

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.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}

Date Prepared: 1.17.26

Check all that apply:

Bill Number: HB28Original Correction Amendment Substitute

Sponsor: Christine Chandler
 Artificial Intelligence
 Transparency Act

Short Title: _____

Agency Name
 and Code Number: Office of Broadband Access and Expansion - 36100

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SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
N/A	N/A	N/A	N/A

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
N/A	N/A	N/A	N/A	N/A

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

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

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: The Artificial Intelligence Transparency Act (“the Act”) establishes consumer notice requirements when an entity is utilizing AI to make a decision, score, label, prediction, or recommendation regarding education enrollment, employment, financial or lending services, housing, health care, insurance, or legal services. The Act also mandates disclosure regarding the use of AI chat bots for interactions with consumers.

Under this Act, consumers are guaranteed the right to appeal an adverse decision made by AI to a human being.

Violations of the Act are considered unfair and deceptive trade practices, which can be enforced by the New Mexico Department of Justice.

FISCAL IMPLICATIONS

The Office of Broadband Access and Expansion (OBAE) is not responsible for enforcement of the bill. There is no impact on OBAE’s budget.

SIGNIFICANT ISSUES

N/A

PERFORMANCE IMPLICATIONS

OBAE does not utilize AI in decision-making, or contact with the public. OBAE will have no disclosure obligations under this bill.

ADMINISTRATIVE IMPLICATIONS

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

On December 11, 2025, President Trump issued Executive Order 14365, “Ensuring a National Policy Framework for Artificial Intelligence,” (AI EO) which can be found online at: <https://www.whitehouse.gov/presidential-actions/2025/12/eliminating-state-law-obstruction-of->

[national-artificial-intelligence-policy/](#). The AI EO mandates that States receiving discretionary grants from any federal executive agencies may not enforce any identified AI laws during the performance period of the grants.

The AI EO also specifically calls on the Department of Commerce to withhold Broadband Equity Access and Deployment (BEAD) non-deployment funding from states with onerous AI laws, as determined by the federal government. Out of New Mexico's total BEAD award of \$675 million, the state is expecting to have at least \$243 million allocated for non-deployment projects.

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None. Not passing the bill will maintain the status quo.

AMENDMENTS

N/A.