

LFC Requester:	Felix Chavez
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AGENCY BILL ANALYSIS - 2025 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: 1.21.24 *Check all that apply:*
Bill Number: HB 60 Original Correction
 Amendment Substitute

Sponsor: Christine Chandler **Agency Name and Code:** New Mexico Department of Homeland Security and Emergency Management -79500
Short Title: Artificial Intelligence Act **Number:** Management -79500
Person Writing: Amber Gonzales
Phone: 505-699-5807 **Email:** Amber.gonzales@dhsem.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
NA	NA	NA	NA

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
NA	NA	NA	NA	NA

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NA	NA	NA	NA	NA	NA

(Parenthesis () Indicate Expenditure Decreases)

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

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: HB 60 establishes regulations for using high-risk artificial intelligence (AI) systems, defined as, “any artificial intelligence system that when deployed makes or is a substantial factor in making a consequential decision,” but makes exceptions for AIs that have narrow procedural tasks, as well as anti-fraud technology anti-malware, antivirus, artificial-intelligence-enabled video games, calculators, and several other articulated similar examples.

This bill requires the developers to notify the State Department of Justice (DOJ) if an AI system were to cause algorithmic discrimination and to provide relevant risk management documents. HB 60 defines algorithmic discrimination as any condition in which the use of an artificial intelligence system results in an unlawful differential treatment or impact that disfavors a person based on the person's actual or perceived age, color, disability, ethnicity, gender, genetic information, proficiency in the English language, national origin, race, religion, reproductive health, veteran status or other status protected by state or federal law.

The bill includes exemptions for trade secrets, federal compliance, and certain security protocols. Additionally, HB 60 enables the State DOJ to allow consumers to file civil lawsuits for violations and gives the State DOJ the authority to enforce penalties.

FISCAL IMPLICATIONS:

The New Mexico Department of Homeland Security and Emergency Management (DHSEM) is unaware of the potential costs the State of New Mexico would incur by the State DOJ.

SIGNIFICANT ISSUES:

The State DOJ is given enforcement authority. The New Mexico Department of Homeland Security and Emergency Management (DHSEM) is unaware of existing significant issues with HB 60.

PERFORMANCE IMPLICATIONS:

The New Mexico Department of Homeland Security and Emergency Management (DHSEM) is unaware of the performance implications of HB 60.

ADMINISTRATIVE IMPLICATIONS:

HB 60 requires the State DOJ to create new processes for reviewing AI risk management documents, enforcing customer protections, and handling civil actions. The State DOJ will also have to implement compliance rules, manage proprietary information, and allocate resources for monitoring and enforcement while working toward establishing regulations by 2027.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP:

NA

TECHNICAL ISSUES:

Potential issues may arise from existing state infrastructure, and data accuracy while maintaining

transparency and decision-making. Additionally, the State DOJ will need to ensure their new regulations will comply with existing privacy regulations.

OTHER SUBSTANTIVE ISSUES

NA

ALTERNATIVES

NA

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS:

NA