

Santa Fe soda tax rejected after record-high turnout

Written by By Joey Peters NM Political Report
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Santa Fe voters delivered a decisive rejection of a proposed 2-cent-per-ounce tax on sugary beverages to support early childhood education in a special election May 2.

As of 10 pm Tuesday night with votes counted in all but one voting convenience center, the proposal was losing by a near-15 point margin.

The vote capped the end of an intense, expensive and heated debate that saw nearly \$1.9 million in direct spending overall from political action committees on both sides as of May 1. More than \$1.2 million of that money was spent on opposition to the tax proposal, while a PAC in support of the tax spent roughly \$685,000 to convince city residents to vote yes on the measure.

This doesn't include in-kind donations on each side of the vote.

The pro-sugary beverages tax PAC Pre-K For Santa Fe, released a statement once the election results became clear.

"The need is great. The time was not now. But the longer we wait, the more children will be left behind," the PAC's statement read.

Outside special interests dominated the spending for both sides. The largest anti-sugar tax

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PAC, Better Way for Santa Fe & Pre-K, raised all \$1.3 million of its money as of May 1 from the American Beverage Association, the national trade association for the beverage industry. This PAC also took at least \$85,000 in in-kind contributions from local and national branches of Coca-Cola. The Coca-Cola Bottling Company of Santa Fe also gave \$10,000 to another anti-tax PAC called Smart Progress New Mexico.

On the pro-sugary beverage tax side, former New York Mayor Michael Bloomberg offered \$400,000 of direct cash plus nearly \$685,000 of in-kind contributions to Pre-K For Santa Fe, bringing his total contributions so far to nearly \$1.3 million. Other large donors to this PAC included Organizing in the Land of Enchantment, the Voqal Fund and, for in-kind contributions, the International Alliance of Theatrical Stage Employees Local 480.

The proposed tax, championed by Santa Fe Mayor Javier Gonzales, was meant to fund 1,000 spots for low-income children to attend existing pre-Kindergarten education programs across the city. Opponents dismissed the tax as regressive and harmful to low-income people who are likely to drink sugary beverages.

“Taxes like this one threaten jobs and burden small, local businesses and working class families the most—not just in Santa Fe but in every community,” the American Beverage Association said in a prepared statement released after the vote.

David Huynh, a spokesman for Better Way for Santa Fe & Pre-K, emphasized that voters still support early childhood education.

“Our coalition of local businesses and community organizations remains united in support of expanded Pre-K and we welcome the opportunity to work with the city and community to find better ways to fund this much-needed program,” Huynh said in a statement.

Supporters of early childhood funding often point to the dismal statistics for children in New Mexico such as the Annie E. Casey Foundations’s 2016 Kids Count Report that found the state ranking 49th in the nation in overall childhood wellbeing.

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For years, advocacy groups and liberal-leaning lawmakers have unsuccessfully pushed to tap the state's Land Grant Permanent Fund to pay for early childhood education on the statewide level.

Earlier in the day, as the vote was still underway, New Mexico Voices for Children Executive Director James Jimenez said his organization was "excited" to see city-level leadership attempting to solve the problem of childhood poverty and lack of education amid inaction at the state level.

"We're very much reliant on state funding," he said, referring to the idea of tapping the Permanent Fund. "People at the local level are finding solutions."

Still, Jimenez said municipalities don't have the resources to solve the state's need for pre-K funding alone. But given the divisiveness of the eventual defeat of the Santa Fe proposal, New Mexico cities may not attempt to replicate proposing similar municipal taxes to fund pre-K.

The defeat is also a blow to Gonzales, who has been said to have gubernatorial ambitions.

Ron Trujillo, a Santa Fe city councilor who is running for mayor next year, emerged as one of the loudest opponents of the tax, saying it would hurt families and businesses in the city. Trujillo was the only city councilor to not approve putting the measure to a special election vote. Ahead of voting to oppose placing it on the ballot, he read a five-page statement explaining his opposition.

Nearly 20,000 people voted in the election, according to the Santa Fe City Clerk's Office, a record for a special election and even besting turnout for the the city's previous mayoral election in 2014, when roughly 17,000 voters showed up to the polls.

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