

Think New Mexico helps foster change in state lottery

BY JAY MILLER
FOR THE DAILY NEWS

SANTA FE – Good news. The New Mexico lottery has been able to meet the new standards prescribed for it by Gov. Bill Richardson and the state legislature.

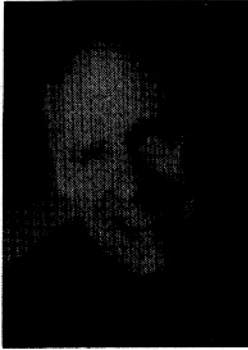
Last year about this time, we learned that the percentage of money going to New Mexico's lottery scholarships was pitifully low compared to other states. About 23 percent of New Mexico's lottery proceeds have been going to fund tuition scholarships for New Mexico college students, while other states have been funneling in 30 percent and more of their proceeds.

That news came to us last year from Think New Mexico, a think tank composed of distinguished New Mexicans interested in improving our state. They told us that far too much lottery money was being spent on administration of the process and that we were even more out of line in what we were paying a contractor to provide the terminals and operate the lottery.

In July, with a cutback on administrative and advertising costs, the lottery in its first month of operating under the new law, upped its earmarks for scholarships to 27 percent, the goal for the first year.

Soon the lottery will be with a new vendor for its machine operation, which will be charging about six percent less, so New Mexico should easily be able to achieve its second-year goal of at least 30 percent of lottery proceeds going to college scholarships.

This huge boon for college students can be credited almost entirely to Think New Mexico. Few others were criticizing the situation.



Inside the Capitol

By Jay Miller

The lottery board wanted to change vendors but wanted to put the savings into even higher salaries and more lavish game promotions. New Mexico is fortunate to have such a powerful public interest group.

And powerful this organization is. Other groups meet and decide on priorities to push in the Legislature, but Think New Mexico gets it done, with a board of influential business officials and political leaders.

In its first year, this young think tank successfully campaigned to make full-day kindergarten accessible to every child in the state. The next year, it was the elimination of the state's regressive tax on groceries.

And now, here's an advanced look at what is coming next. In the 2008 Legislature, Think New Mexico will go after the state's powerful title insurance industry. They are the folks who charge you an arm and a leg when you want to buy a house.

Why is home title insurance so high? It began in 1985, when the industry talked the Legislature into letting the state superintendent of insurance set a single rate schedule for the entire state.

This elimination of competition has been healthy indeed for the industry. Think New Mexico estimates bringing back competition will drop rates by at least 30 percent and save New Mexico homeowners about \$40 million a year. According to the organization, the industry's average loss ratio is 4.6 percent of premium. By comparison, the average payout for property and casualty insurance is 80.4 percent.

Think New Mexico wants to move its title insurance reform package through the coming 2008 session of the Legislature. But it won't be easy.

This will be a short, 30-day session, making it difficult for controversial measures, which also will be made to appear very complex by opponents. In addition, the subject doesn't relate closely enough to the state's budget to escape being fought on grounds that it is not germane.

Title insurance lobbyists are likely to argue that deregulating rates simply will allow large companies to form cartels to keep rates high. That's a commonly heard charge against New Mexico gasoline dealers.

To counter that possibility, Think New Mexico will propose having banks and mortgage brokers negotiate the rates, which they can then pass on to home buyers.

It appears Think New Mexico has found another winner. It is a needed reform necessary to making home ownership possible for thousands of working New Mexico families.

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