

LFC Requester:

Henry Jacobs

**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](https://www.legis.nm.gov/AgencyAnalysis) and email to [billanalysis@dfa.nm.gov](mailto: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: 1.29.26

Check all that apply:

Bill Number: HB174Original  Correction Amendment  Substitute 

Sponsor: Andrea Romero and Art De La Cruz  
The Chatbot Safety Act

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

Person Writing: Cass Brulotte

Short

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Title: \_\_\_\_\_

Phone: 505-699-5260 : nnect.nm.gov**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
<b>Total</b>	0	0	0			

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: HB28, SB68, HB141  
Duplicates/Relates to Appropriation in the General Appropriation Act: N/A

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

Synopsis: The Chatbot Safety Act (“the Act”) establishes protections and prohibitions regarding the use and deployment of AI products for underage users. It mandates clear and on-going notifications that a user is communicating with a chatbot, and requires that operators develop, implement, and maintain a crisis intervention protocol.

The Act establishes that violations constitute unfair and deceptive trade practices under the Unfair Practices Act, instructing the Attorney General to enforce. For civil actions, the Act establishes what can be actionable as a product defect claim.

#### **FISCAL IMPLICATIONS**

The Office of Broadband Office and Expansion is not responsible for enforcement of this bill.

#### **SIGNIFICANT ISSUES**

N/A

#### **PERFORMANCE IMPLICATIONS**

OBAE is not an “operator” or “deployer” for purposes of this bill.

#### **ADMINISTRATIVE IMPLICATIONS**

N/A

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

HB28, SB68, HB141

#### **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 will have \$293 million allocated for non-deployment projects.

The AI EO mandates the AI Litigation Task Force, created by the AI EO, to challenge "State AI laws" that it finds inconsistent with the AI EO. The AI EO also instructs the Federal Trade Commission (FTC) to issue a policy stating state laws on AI are preempted by any FTC prohibitions on deceptive acts or practices affecting commerce. Any litigation would create a financial burden on the state.

### **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.