



January 30, 2025

The Honorable Joanne J. Ferrary
Chairwoman
House Consumer & Public Affairs Committee
325 Don Gasper, Suite 302
Santa Fe, NM 87501

Re: House Bill 60

Dear Chairwoman Ferrary:

The U.S. Chamber of Commerce (“Chamber”) urges the Committee not to pass House Bill 60 (“HB 60”) as currently drafted. We believe Representative Chandler’s goal of ensuring high-risk uses of Artificial Intelligence (“AI”) are ethical and responsible is laudable. However, the Chamber has strong concerns regarding the bill’s inclusion of a private right of action, which has a long track record of abuse, particularly against small businesses. Further, we believe more time is needed for the Committee to review how the legislation’s liability and impact assessment potential conflicts with current New Mexico State law.

We are concerned that passing this legislation would expand on a growing patchwork of State AI laws. Such a patchwork would adversely impact existing uses of AI tools and stifle innovations that will benefit consumers and the businesses serving them. As discussed below, we believe that guardrails are necessary when gaps exist in existing laws, and regulations are warranted to fill such gaps through a targeted and risk-based approach. To our knowledge, there has been no comprehensive risk analysis of HB 60 to determine where New Mexico state laws already apply and where gaps exist. Accordingly, a more thorough review of the implications of proposed AI regulations on New Mexico businesses and consumers should be undertaken to develop appropriate legislative responses. We welcome the opportunity to work with your office and the New Mexico legislature in such an effort.

Existing laws and regulations already cover many AI activities. In the March 2023 report of the Chamber’s Commission on Artificial Intelligence Competitiveness, Inclusion, and Innovation (“Chamber Report”), we outlined possible approaches to effective regulation.¹ The Chamber Report outlined a risk-based gap-filling approach that should be the basis for new policies around AI that address the issues involved and provide for future innovations. Where gaps exist, policymakers should seek to ensure that new policies are tailored to the risk and don’t unnecessarily hamper innovation. The failure to follow such an approach will forestall the ability of consumers and the broader American economy to reap the benefits of AI.

HB 60 could prove particularly harmful to small businesses. Existing AI-enabled tools have been used by businesses for many decades. New and innovative AI tools will be

¹U.S. Chamber Technology Engagement Center, “Commission on Artificial Intelligence Competitiveness, Inclusion and Innovation,” (March 2023) available at <https://www.uschamber.com/technology/artificial-intelligence-commission-report>

foundational to America's economic growth and PWC estimates that AI will contribute \$15.7 trillion to the global economy by 2030.² AI will be especially beneficial for small businesses. A recent Chamber report found that "98% of small businesses are using tools that are in some way AI-enabled" and that "nearly three-quarters of small businesses actively using AI say limiting access to AI will harm their ability to grow."³

At the same time, many small businesses are concerned about increased litigation and compliance costs stemming from navigating a patchwork of state AI and tech laws.⁴ A significant number of small companies are already forgoing AI adoption because of "concerns about legal or compliance issues."⁵ Preventing small business use of AI tools will harm their ability to grow and compete in the marketplace. HB 60 could fundamentally impact the tools small businesses rely upon. Additionally, the bill fails to provide adequate relief for small businesses acting in good faith from liability.

Given the significant complexities associated with AI and the impact of regulations on small businesses, we believe a thorough review of how HB 60 works with the current New Mexico statute is necessary before passage. We look forward to working with you and the legislature on this critical issue.

Sincerely,

A handwritten signature in black ink that reads "Michael Richards". The signature is written in a cursive, flowing style.

Michael Richards
Senior Director
Chamber Technology Engagement Center
U.S. Chamber of Commerce

CC: House Consumer & Public Affairs Committee

² PricewaterhouseCoopers, "Global Artificial Intelligence Study: Exploring the AI Revolution" *available at* <https://www.pwc.com/gx/en/issues/data-and-analytics/publications/artificial-intelligence-study.html>

³ U.S. Chamber of Commerce. "The Impact of Technology on U.S. Small Business." U.S. Chamber of Commerce, 14 Sept. 2023, www.uschamber.com/assets/documents/Report-The-Impact-of-Tech-on-US-Small-Business.pdf.

⁴ *Id.*

⁵ *Id.*