

The Continuing Influence of the Oil and Gas Industry in New Mexico in 2020: New Mexico's Long-Standing Resource Curse

A report by New Mexico Ethics Watch

Highlights of the Report

I. Facts and Figures

- **Chevron contributed almost \$1.8 million last year to NM politicians, with Chevron lobbyists contributing \$700,000 to the New Mexico Strong PAC, based in Texas, during the lead up to the primary election.**
 - This despite the fact that Chevron lost more than \$11 billion in new income for the 12-month period ending in September 2020.
 - Chevron contributed \$245,300 to Republican candidates and \$108,000 to Democrats in 2020.
- **During the 2020 election year, as currently reported by FollowTheMoney.org, the industry contributed over \$3 million, showing no signs of diminishing the flow of money from the oil and gas industry to New Mexico candidates.**
 - Just how much do oil and gas companies, affiliated PACs, associations, individuals and lobbyist employers contribute? **In 2020, the total is \$3,296,839** according to data obtained from the New Mexico Secretary of State's website.
- **Yates family members and their companies gave more than \$400,000 during the entire election cycle, mostly to Republic candidates in NM.**
 - The top four individual oil and gas contributors in 2020 were members of the Yates family, and their contributions represent more than 80% of the total contributions made by individuals from the oil and gas industry.
- **Sixty percent of oil and gas industry contributions in 2020 went to Republicans, but the industry also contributed heavily to Democratic leadership PACs – which help to fund the campaigns of rank-and-file members – with the industry giving more than \$182,000 to House Speaker Brian Egolf's PAC and \$67,500 to the NM Senate Democrats PAC.**
- **Just over 70% of oil and gas industry contributions in 2020 came from out of state.**
- **Four of the top five non-individual recipients of oil and gas contributions in 2020 were the leadership PACs/legislative caucus committees:** PAC 22, \$187,850 (Senate Republicans); NM House House Republican Campaign Committee, \$186,050; Brian Egolf Speaker Fund, \$182,285; and NM Senate Democrats, \$67,500.

- **The Austin, TX-based PAC, NM Strong, reported spending nearly \$600,000 during the 2020 primary**, the bulk of that going for campaign ads, mailers and other services to support re-election for five conservative Democratic senators.
 - The overwhelming bulk of New Mexico Strong’s contributions last year came from the Chevron corporation. The oil and gas giant contributed \$700,000 to the PAC during the primary.
 - The New Mexico Strong PAC first emerged in the 2018 election, reporting more than \$2.9 million in contributions that year and spending almost \$2.8 million. Of that, about \$2.35 million was from Chevron.

- **Current office holders receiving a significant percentage of their total campaign contributions from the oil and gas industry include:**
 - **Senator Steven Neville (R, District 2)** at just under 40%;
 - **Rep. Nathan Small (D, District 36)** at more than 35%;
 - **Senator and Minority Whip Craig Brandt (R, District 40)** at just over 30%; and
 - **Rep. and Minority Floor Leader James Townsend (R, District 54)** at close to 30%.
 - **Other legislators in leadership roles receiving a significant percentage of their total contributions from the oil and gas industry include:**
 - **Majority Floor Leader Peter Wirth (D)**, with close to 20%;
 - **Minority Floor Leader Greg Baca (R)**, with close to 19%; and
 - **Speaker of the House Brian Egolf (D)**, taking in more than 15% of his total contributions from the industry.

- **In 2020, Ethics Watch found 50 oil and gas industry lobbyists registered with the Secretary of State, employed by 29 different entities.**
 - The large companies of Chevron, ConocoPhillips, Exxon Mobil and Marathon Petroleum Corporation led the way with four registered lobbyists each.

II. Recommended Reforms

- **When a legislator or other public officials (statewide elected officials, public regulation commissioners, cabinet secretaries and top members of an administration) leave their positions, require a two-year moratorium before that person may be compensated as a lobbyist.**
- **Require public notice by legislators when family members – especially spouses, sons, daughters, parents, and siblings – are lobbying bills on which legislators must vote.**
- **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 disclose how much compensation they receive for lobbying.** To allow for a measure of lobbyist accountability, the Secretary of State should ensure

compliance with existing law through more spot checks or audits of lobbyist registrations and reports.

NOTE: These proposed reforms and others are set forth in the report. We urge that they be adopted during the 2021 legislative session to improve transparency and ensure compliance with existing laws in New Mexico.

III. Food For Thought

It may be prudent to heed the words of Jim Peach, regents professor of economics at New Mexico State University. “For at least 40 years people in the state government and the Legislature have known that they are overly dependent on oil and gas for state revenue. Like it or not, we’re at the tail end of the fossil fuel age. We really are.”

Professor Peach then went on to describe the phenomenon known as the resource curse: when a country has an abundance of developed natural resources, yet underperforms economically and socially. The influx of cash and capital from one industry bends the economy, and government warps and loses initiative as politicians avoid annoying the goose that lays golden eggs.

Leaders in New Mexico, in the private and public sectors, will need to address the resource curse, or remain subject to the boom and bust cycles of the oil and gas industry.