BILLPAPER

HOUSE BILL

HOUSE SPONSORSHIP

Weinberg,

SENATE SPONSORSHIP

(None),

House Committees	Senate Committees

A BILL FOR AN ACT

101   CONCERNING ARTIFICIAL INTELLIGENCE SYSTEMS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

In 2024, the general assembly enacted Senate Bill 24-205, which created consumer protections in interactions with artificial intelligence systems (provisions).

The provisions include a definition of "consequential decision", which definition determines the types of artificial intelligence systems that are considered high-risk artificial intelligence systems for the purpose of the provisions and, therefore, regulated under current law. The bill narrows the definition of "consequential decision" to only include

decisions related to employment or public safety.

The bill also:

- Changes the effective date of the provisions from February 1, 2026, to August 1, 2027;
- Exempts businesses with fewer than 250 employees from the provisions;
- Exempts businesses with less than $5 million in annual revenue from the provisions; and
- Exempts local governments with fewer than 100,000 residents from the provisions.

1   *Be it enacted by the General Assembly of the State of Colorado:*

2   **SECTION 1.** In Colorado Revised Statutes, 6-1-1701, **amend** (3);

3   **repeal** (8); and **add** (10.5) as follows:

4   **6-1-1701. Definitions.** As used in this part 17, unless the context

5   otherwise requires:

6   (3) "Consequential decision" means a decision that has a material

7   legal or similarly significant effect on ~~the provision or denial to any~~

8   ~~consumer of, or the cost or terms of:~~ EMPLOYMENT DECISIONS OR PUBLIC

9   SAFETY.

10   ~~(a) Education enrollment or an education opportunity;~~

11   ~~(b) Employment or an employment opportunity;~~

12   ~~(c) A financial or lending service;~~

13   ~~(d) An essential government service;~~

14   ~~(e) Health-care services;~~

15   ~~(f) Housing;~~

16   ~~(g) Insurance; or~~

17   ~~(h) A legal service.~~

18   (8) ~~"Health-care services" has the same meaning as provided in 42~~

19   ~~U.S.C. sec. 234 (d)(2).~~

20   (10.5) "LOCAL GOVERNMENT" MEANS A HOME RULE OR

1 STATUTORY MUNICIPALITY, COUNTY, OR SPECIAL DISTRICT.

2   **SECTION 2.** In Colorado Revised Statutes, 6-1-1702, **amend** (1),

3 (2) introductory portion, (3)(a), (4)(a) introductory portion, (5)

4 introductory portion, and (7) as follows:

5   **6-1-1702. Developer duty to avoid algorithmic discrimination**

6 **- required documentation.** (1) On and after ~~February 1, 2026~~ AUGUST

7 1, 2027, a developer of a high-risk artificial intelligence system shall use

8 reasonable care to protect consumers from any known or reasonably

9 foreseeable risks of algorithmic discrimination arising from the intended

10 and contracted uses of the high-risk artificial intelligence system. In any

11 enforcement action brought on or after ~~February 1, 2026~~ AUGUST 1, 2027,

12 by the attorney general pursuant to section 6-1-1706, there is a rebuttable

13 presumption that a developer used reasonable care as required under this

14 section if the developer complied with this section and any additional

15 requirements or obligations as set forth in rules ~~promulgated~~ ADOPTED by

16 the attorney general pursuant to section 6-1-1707.

17   (2) On and after ~~February 1, 2026~~ AUGUST 1, 2027, and except as

18 provided in subsection (6) of this section, a developer of a high-risk

19 artificial intelligence system shall make available to the deployer or other

20 developer of the high-risk artificial intelligence system:

21   (3) (a) Except as provided in subsection (6) of this section, a

22 developer that offers, sells, leases, licenses, gives, or otherwise makes

23 available to a deployer or other developer a high-risk artificial

24 intelligence system on or after ~~February 1, 2026~~ AUGUST 1, 2027, shall

25 make available to the deployer or other developer, to the extent feasible,

26 the documentation and information, through artifacts such as model cards,

27 dataset cards, or other impact assessments, necessary for a deployer, or

1   for a third party contracted by a deployer, to complete an impact

2   assessment pursuant to section 6-1-1703 (3).

3   (4) (a) On and after ~~February 1, 2026~~ AUGUST 1, 2027, a

4   developer shall make available, in a manner that is clear and readily

5   available on the developer's website or in a public use case inventory, a

6   statement summarizing:

7   (5) On and after ~~February 1, 2026~~ AUGUST 1, 2027, a developer

8   of a high-risk artificial intelligence system shall disclose to the attorney

9   general, in a form and manner prescribed by the attorney general, and to

10   all known deployers or other developers of the high-risk artificial

11   intelligence system, any known or reasonably foreseeable risks of

12   algorithmic discrimination arising from the intended uses of the high-risk

13   artificial intelligence system without unreasonable delay but no later than

14   ninety days after the date on which:

15   (7) On and after ~~February 1, 2026~~ AUGUST 1, 2027, the attorney

16   general may require that a developer disclose to the attorney general, no

17   later than ninety days after the request and in a form and manner

18   prescribed by the attorney general, the statement or documentation

19   described in subsection (2) of this section. The attorney general may

20   evaluate such statement or documentation to ensure compliance with this

21   part 17, and the statement or documentation is not subject to disclosure

22   under the "Colorado Open Records Act", part 2 of article 72 of title 24.

23   In a disclosure pursuant to this subsection (7), a developer may designate

24   the statement or documentation as including proprietary information or

25   a trade secret. To the extent that any information contained in the

26   statement or documentation includes information subject to

27   attorney-client privilege or work-product protection, the disclosure does

1   not constitute a waiver of the privilege or protection.

2   **SECTION 3.** In Colorado Revised Statutes, 6-1-1703, **amend** (1),

3   (2)(a) introductory portion, (3)(a), (3)(c), (3)(g), (4)(a) introductory

4   portion, (4)(b) introductory portion, (5)(a) introductory portion, (7), and

5   (9) as follows:

6   **6-1-1703. Deployer duty to avoid algorithmic discrimination**

7   **- risk management policy and program.** (1) On and after ~~February 1,~~

8   ~~2026~~ AUGUST 1, 2027, a deployer of a high-risk artificial intelligence

9   system shall use reasonable care to protect consumers from any known or

10   reasonably foreseeable risks of algorithmic discrimination. In any

11   enforcement action brought on or after ~~February 1, 2026~~ AUGUST 1, 2027,

12   by the attorney general pursuant to section 6-1-1706, there is a rebuttable

13   presumption that a deployer of a high-risk artificial intelligence system

14   used reasonable care as required under this section if the deployer

15   complied with this section and any additional requirements or obligations

16   as set forth in rules ~~promulgated~~ ADOPTED by the attorney general

17   pursuant to section 6-1-1707.

18   (2) (a) On and after ~~February 1, 2026~~ AUGUST 1, 2027, and except

19   as provided in subsection (6) of this section, a deployer of a high-risk

20   artificial intelligence system shall implement a risk management policy

21   and program to govern the deployer's deployment of the high-risk

22   artificial intelligence system. The risk management policy and program

23   must specify and incorporate the principles, processes, and personnel that

24   the deployer uses to identify, document, and mitigate known or

25   reasonably foreseeable risks of algorithmic discrimination. The risk

26   management policy and program must be an iterative process planned,

27   implemented, and regularly and systematically reviewed and updated over

1   the life cycle of a high-risk artificial intelligence system, requiring

2   regular, systematic review and updates. A risk management policy and

3   program implemented and maintained pursuant to this subsection (2) must

4   be reasonable considering:

5   (3) (a) Except as provided in subsections (3)(d), (3)(e), and (6) of

6   this section:

7   (I) A deployer, or a third party contracted by the deployer, that

8   deploys a high-risk artificial intelligence system on or after ~~February 1,~~

9   ~~2026~~ AUGUST 1, 2027, shall complete an impact assessment for the

10 high-risk artificial intelligence system; and

11 (II) On and after ~~February 1, 2026~~ AUGUST 1, 2027, a deployer,

12 or a third party contracted by the deployer, shall complete an impact

13 assessment for a deployed high-risk artificial intelligence system at least

14 annually and within ninety days after any intentional and substantial

15 modification to the high-risk artificial intelligence system is made

16 available.

17 (c) In addition to the information required under subsection (3)(b)

18 of this section, an impact assessment completed pursuant to this

19 subsection (3) following an intentional and substantial modification to a

20 high-risk artificial intelligence system on or after ~~February 1, 2026~~

21 AUGUST 1, 2027, must include a statement disclosing the extent to which

22 the high-risk artificial intelligence system was used in a manner that was

23 consistent with, or varied from, the developer's intended uses of the

24 high-risk artificial intelligence system.

25 (g) On or before ~~February 1, 2026~~ AUGUST 1, 2027, and at least

26 annually thereafter, a deployer, or a third party contracted by the deployer,

27 must review the deployment of each high-risk artificial intelligence

1   system deployed by the deployer to ensure that the high-risk artificial

2   intelligence system is not causing algorithmic discrimination.

3   (4) (a) On and after ~~February 1, 2026~~ AUGUST 1, 2027, and no

4   later than the time that a deployer deploys a high-risk artificial

5   intelligence system to make, or be a substantial factor in making, a

6   consequential decision concerning a consumer, the deployer shall:

7   (b) On and after ~~February 1, 2026~~ AUGUST 1, 2027, a deployer

8   that has deployed a high-risk artificial intelligence system to make, or be

9   a substantial factor in making, a consequential decision concerning a

10   consumer shall, if the consequential decision is adverse to the consumer,

11   provide to the consumer:

12   (5) (a) On and after ~~February 1, 2026~~ AUGUST 1, 2027, and except

13   as provided in subsection (6) of this section, a deployer shall make

14   available, in a manner that is clear and readily available on the deployer's

15   website, a statement summarizing:

16   (7) If a deployer deploys a high-risk artificial intelligence system

17   on or after ~~February 1, 2026~~ AUGUST 1, 2027, and subsequently discovers

18   that the high-risk artificial intelligence system has caused algorithmic

19   discrimination, the deployer, without unreasonable delay, but no later than

20   ninety days after the date of the discovery, shall send to the attorney

21   general, in a form and manner prescribed by the attorney general, a notice

22   disclosing the discovery.

23   (9) On and after ~~February 1, 2026~~ AUGUST 1, 2027, the attorney

24   general may require that a deployer, or a third party contracted by the

25   deployer, disclose to the attorney general, no later than ninety days after

26   the request and in a form and manner prescribed by the attorney general,

27   the risk management policy implemented pursuant to subsection (2) of

1   this section, the impact assessment completed pursuant to subsection (3)

2   of this section, or the records maintained pursuant to subsection (3)(f) of

3   this section. The attorney general may evaluate the risk management

4   policy, impact assessment, or records to ensure compliance with this part

5   17, and the risk management policy, impact assessment, and records are

6   not subject to disclosure under the "Colorado Open Records Act", part 2

7   of article 72 of title 24. In a disclosure pursuant to this subsection (9), a

8   deployer may designate the statement or documentation as including

9   proprietary information or a trade secret. To the extent that any

10   information contained in the risk management policy, impact assessment,

11   or records includes information subject to attorney-client privilege or

12   work-product protection, the disclosure does not constitute a waiver of

13   the privilege or protection.

14   **SECTION 4.** In Colorado Revised Statutes, 6-1-1704, **amend** (1)

15   as follows:

16   **6-1-1704.   Disclosure of an artificial intelligence system to**

17   **consumer.** (1)   On and after ~~February 1, 2026~~ AUGUST 1, 2027, and

18   except as provided in subsection (2) of this section, a deployer or other

19   developer that deploys, offers, sells, leases, licenses, gives, or otherwise

20   makes available an artificial intelligence system that is intended to

21   interact with consumers shall ensure the disclosure to each consumer who

22   interacts with the artificial intelligence system that the consumer is

23   interacting with an artificial intelligence system.

24   **SECTION 5.** In Colorado Revised Statutes, 6-1-1705, **add** (10)

25   as follows:

26   **6-1-1705.   Compliance with other legal obligations -**

27   **exemptions - definitions - rules.** (10)   NOTWITHSTANDING ANY

1 PROVISION OF THIS PART 17 TO THE CONTRARY, THIS PART 17 DOES NOT

2 APPLY TO A PERSON THAT IS:

3   (a) A LOCAL GOVERNMENT WITH A TOTAL POPULATION OF FEWER

4 THAN ONE HUNDRED THOUSAND RESIDENTS; OR

5   (b) A BUSINESS WITH:

6   (I) FEWER THAN TWO HUNDRED FIFTY EMPLOYEES; OR

7   (II) LESS THAN FIVE MILLION DOLLARS IN ANNUAL REVENUE IN THE

8 PREVIOUS CALENDAR YEAR.

9   **SECTION 6. Act subject to petition - effective date.** This act

10 takes effect at 12:01 a.m. on the day following the expiration of the

11 ninety-day period after final adjournment of the general assembly; except

12 that, if a referendum petition is filed pursuant to section 1 (3) of article V

13 of the state constitution against this act or an item, section, or part of this

14 act within such period, then the act, item, section, or part will not take

15 effect unless approved by the people at the general election to be held in

16 November 2026 and, in such case, will take effect on the date of the

17 official declaration of the vote thereon by the governor.