

1 HOUSE BILL 184

2 **56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024**

3 INTRODUCED BY

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10 AN ACT

11 RELATING TO ARTIFICIAL INTELLIGENCE; ENACTING THE GOVERNMENT  
12 USE OF ARTIFICIAL INTELLIGENCE TRANSPARENCY ACT; REQUIRING  
13 INVENTORIES AND ASSESSMENTS OF ARTIFICIAL INTELLIGENCE SYSTEM  
14 USE; REQUIRING REPORTS; AMENDING THE PROCUREMENT CODE;  
15 REQUIRING VENDOR TRANSPARENCY FOR PURCHASES OF ARTIFICIAL  
16 INTELLIGENCE PRODUCTS AND SERVICES; PROVIDING DEFINITIONS;  
17 MAKING AN APPROPRIATION.  
18

19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

20 SECTION 1. [NEW MATERIAL] SHORT TITLE.--Sections 1  
21 through 3 of this act may be cited as the "Government Use of  
22 Artificial Intelligence Transparency Act".

23 SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the  
24 Government Use of Artificial Intelligence Transparency Act:

25 A. "agency", unless otherwise specified, means

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1 executive cabinet departments and their administratively  
2 attached agencies, contractors, offices, boards, commissions  
3 and employees with decision-making authority;

4 B. "algorithm" means a computerized procedure  
5 consisting of a set of steps to accomplish a determined task;

6 C. "artificial intelligence" means any technology,  
7 including machine learning, that uses data to train an  
8 algorithm or predictive model for the purpose of enabling a  
9 computer system or service to autonomously perform a task,  
10 including visual perception, language processing or speech  
11 recognition, that is normally associated with human  
12 intelligence or perception;

13 D. "artificial intelligence system" means an  
14 application, a data system, hardware, software, a tool or a  
15 utility that operates in whole or in part by using artificial  
16 intelligence;

17 E. "assessment" means a structured assessment of an  
18 artificial intelligence system to determine whether the  
19 system's outcomes and methods align with the objectives,  
20 standards and legal requirements of the agency using the  
21 system. "Assessment" includes a thorough examination of a  
22 system's design, data and outputs and specifically assesses:

23 (1) how the system produces outputs, including  
24 the types and sources of data the system uses and how the  
25 system's data is collected, weighted and combined;

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1 (2) whether the system's outputs are accurate,  
2 including the accuracy of predictions of behavior; and

3 (3) whether the system's outputs exhibit bias;

4 F. "bias" means consequential decision results that  
5 may constitute an unlawful discriminatory practice pursuant to  
6 Section 28-1-7 NMSA 1978;

7 G. "consequential decision" means a decision by an  
8 agency regarding:

9 (1) the denial, eligibility, provision,  
10 withholding of or access to government benefits, opportunities  
11 or services for a person; or

12 (2) the imposition of punitive actions on a  
13 person;

14 H. "department", unless otherwise specified, means  
15 the general services department; and

16 I. "use" means to operate an artificial  
17 intelligence system or to contract with a third party to  
18 operate an artificial intelligence system to automate, aid,  
19 replace or support a decision-making process that would  
20 otherwise be made by an agency or to make recommendations to an  
21 agency.

22 SECTION 3. [NEW MATERIAL] INVENTORY--ASSESSMENTS--  
23 REPORTS.--

24 A. On or before October 1, 2024, and on or before  
25 October 1 of each subsequent year, each agency shall submit an  
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1 inventory to the department of the agency's artificial  
2 intelligence systems. An inventory shall include the following  
3 information for each artificial intelligence system:

4 (1) the name of the system and the vendor, if  
5 any, that provided the system;

6 (2) a description of the general capabilities  
7 and uses of the system;

8 (3) whether the system was used to  
9 independently make, inform or materially support a  
10 consequential decision; and

11 (4) whether the system was assessed using  
12 local data and the source of other data used for assessment.

13 B. On or before January 1, 2025, and on or before  
14 November 1 of each succeeding year, the department shall  
15 provide an aggregate inventory report that includes all  
16 information collected pursuant to Subsection A of this section  
17 of all agency artificial intelligence systems to the governor,  
18 the legislative finance committee and the appropriate  
19 legislative interim committee that focuses on science and  
20 technology. Department inventory reports made after January 1,  
21 2025 shall include the results of the assessments conducted  
22 pursuant to Subsection C of this section.

23 C. On or before July 1, 2025, the department shall  
24 conduct an assessment of each artificial intelligence system  
25 used by an agency and shall reassess the systems and assess

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1 each new system on or before July 1 of each subsequent year.

2 SECTION 4. Section 13-1-28 NMSA 1978 (being Laws 1984,  
3 Chapter 65, Section 1, as amended) is amended to read:

4 "13-1-28. SHORT TITLE.--Sections 13-1-28 through  
5 [~~13-1-199~~] 13-1-200 NMSA 1978 may be cited as the "Procurement  
6 Code"."

7 SECTION 5. A new section of the Procurement Code, Section  
8 13-1-200 NMSA 1978, is enacted to read:

9 "13-1-200. [NEW MATERIAL] PURCHASE OF ARTIFICIAL  
10 INTELLIGENCE--DISCLOSURE REQUIREMENTS.--

11 A. A contract for procurement of a physical or  
12 software technology product or service subject to inventory or  
13 assessment pursuant to the Government Use of Artificial  
14 Intelligence Transparency Act shall include a requirement for  
15 transparency by the vendor.

16 B. As used in this section, "transparency" means  
17 the disclosure of the methodology of a system, including the  
18 types and sources of data the system uses, how data is  
19 collected, weighted and combined and the methodology employed  
20 to correct errors, improve outcomes or otherwise modify the  
21 system."

22 SECTION 6. APPROPRIATION.--Five hundred thousand dollars  
23 (\$500,000) is appropriated from the general fund to the general  
24 services department for expenditure in fiscal year 2025 for  
25 staff and other costs to implement the Government Use of

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1 Artificial Intelligence Transparency Act. Any unexpended or  
2 unencumbered balance remaining at the end of fiscal year 2025  
3 shall revert to the general fund.

4 SECTION 7. EFFECTIVE DATE.--The effective date of the  
5 provisions of this act is July 1, 2024.

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