

HOUSE BILL 184

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

INTRODUCED BY

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This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

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

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

.226901.5AIC January 29, 2024 (1:03pm)

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

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

A. "agency", unless otherwise specified, means executive cabinet departments and their administratively attached agencies, contractors, offices, boards, commissions and employees with decision-making authority;

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

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

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

E. "assessment" means a structured assessment of an artificial intelligence system to determine whether the system's outcomes and methods align with the objectives, standards and legal requirements of the agency using the

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system. "Assessment" includes a thorough examination of a system's design, data and outputs and specifically assesses:

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

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

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

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

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

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

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

H. "department", unless otherwise specified, means the HGEIC→~~general services department~~←HGEIC HGEIC→department of information technology←HGEIC ; and

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

agency.

**SECTION 3. [NEW MATERIAL] INVENTORY--ASSESSMENTS--
REPORTS.--**

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

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

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

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

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

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

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pursuant to Subsection C of this section.

C. On or before July 1, 2025, the department shall conduct an assessment of each artificial intelligence system used by an agency and shall reassess the systems and assess each new system on or before July 1 of each subsequent year.

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

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

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

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

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

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

SECTION 6. APPROPRIATION.--Five hundred thousand dollars .226901.5AIC January 29, 2024 (1:03pm)

(\$500,000) is appropriated from the general fund to the HGEIC → ~~general services department~~ ← HGEIC HGEIC → department of information technology ← HGEIC for expenditure in fiscal year 2025 for staff and other costs to implement the Government Use of Artificial Intelligence Transparency Act. Any unexpended or unencumbered balance remaining at the end of fiscal year 2025 shall revert to the general fund.

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

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