

<b>LFC Requester:</b>	<b>Joseph Simon</b>
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**AGENCY BILL ANALYSIS  
2024 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:**

**AgencyAnalysis.nmlegis.gov**

*{Analysis must be uploaded as a PDF}*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

*Check all that apply:*

**Original**        **Amendment**      
**Correction**        **Substitute**   

**Date** 1/23/2024

**Bill No:** HB184

**Sponsor:** Rep. Sariñana, Rep. Serrato, Rep. Chandler,  
Rep. Chasey

**Agency Name  
and Code**                      361 - OBAE  
**Number:**

**Short  
Title:**                      "Government Use of Artificial  
Intelligence Transparency Act"

**Person Writing**                      Drew Lovelace

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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
0	0	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
0	0	0	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>		N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis:

- 1) On or before October 1, 2024, and on or before October 1 of each subsequent year, each State agency (executive cabinet departments and their administratively attached agencies) will submit an inventory to the General Services Department (GSD) of their artificial intelligence systems. The inventory will include:
  - a) the name of the system and the vendor that provided it.
  - b) a description of the general capabilities and uses of the system
  - c) a statement of whether the system was used to independently make, inform or materially support a consequential decision.
  - d) an explanation of whether the system was assessed using local data and the source of other data used for assessment.
- 2) On or before January 1, 2025, and on or before November 1 of each succeeding year GSD shall provide an aggregate inventory report of the artificial intelligence systems used by State agencies as outlined above. This report will be provided to the Governor, the Legislative Finance Committee (LFC) and appropriate legislative interim committee that focuses on science and technology.
- 3) On or before July 1, 2025, the department shall assess each artificial intelligence system used by an agency and shall reassess the systems and assess each new system on or before July 1 of each subsequent year.
- 4) The procurement code is amended to include disclosure requirements for transparency by the vendor of artificial intelligence hardware, software or service.
- 5) \$500,000 is appropriated from the general fund to the GSD for expenditure in fiscal year 2025 for staff and other costs to implement the Government Use of Artificial Intelligence Transparency Act. Any unexpended or unencumbered balance remaining at the end of fiscal year 2025 shall revert to the general fund.
- 6) The effective date of the provisions of HB184 is July 1, 2024.

**FISCAL IMPLICATIONS**

N/A

**SIGNIFICANT ISSUES**

N/A

## **PERFORMANCE IMPLICATIONS**

N/A

## **ADMINISTRATIVE IMPLICATIONS**

OBAE would be required to provide a yearly inventory of the artificial intelligence systems in use as outlined:

- a) the name of the system and the vendor that provided it.
- b) a description of the general capabilities and uses of the system
- c) a statement of whether the system was used to independently make, inform or materially support a consequential decision.
- d) an explanation of whether the system was assessed using local data and the source of other data used for assessment.

Second, the way in which OBAE will follow procurement code process would be impacted by the need to collect required transparency disclosure information from vendors that provide artificial intelligence hardware, software or services.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

N/A

## **TECHNICAL ISSUES**

N/A

## **OTHER SUBSTANTIVE ISSUES**

N/A

## **ALTERNATIVES**

N/A

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status Quo

## **AMENDMENTS**

**None**