

LFC Requester:

Emily Hilla

**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO [AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) 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:** 1/23/26 **Bill Number:** SB0068 **Original**  **Amendment**  **Substitute**

**Short Title:** ARTIFICIAL INTELLIGENCE GOVERNMENT USE ACT

**Sponsor:** Sen. Berghmans

**Name and Code Number:** HCA 630

**Person Writing:** Tim Thackaberry, ITD

**Phone:** 505-309-2127 **Email:** timp.thackaberry@hca.nm.gov

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
0	0		

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
0	0	0		

(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)

### SECTION III: NARRATIVE

#### **BILL SUMMARY**

##### Synopsis:

SB0068 - Artificial Intelligence Government Use Act – establishes policy requirements for public bodies, including state agencies, boards, bureaus, commissions, departments, or any other instrumentality of the state. It states that these public bodies must establish policies governing AI and automated decision tools when they are used to make “consequential decisions.” The definition of “consequential decisions” includes “health care service” as one of seven (7) named areas of impact. These policies must:

- Address security procedures for protecting nonpublic data
- Define the authorized uses of AI and automated tools
- Require human oversight for consequential decisions (AI cannot make final decisions)
- Prohibit the bypassing of security measures except for authorized testing

SB0068 also establishes a transparency requirement that mandates making the policies available to the public upon request.

The Act also says that employees must be trained in cybersecurity policies and the proper use of AI and automated tools in decision making.

#### **FISCAL IMPLICATIONS**

HCA will incur time and expense developing policies that adhere to the strictures of the Act. There will also be to-be-determined costs to train employees appropriately on the use of AI. It is also likely that the requirement to make the policies available to the public upon request will result in an uptick in IPRA requests, and HCA will incur costs by responding to them.

The bill could also prevent us in the future from implementing cost-saving automations driven by autonomous AI, necessitating the use of more costly manual interventions. A precise financial impact is difficult to quantify, but the financial impact would be real.

#### **SIGNIFICANT ISSUES**

HCA will need to take the time to update our AI policies to outline specifically what we do and don't do with AI in our systems. The breadth of the potential impact of this Act hinges on the

definition of “consequential decisions.” Our systems, as currently constituted in our analysis, do not rely solely on AI to make consequential decisions, but it could impact our future uses of AI. The requirement that a human be in the loop in all consequential decision making also impacts potential future uses of AI in eligibility determination.

The AI tools currently in use in our systems exist solely to assist and support the process of determining and managing benefit eligibility. For example, we use AI to automatically generate case comments, but this does not constitute any kind of actual decision making, but rather decision support. As a result, this bill has more impact on how we can use AI in the future than it does on how we use AI now.

## **PERFORMANCE IMPLICATIONS**

ITD and OGC will be primarily responsible for implementing the bill through the creation of new AI policies that conform to the Act. As we do not use AI alone to make consequential decisions in any of our systems, the actual impact on current system state will be negligible to nonexistent.

The bill could also prevent us in the future from leveraging autonomous AI to provide quicker and more efficient services to citizens. This could have an adverse impact on system performance and citizen satisfaction.

## **ADMINISTRATIVE IMPLICATIONS**

The bill takes effect July 1, 2026.

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

This bill covers a lot of the same territory as HB0028 (Artificial Intelligence Transparency Act), especially when it comes to proscribing how AI can be used in making consequential decisions. There are enough differences between the two bills that their respective impacts will have to be reconciled.

## **TECHNICAL ISSUES**

None

## **OTHER SUBSTANTIVE ISSUES**

## **ALTERNATIVES**

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

Status quo

## **AMENDMENTS**

