle)
 - Democratic Governors Association (100% of \$1,138,808 in the 2010 cycle)
 - Property Casualty Ins. Assoc. of America (99.9% of \$235,833 in the 2012 cycle)
- **This trend illustrates the outside, particularly national, influence on New Mexican politics.**

Common Cause New Mexico Reforms Recommended

- Pass a meaningful disclosure law
- Uniform language on reports
- Improve website usability
- Increased website audits

Pass meaningful disclosure law:

One of CCNM's priority campaigns is passing a constitutional and meaningful disclosure law in New Mexico. In 2014, Senator Peter Wirth filed SB 18, Campaign Finance Reporting, which we support.

In a 5-4 decision in the now infamous *Citizens United v. Federal Election Commission* case, the U.S. Supreme Court ruled that corporations and unions have the same political speech rights as individuals under the First Amendment. It found no compelling government interest for prohibiting them from using their general treasury funds to make election-related independent expenditures. However, in an 8-1 decision, the Court ruled that the disclaimer and disclosure requirements associated with electioneering communications are constitutional. CCNM supports disclosure of money spent in politics in New Mexico – voters deserve to know who is paying for the advertisements and communications about candidates.

SB18 has two principal purposes – to restore the enforceability of the Campaign Reporting Act (CRA) and to adapt the CRA to modern methods of campaigning. Since the CRA was enacted, the courts have developed an extensive body of restrictions on the authority of governments to regulate campaign speech. Under these rules, several key provisions of the CRA have recently been invalidated by the courts, including most of the Act's reporting requirement for PACs and other independent groups. Additionally, when the CRA was enacted, candidates and political parties were virtually the only campaign participants. There are now numerous national and local independent groups participating in state elections in a variety of ways, ranging from campaign ads coordinated with candidates to an occasional ad mentioning a public official who is running for reelection. The bill would expand the CRA to cover all these kinds of new campaign activities in a constitutionally permissible way, and would also rewrite the CRA to conform to current constitutional rules.

Improve website usability:

We recommend an appropriation to the Secretary of State's (SoS) office so they can purchase a user-friendly site that tracks all relevant data, easy for the voters to access. Upgrading our system will allow the SoS to get better data so voters are fully informed about who is funding New Mexico elections.

1. Add an indicator to show when a transaction is made between two PACs.
2. Add a “Type” field with a standardized list to the Expenditures reporting form to show what the expenditure is for and a “Recipient” field to show who received the money.
3. If an expenditure is contributed to a candidate’s campaign, the candidate’s name should be separately indicated in the reporting to improve tracking of funds.
4. Assign identification numbers to PACs when they register with the SoS and use those numbers in addition to their names for consistency. For example, in 2008, the Plumbers Union used at least eleven different names to make contributions, making tracking them very difficult.

Use uniform language on reporting forms:

Without uniformity in the language used on reports, it is very difficult to track contributions and expenditures from and to PACs in New Mexico.

1. Add a standardized list of occupation categories to choose from to the “Occupation” field for contributors to increase accountability. For instance, “CEO, businessman or consultant” does not give any information about which industry a contributor represents.
2. Add a standardized list of spending purpose categories to choose from to the “Purpose” field for expenditures to increase disclosure of money being spent in New Mexico. Is the money spent on advertisements, robo-calls or campaign managers?
3. Eliminate “Dirty Data,” such as misspellings and inconsistent abbreviations and formatting.

Increased website audits:

We need resources available within the SoS’ office to do increased audits of reports by PACs in New Mexico.

1. Require all fields be filled in properly and appropriate boxes checked before the system accepts the form.
2. Eliminate “Dirty Data,” such as misspellings and inconsistent abbreviations and formatting.
3. On September 9, 2009, “Mickey Mouse” donated \$100,000 to the “Realtime Sites” PAC, followed by a \$50,000 donation five days later from the “Center for Mouse Studies.” Realtime Sites is the SoS vendor for the PAC reporting system, and the above was a “test” was done under a previous administration. Vendors routinely test their systems, but doing so on the live site increases the chances mistakes will be made. Obviously these two contributions aren’t legitimate, but having them in the actual system reduces access to valid data for voters. Fortunately the current administration no longer allows the vendor to test on the live site. This practice must be maintained.

Acknowledgments

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Common Cause New Mexico is dedicated to restoring the core values of American democracy, reinventing an open, honest and accountable government that serves the public interest, and empowering ordinary people to make their voices heard in the political process.