

LFC Requester:

Emily Hilla

**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

Analysis.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 1-24-2024

Bill No: SB 130

Sponsor: Sen. Michael Padilla
Rep. Debra M. Sarinana
Short Title: AI Work Group

Agency Name and Code Number: Dept. of Information Technology -
36100
Person Writing: Raja Sambandam
Phone: 505-660-3280 **Email** raja.sambandam@doit.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|------|---------------------------|---------------|
| FY25 | FY26 | | |
| 500 | 0 | Nonrecurring | General Fund |
| | | | |

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 184 – Creating the Government Use of Artificial Intelligence Transparency Act.

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Senate Bill 130 (“SB130”) establishes an Artificial Intelligence Work Group under the cybersecurity office to develop legislative proposals and recommendations for policies for state use and procurement of artificial intelligence systems. SB130 establishes membership of the workgroup and directs the workgroup to submit a report of its activities and recommendations to the LFC, the legislative committee on science and technology, and the governor. SB130 contains an appropriation of five-hundred thousand dollars to the cybersecurity office for staffing and support services for the artificial intelligence workgroup.

FISCAL IMPLICATIONS

SB130 contains an appropriation of five-hundred thousand dollars to the cybersecurity office for staffing and support services for the artificial intelligence workgroup. These funds will allow the cybersecurity office to procure the professional services of a project manager with expertise in artificial intelligence and cybersecurity matters.

SIGNIFICANT ISSUES

Public sector use of artificial intelligence is expanding, and states must now consider how to regulate the design, development, and use of AI systems in the public sector to ensure they are safe, effective and unbiased. Other states, including Utah and Washington, have initiated their efforts to understand and make policy regarding the use of artificial intelligence systems through the organization of AI workgroups like the one proposed in SB130.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB 184 creates the Government Use of Artificial Intelligence Transparency Act. That Act requires agencies to annually submit to GSD an inventory of the agency's artificial intelligence systems, requires GSD to annually submit an aggregate report of the information collected to the governor, the LFC and the legislative committee on science and technology, and requires GSD to annually "assess" each AI system used by an agency in accordance with the assessment requirements of the Act. The Act also proposes an amendment to the Procurement Code to add certain disclosure requirements for procurement of a physical or software technology product or service subject to the Act.

AI systems have received more attention recently as they've been used in more high impact applications such as assisting states with decision-making related to healthcare, criminal justice, and unemployment, for example. The Artificial Intelligence Work Group created by SB 130 will study AI systems and propose policy and legislation that will explore the risks of AI, guide appropriate use, and implement best practices for procurement of AI. SB 130 also has a five-hundred thousand dollar appropriation to allow the cybersecurity office to hire experts in the field of AI to assist the Work Group. The proposals in HB 184 should be studied by the Artificial Intelligence Work Group prior to implementation so the state avoids a duplication of efforts and moves forward on AI-related issues only after the AI Work Group concludes its studies and makes its recommendations.

ALTERNATIVES

Consider merging the requirements of HB 184 into SB 130 to require the Artificial Intelligence Work Group to analyze and make recommendations regarding inventory, assessment and reporting on the AI systems that agencies use.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Some New Mexico state agencies are already using artificial intelligence systems. Use of these systems without security controls in place may create vulnerabilities into the state IT infrastructure.

Additionally, it is in the public interest to ensure agency use of artificial intelligence systems is done in a safe and unbiased manner.