

THE NEW MEXICO OIL AND GAS INDUSTRY AND ITS ALLIES: Oceans of Oil, Oceans of Influence

A “Connect the Dots” Report From Common Cause New Mexico and New Mexico Ethics Watch

Summary of Key Findings

- **The oil and gas industry spent \$11.5 million on political activities in New Mexico as reported from 2017 to 2020*, which included:**
 - **\$4.3 million in direct contributions** to New Mexico candidates, committees, and Political Action Committees (PAC)s
 - **\$3.75 million from the industry’s lobbyists**
 - **\$3.4 million from industry-related PACs**
**the total amount would be dramatically higher if lobbyist compensation were included; currently, New Mexico law does not require this disclosure.*
- **During the 2018 election cycle, oil and gas industry contributions surpassed other top donors**, including lawyers, the real estate industry, the tobacco industry, the pharmaceutical industry, as well as teachers and health professionals.
- **Approximately 500 entities from the oil and gas industry were involved in lobbying and other political activity** from 2017 – 2020, including corporations, individuals, associations, political action committees (PACs), and almost 100 registered lobbyists.
 - **The number of industry lobbyists (90) approaches the amount of New Mexico legislators (112)** – or almost one lobbyist per legislator. This compares to only 23 lobbyists representing hospitals and health centers.
- **The oil and gas industry’s lobbying corps makes up approximately 1/6 of all lobbyists in the state**, with about 600 registered lobbyists in all industries working any given session.
- **The biggest single individual contributor from the oil and gas industry in New Mexico has donated an average of \$52,000 in campaign contributions per year** – or double the entire per capita income of the average New Mexican per year (\$26,085 in 2018).
- Results from a Common Cause New Mexico poll indicates **64% of New Mexican voters think elected officials are more responsive to lobbyists than voters**, a percentage consistent with similar polls the organization has taken over time.
- **A majority of all oil and gas contributions come from out of state** (47% in-state vs. 53% out).

- One out-of-state PAC, New Mexico Strong (out of Austin, Texas) took in almost \$2.57 million in just four months during the 2018 election cycle.
- \$2.35 million of that came from Chevron alone and went to Revolution Media Group out of Arlington, VA, for TV, digital, and mail advertisements opposing Democratic candidate Stephanie Garcia Richard and supporting Republican candidate Patrick Lyons for the State Land Commissioner.
- **Chevron USA has the highest contributions and expenditures** made by lobbyists on behalf of oil and gas companies and utilities.
 - This amounts to \$3.2 million in contributions and expenditures made by just 3 lobbyists in 2017-2020 – or roughly \$1 million a year.
 - This includes almost \$10,000 spent on meals for legislators from 2016-2018 by Alexis Street, a lobbyist for Chevron.
 - Chevron had a net income of \$14.8 billion in 2018.
- **Oil and gas lobbyists have spent \$46,000 feeding and entertaining legislators and their guests at special events since 2017.**
 - The New Mexico Oil & Gas Association (NMOGA) spent \$28,000 on a single dinner held at the Casa España in Santa Fe on Jan. 31, 2018. The event was open to legislators in both parties to show “appreciation,” according to the association’s communications director.
- When a bill (HB 398) to raise royalty rates on oil leased and produced on state lands was proposed during the 2019 legislative session, **those who voted to table**, or effectively “kill,” a bill in committee **had received a total of \$160,210 in direct campaign contributions** from the oil and gas industry, or an average of **\$22,887.14 per negative vote** (which was 7-3 in favor of tabling).

Summary of Recommendations

Curbing the Influence of Insiders:

- **When legislators or public officials leave their positions, require a two-year moratorium before they may be compensated as lobbyists.**
- **Require recusal by legislators when family members are lobbying bills on which legislators must vote.** Currently, it is a rare occurrence when a legislator asks to be recused from a vote.

- **Appropriate \$50,000 to the Legislative Council Service (LCS) to cover meals during some committee meetings and floor sessions.** Legislators, whose per diem is barely enough to cover a hotel room in Santa Fe, appreciate meals supplemented by lobbyists, but this long-standing practice creates a public perception of a *quid pro quo*.

Transparency:

- **Require lobbyists to file information with the Secretary of State regarding which bills the lobbyist has worked on and whether they supported or opposed the bills.**
- **Require lobbyists to identify which individuals are invited to special events, the purpose of the event (including which bill is discussed), and itemize expenditures on disclosure forms.**
- **Require lobbyists to disclose how much compensation they receive for lobbying.** It has become increasingly difficult to “follow the money” spent to influence the political process. This requirement would shine some light on how much money businesses are spending to get their priorities enacted into law.
- **Require Publication of Committee Votes on Tabling Motions.** Recently the New Mexico House of Representatives passed a rule to provide voting information on tabling motions beginning in 2021; the Senate should do the same.

Enforcement:

- **The Secretary of State should ensure compliance with existing law** through more spot checks or audits of lobbyist registrations and reports. The purpose of expenditures – a required field on the lobbyist report – including to whom a lobbyist is speaking, and for what purpose, is often filled in incompletely.
- **Fix the Secretary of State’s Campaign Finance Information System (CFIS) so information on campaign finances is readily searchable.** The lack of a workable search function requires reporters and researchers to go through lists thousands of entries long by hand.
- **Enforce Senate Bill 3** to reveal more information about independent and Super PACs and to prevent coordination between state candidates and PACs.