LFC Requester:	Hilla

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)

<u>**SECTION I: GENERAL INFORMATION**</u>
{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: *January 23, 2026*   *Check all that apply:*
Bill Number: *SB 68*   Original ___ *X* Correction __
Amendment ___ Substitute ___

Sponsor: Heather Berghmans

Agency Name and Code Number: 361 – Department of Information Technology

Short Title: Update AI Governance Act

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<u>**SECTION II: FISCAL IMPACT**</u>

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	**FY27**		

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	**FY27**	**FY28**		

(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		0	0	0		

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: Relates to HB 28
Duplicates/Relates to Appropriation in the General Appropriation Act

BILL SUMMARY

Synopsis: SB 68 establishes a legal framework for the use of **artificial intelligence (AI)** and **automated decision tools** by public bodies in New Mexico. It aims to ensure responsible implementation, transparency, and security when these technologies are used in government operations.

Key Provisions

1. **Short Title**
   a. The act may be cited as the **"Artificial Intelligence Government Use Act."**

2. **Definitions**
   a. **Artificial Intelligence:** Machine-based systems that infer from input to generate outputs influencing physical or virtual environments.
   b. **Automated Decision Tool:** AI-based systems that make decisions or generate predictions, scores, or recommendations used as a basis for consequential decisions.
   c. **Consequential Decision:** Decisions with significant legal or material effects on services such as education, employment, finance, housing, healthcare, insurance, or legal services.
   d. **Cybersecurity:** Practices to reduce risk of cyberattacks or breaches.
   e. **Public Body:** Includes state agencies, counties, municipalities, school districts, charter schools, and public post-secondary institutions.
   f. **Nonpublic Data:** Confidential information protected from disclosure under law.

3. **Policy Requirements**
   a. Public bodies must **establish policies** governing authorized uses of AI, automated decision tools, and technology resources by employees.
   b. Policies should address transparency, accountability, and compliance with cybersecurity standards.

4. **Training Programs**
   a. Public bodies are required to implement **training programs** for employees on the proper use and limitations of AI and related technologies.

FISCAL IMPLICATIONS
This bill would not have a fiscal impact on DoIT or executive branch agencies, because in June of 2025, DoIT promulgated the Generative AI Use Guidelines Policy for executive branch agencies, which already meets the requirements of this legislation. Furthermore, DoIT has developed AI training, in conjunction with the State Personnel Office, which also meets the training requirements of this legislation.

SIGNIFICANT ISSUES

The DoIT Generative AI Use Guidelines Policy ensures responsible, ethical, and secure use of

Generative AI (Gen-AI) in state operations, aligned with NIST AI Risk Management Framework, while promoting efficiency and safeguarding public trust.

Core Principles include

- Safety & Security: Systems must be safe, secure, and controllable by humans.
- Validity & Reliability: Outputs should be accurate and trustworthy.
- Fairness & Inclusion: Avoid bias and discrimination.
- Privacy & Data Protection: Respect confidentiality and comply with privacy laws.
- Accountability: Agencies are responsible for impacts of Gen-AI use.
- Transparency & Auditability: Label AI-generated content; document review steps.
- Explainability: Ability to explain "how" and "why" decisions are made.
- Public Purpose: Support equitable and improved constituent services.

Operational Guidelines

- Fact-Check & Bias Review: All outputs must be reviewed for accuracy and fairness.
- Disclosure: Clearly label AI-generated content and note review process.
- Sensitive Data: Do NOT input non-public or confidential data into public Gen-AI tools.
- Copyright Compliance: Ensure proper attribution; avoid infringement.
- Record Retention: Treat Gen-AI outputs as public records per retention rules.

Governance & Compliance

- Governance Framework: Define roles, responsibilities, and oversight committees.
- Policy Development: Create agency-specific policies aligned with state guidelines.
- Risk Management: Continuous monitoring and audits for risk mitigation.
- Compliance Monitoring: Regular reviews and audits for adherence.
- Training & Awareness: Educate personnel on ethical and secure Gen-AI use.
- Security Review: Mandatory review before processing non-public data; requires OCS and DoIT authorization.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

There is a possible relationship with HB28 The Artificial Intelligence Transparency Act

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Other state agencies outside of the executive branch may lack required AI guidance and controls.

AMENDMENTS