

**STATE OF NEW MEXICO  
COUNTY OF TAOS  
EIGHTH JUDICIAL DISTRICT**

STATE ETHICS COMMISSION,

Plaintiff,

v.

JAY CHRISTOPHER STAGG,

Defendant.

No. D-820-CV-2023-00368

**COMPLAINT**

1. The Governmental Conduct Act, NMSA 1978, §§ 10-16-1 to -18 (1967, as amended through 2023), requires public officials to treat their government office as a public trust and not to use the powers and resources of public office for private gain. *See* NMSA 1978, § 10-16-3(A) (2011).

2. As a guarantee of the public trust, Subsection 10-16-4(B) of the Governmental Conduct Act requires a public official to be disqualified from any matter that directly affects their financial interest. *See* NMSA 1978, § 10-16-4(B) (2011).

3. In his capacity as member of the Village Council of the Village of Taos Ski Valley and as a member of the Village's Planning and Zoning Commission, Defendant Jay Christopher Stagg violated the Governmental Conduct Act by taking official acts and otherwise failing to disqualify himself from matters that directly affected his financial interest, including his employment by Taos Ski Valley, Inc.

4. To enforce New Mexico's Governmental Conduct Act and to deter conflicts of interest, the abuse of office, and unlawful quid pro quo conduct and the appearance thereof by

elected officials, Plaintiff State Ethics Commission brings this civil enforcement action to remedy violations of Subsection 10-16-4(B) of the Governmental Conduct Act.

### **PARTIES**

5. Plaintiff State Ethics Commission is an independent state agency established by Article V, Section 17(A) of the New Mexico Constitution with constitutional and statutory authority to enforce New Mexico’s ethics laws, including the Governmental Conduct Act. *See* NMSA 1978, § 10-16G-9 (2021); NMSA 1978, § 10-16-18(B) (2019). The Commission’s place of business is in Bernalillo County. On August 4, 2023, the Commission authorized its staff to bring this civil enforcement action. State Ethics Comm’n Res. 2023-04 (Aug. 4, 2023), Exhibit 1.

6. At all times material to this complaint, Defendant Stagg served as an elected member of the Village Council of the Village of Taos Ski Valley, and as a member of the Village’s Planning & Zoning Commission.

7. Upon information and belief, Defendant Stagg is a resident of Taos County.

### **JURISDICTION AND VENUE**

8. The Court has jurisdiction under Article VI, Section 13 of the New Mexico Constitution.

9. Venue is proper in this Court.

### **FACTUAL ALLEGATIONS**

10. The Village of Taos Ski Valley (“VTSV”) is a municipality incorporated under Chapter 2 of Article 3, NMSA 1978. VTSV was incorporated in 1996.

11. VTSV has a mayor-council form of government, with an elected mayor and a governing body called the Village Council.

12. Defendant Stagg served as VTSV’s first mayor.

13. More recently, Defendant Stagg was elected to serve as a member of VTSV's four-member Village Council. Defendant Stagg is currently serving a two-year term of office that expires in 2024.

14. Defendant Stagg was also at all relevant times a member of VTSV's Planning & Zoning ("P & Z") Commission. Under VTSV's zoning ordinance, any land use that is deemed "conditional" and any request for a variance must be approved by the P & Z Commission.

15. Pursuant to the Per Diem and Mileage Act, NMSA 1978, §§ 10-8-1 to -8 (1963, as amended through 2021), and VTSV ordinance, Defendant Stagg is entitled to compensation, including per diem and mileage, as a VTSV Councilman and member of the P & Z Commission.

16. On information and belief, Defendant Stagg has been employed by Taos Ski Valley, Inc. ("TSVI") since 1973.

17. In addition to being an employee of TSVI, Defendant Stagg is a corporate officer of TSVI, holding the title "Vice President" or "Vice President for Public Affairs."

**A. TSVI's variance request for a proposed new office complex and firehouse**

18. On April 4, 2022, the P & Z Commission met to consider TSVI's request for a variance. TSVI requested a variance for off-site parking to serve a proposed new office complex and firehouse.

19. TSVI CEO David Norden appeared before the P & Z Commission to advocate approval of the variance request.

20. Following a closed executive session, the P & Z Commission voted to approve the request with amendments.

21. Defendant Stagg participated in the discussion and voted to approve TSVI's variance request.

**B. The removal of 4.43 acres of VTSV open space for TSVI's use for a gondola**

22. On November 14, 2022, the P & Z Commission met to consider whether to recommend that VTSV dispose of and remove 4.43 acres of VTSV open space and, if removed, whether to recommend a sale of the property to TSVI.

23. TSVI had expressed interest in the 4.43 acres of open space for the construction of a gondola. TSVI had also prepared an appraisal of the property.

24. VTSV staff made two recommendations to the P & Z Commission regarding the property: first, to retain Village ownership of the property and to grant an easement to TSVI for the construction of the gondola; second, in the alternative, to dispose of and remove the 4.43 acres from open space and recommend sale to TSVI with several conditions and a reversionary clause in the purchase agreement, such that if TSVI did not satisfy the conditions, the property would revert to VTSV.

25. Upon information and belief, the P & Z Commission's discussion of the matter included discussion of an appraisal of the property prepared at the request of TSVI.

26. Upon information and belief, Defendant Stagg was asked to recuse from the P & Z Commission's consideration of the matter regarding the 4.43 acres of Village property.

27. Defendant Stagg did not recuse and participated in the Commission's discussion and vote regarding the removal of the 4.43 acres of Village property.

**C. TSVI's application for a conditional use permit for a new hotel**

28. On December 5, 2022, the P & Z Commission met to consider TSVI's application for a conditional use permit. The conditional use permit related to TSVI's proposed demolition of the Hotel St. Bernard and the construction of a hotel and appurtenant structures within the Core Village Zone of VTSV.

29. VTSV staff recommended that TSVI's permit application be approved subject to certain conditions, among them TSVI's agreement to bear the costs of potential water shortages during construction and increased traffic after completion.

30. TSVI opposed the proposed conditions and sought an unconditional approval of its permit application.

31. Mr. Stagg attended and participated in the December 5, 2022 P & Z Commission meeting during which the P & Z Commission considered TSVI's application for a conditional use permit.

32. Upon information and belief, the P & Z Commission did not vote on TSVI's application at the December 5, 2022 meeting because TSVI withdrew its permit application from consideration.

33. TSVI re-submitted its application for a conditional use permit, and the P & Z Commission met to consider the application on February 6, 2023.

34. At the February 6, 2023 P & Z Commission meeting, Defendant Stagg was asked to recuse from the P & Z Commission's consideration and vote on TSVI's application for a conditional use permit.

35. Defendant Stagg did not recuse from the P & Z Commission's consideration of TSVI's application for a conditional use permit.

36. Following discussion regarding the application, a member of the P & Z Commission moved to approve TSVI's application with the conditions that VTSV staff had recommended regarding the risks and costs associated with water availability and traffic.

37. TSVI again opposed the imposition of conditions on the approval of its permit application, and the motion was withdrawn.

38. Following additional discussion, a member of the P & Z Commission moved to approve TSVI's permit application without any conditions.

39. Defendant Stagg participated in the discussion and voted to approve TSVI's application for a conditional use permit without conditions.

40. Defendant Stagg's vote was decisive; the motion carried with four commissioners in favor and three opposed.

**Count I: Violations of Subsection 10-16-4(B) of the Governmental Conduct Act**

41. Paragraphs 1-40 above are incorporated by reference as though fully set forth herein.

42. Subsection 10-16-4(B) of the Governmental Conduct Act provides, "A public officer or employee shall be disqualified from engaging in any official act directly affecting the public officer's or employee's financial interest, except that the public officer or employee shall not be disqualified from engaging in an official act if the financial benefit of the financial interest to the public officer or employee is proportionately less than the benefit to the general public." § 10-16-4(B).

43. On April 14, 2022, November 14, 2022, December 5, 2022, and February 6, 2023, Defendant Stagg was a "public officer" as defined by the Governmental Conduct Act, and as such was disqualified from engaging in any official act directly affecting his financial interest in or with TSVI.

44. The Governmental Conduct Act defines "financial interest" as "an interest held by an individual or the individual's family that is: (1) an ownership interest in business or property; or (2) any employment or prospective employment for which negotiations have already begun[.]" NMSA 1978, § 10-16-2(F) (2011).

45. Defendant Stagg has a "financial interest" in or with TSVI.

46. The Governmental Conduct Act defines “official act” as “an official decision, recommendation, approval, disapproval or other action that involves the use of discretionary authority[.]” NMSA 1978, § 10-16-2(H) (2011).

47. On April 4, 2022, November 14, 2022, December 5, 2022, and February 6, 2023, while acting as a member of the P & Z Commission in considering and voting on items related to (i) TSVI’s variance request to construct off-site parking for an office complex; (ii) the 4.43 acres of VTSV open space that TSVI was interested in using for a gondola; and (iii) TSVI’s application for a conditional use permit for a new hotel and appurtenant structures, Defendant Stagg engaged official acts that directly affected his financial interest in or with TSVI.

48. The financial benefit to Defendant Stagg’s financial interest resulting from his engaging in official acts as a member of the P & Z Commission on April 4, 2022, November 14, 2022, December 5, 2022, and February 6, 2023 was not proportionately less than the benefit to the general public.

49. Accordingly, when engaging in official acts as a member of the P & Z Commission on April 4, 2022, November 14, 2022, December 5, 2022, and February 6, 2023, Defendant Stagg violated Subsection 10-16-4(B) of the Governmental Conduct Act.

### **Count II: For injunctive relief**

50. Under the Governmental Conduct Act, the State Ethics Commission may “institute a civil action in district court if a violation has occurred or to prevent a violation of any provision of the Governmental Conduct Act.” *See* NMSA 1978, § 10-16-18(B) (2019). “Relief may include a permanent or temporary injunction, a restraining order or any other appropriate order . . . .” *Id.*

51. In the absence of a permanent injunction, considering his long tenure as a TSVI employee and a public officer of VTSV and his prior participation in conflicted transactions,

Defendant is likely to violate the Governmental Conduct Act in the future by failing to recuse or disqualify himself from taking official acts that directly affect his financial interest in or with TSVI, in violation of Subsection 10-16-4(B) of the Governmental Conduct Act.

52. The Commission is entitled to a permanent injunction under Subsection 10-16-18(B) of the Governmental Conduct Act preventing Defendant Stagg, when serving as a member of the P & Z Commission or the Village Council, from engaging in official acts that directly affect his financial interest in or with TSVI, in violation of Subsection 10-16-4(B) the Governmental Conduct Act.

### **REQUEST FOR RELIEF**

WHEREFORE, the State Ethics Commission respectfully requests the Court to enter relief as follows:

- i. Civil penalties in the amount of two-hundred-fifty dollars (\$250.00) for each of Defendant's violations of the Governmental Conduct Act, not to exceed five-thousand dollars (\$5,000), pursuant to NMSA 1978, § 10-16-18(B);
- ii. Injunctive relief;
- iii. Assessment of costs under NMSA 1978, § 34-6-40.1 (1989);
- iv. Any other appropriate order under the Governmental Conduct Act, as authorized by NMSA 1978, § 10-16-18(B); and
- v. Such other relief as the Court deems just and proper.

Respectfully submitted,

/s/ Jeremy Farris

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NEW MEXICO STATE ETHICS COMMISSION

Hon. William F. Lang, Chair  
Jeff Baker, Member  
Stuart M. Bluestone, Member  
Hon. Celia Castillo, Member  
Ronald Solimon, Member  
Dr. Judy Villanueva, Member

**RESOLUTION NO. 2023-04 Authorizing a demand and civil action to enforce the Governmental Conduct Act**

WHEREAS, THE NEW MEXICO STATE ETHICS COMMISSION (“Commission”) met virtually on August 4, 2023, at 9:00 a.m.;

WHEREAS, the Commission has the power to investigate violations and bring a civil action to enforce the Governmental Conduct Act;

WHEREAS, the Commission has reason to believe that Jay Christopher Stagg violated NMSA 1978, Subsections 10-16-3(A), 10-16-4(B) and 10-16-4.2 of the Governmental Conduct Act;

WHEREAS, Mr. Stagg is a member of the Village of Taos Ski Valley (“VTSV”) Council and also a member of the Village’s Planning and Zoning (“P & Z”) Commission. Mr. Stagg is also an employee and Vice President of Taos Ski Valley, Inc. (“TSVI”), which owns and operates Taos Ski Valley;

WHEREAS, the Executive Director has sought the approval of the commission to initiate a civil action under NMSA 1978, Sections 10-16-14(E), 10-16-18(B), and 10-16G-9(F) against Mr. Stagg, and has explained the proposed civil action and remedies to be sought;

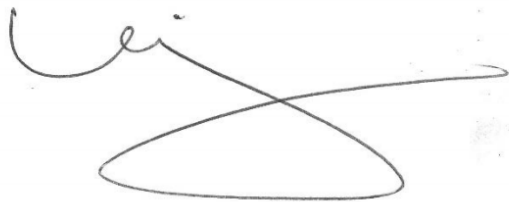
NOW, THEREFORE, BE IT RESOLVED by the New Mexico State Ethics Commission:

1. The Commission’s staff are authorized to demand that Mr. Stagg comply with the Governmental Conduct Act and to prepare and file a civil action

in a court of competent jurisdiction seeking to enforce the civil compliance provision of the Government Conduct Act and any other relief that the court deems just and proper.

2. If Commission staff file a lawsuit against Mr. Stagg, the Executive Director is instructed to provide regular updates on the status of the suit at the Commission's meetings during closed session. Commission staff shall communicate with the Chair as necessary between Commission meetings.
3. The Executive Director is authorized to enter an agreement to settle or dismiss claims brought against Mr. Stagg, upon having conferred with the Chair or his designee.

Adopted by the New Mexico State Ethics Commission this 4th day of August, 2023.

A handwritten signature in black ink, appearing to read 'W. Lang', with a large, stylized flourish underneath.

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The Hon. William F. Lang  
New Mexico State Ethics Commission  
Chair