

First Extraordinary Session
Seventy-fifth General Assembly
STATE OF COLORADO

BILLPAPER

LLS NO. 25B-0013.01 Christopher McMichael x4775

HOUSE BILL

HOUSE SPONSORSHIP

Lindstedt and Carter,

SENATE SPONSORSHIP

Amabile and Frizell,

House Committees

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING CONSUMER PROTECTIONS IN INTERACTIONS WITH**
102 **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>.)

The bill establishes that the use of artificial intelligence systems or required disclosure artificial intelligence systems (artificial intelligence systems) must comply with the "Colorado Consumer Protection Act". The attorney general may bring a claim against a developer or a deployer that uses an artificial intelligence system in a way that violates the "Colorado Consumer Protection Act". A developer or a deployer of an artificial

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

1 AVAILABLE FOR USE.

2 (4) "DEPLOYER" MEANS A PERSON DOING BUSINESS IN THIS STATE
3 THAT DEPLOYS AN ARTIFICIAL INTELLIGENCE SYSTEM OR A REQUIRED
4 DISCLOSURE ARTIFICIAL INTELLIGENCE SYSTEM.

5 (5) "DEVELOPER" MEANS A PERSON DOING BUSINESS IN THIS STATE
6 THAT DEVELOPS OR INTENTIONALLY AND SUBSTANTIALLY MODIFIES AN
7 ARTIFICIAL INTELLIGENCE SYSTEM OR A REQUIRED DISCLOSURE ARTIFICIAL
8 INTELLIGENCE SYSTEM.

9 (6) "EMPLOYMENT OPPORTUNITY" MEANS THE HIRING, FIRING, OR
10 PROMOTION OF AN INDIVIDUAL OR DECISIONS ABOUT AN INDIVIDUAL'S
11 SALARY.

12 (7) "ESSENTIAL GOVERNMENT SERVICES" MEANS THE PROVISION
13 OF PUBLIC BENEFITS, INCLUDING RETIREMENT, WELFARE, HEALTH,
14 DISABILITY, PUBLIC HOUSING OR ASSISTED HOUSING, FOOD ASSISTANCE,
15 UNEMPLOYMENT, OR SIMILAR BENEFITS, FOR WHICH PAYMENTS OR
16 ASSISTANCE IS PROVIDED TO AN INDIVIDUAL, HOUSEHOLD, OR FAMILY BY
17 AN AGENCY OF THE STATE OR A LOCAL GOVERNMENT.

18 (8) (a) "INTENTIONALLY AND SUBSTANTIALLY MODIFIES" MEANS
19 MAKING CHANGES TO AN ARTIFICIAL INTELLIGENCE SYSTEM OR A
20 REQUIRED DISCLOSURE ARTIFICIAL INTELLIGENCE SYSTEM IN A MANNER
21 THAT MATERIALLY ALTERS THE SYSTEM'S FUNCTIONALITY, INTENDED USE,
22 OR REASONABLY FORESEEABLE RISKS OF HARM.

23 (b) "INTENTIONALLY AND SUBSTANTIALLY MODIFIES" DOES NOT
24 INCLUDE ROUTINE CUSTOMIZATION OR CONFIGURATION OF AN ARTIFICIAL
25 INTELLIGENCE SYSTEM OR A REQUIRED DISCLOSURE ARTIFICIAL
26 INTELLIGENCE SYSTEM FOR PARTICULAR USES, WHICH ROUTINE
27 CUSTOMIZATION OR CONFIGURATION DOES NOT MATERIALLY CHANGE THE

1 SYSTEM'S INTENDED PURPOSE OR REASONABLY FORESEEABLE RISKS OF
2 HARM.

3 (9) "REQUIRED DISCLOSURE ARTIFICIAL INTELLIGENCE SYSTEM"
4 MEANS AN ARTIFICIAL INTELLIGENCE SYSTEM THAT INTERACTS WITH A
5 CONSUMER USING TEXT, AUDIO, OR VISUAL COMMUNICATION TO PROVIDE
6 OR DENY:

7 (a) EDUCATION ENROLLMENT OR EDUCATION ACCOMMODATION;

8 (b) AN EMPLOYMENT OPPORTUNITY;

9 (c) LENDING OR CREDIT SERVICES;

10 (d) ESSENTIAL GOVERNMENT SERVICES;

11 (e) HEALTH-CARE SERVICES;

12 (f) HOUSING, WITH RESPECT TO THE PURCHASE OR RENTING OF A
13 RESIDENTIAL PROPERTY;

14 (g) INSURANCE; OR

15 (h) LEGAL SERVICES.

16 **6-1-1702. Disclosure regarding use of an artificial intelligence**

17 **system and required disclosure artificial intelligence system -**

18 **exception.** (1) ON AND AFTER JANUARY 1, 2027, A DEVELOPER OF AN

19 ARTIFICIAL INTELLIGENCE SYSTEM THAT IS CAPABLE OF ENGAGING IN

20 INTERACTIVE, TWO-WAY COMMUNICATION WITH A CONSUMER USING

21 NATURAL LANGUAGE IN TEXT, VOICE, OR VIDEO FORM, AND IN A MANNER

22 THAT A REASONABLE CONSUMER COULD MISTAKE FOR HUMAN

23 INTERACTION, SHALL CLEARLY AND CONSPICUOUSLY DISCLOSE TO THE

24 CONSUMER WITH WHOM THE ARTIFICIAL INTELLIGENCE SYSTEM

25 INTERACTS, IF REQUESTED, THAT THE CONSUMER IS INTERACTING WITH AN

26 ARTIFICIAL INTELLIGENCE SYSTEM AND NOT WITH A HUMAN.

27 (2) ON AND AFTER JANUARY 1, 2027, A DEPLOYER OF A REQUIRED

1 DISCLOSURE ARTIFICIAL INTELLIGENCE SYSTEM SHALL CLEARLY AND
2 CONSPICUOUSLY DISCLOSE TO THE CONSUMER, BEFORE THE INTERACTION,
3 THAT THE CONSUMER IS INTERACTING WITH A REQUIRED DISCLOSURE
4 ARTIFICIAL INTELLIGENCE SYSTEM AND NOT WITH A HUMAN.

5 (3) (a) THE DISCLOSURE REQUIRED BY SUBSECTION (2) OF THIS
6 SECTION SHALL BE MADE TO A CONSUMER INTERACTING WITH A REQUIRED
7 DISCLOSURE ARTIFICIAL INTELLIGENCE SYSTEM IN THE USER INTERFACE
8 WITH WHICH THE CONSUMER INTERACTS WITH THE SYSTEM AND AT THE
9 BEGINNING OF THE CONSUMER'S INTERACTION WITH THE SYSTEM:

10 (I) VERBALLY DURING AN ORAL EXCHANGE OR CONVERSATION; OR

11 (II) BY USE OF AN ELECTRONIC MESSAGE.

12 (b) WHEN A DEPLOYER IS REQUIRED TO MAKE A DISCLOSURE
13 PURSUANT TO SUBSECTION (2) OF THIS SECTION, THE DEPLOYER MUST
14 INCLUDE THE FOLLOWING INFORMATION:

15 (I) THE NAME OF THE DEVELOPER OR DEVELOPERS OF THE
16 REQUIRED DISCLOSURE ARTIFICIAL INTELLIGENCE SYSTEM;

17 (II) THE TRADE NAME OF THE REQUIRED DISCLOSURE ARTIFICIAL
18 INTELLIGENCE SYSTEM; AND

19 (III) THE DEPLOYER'S CONTACT INFORMATION, INCLUDING PHONE
20 NUMBER OR EMAIL ADDRESS.

21 (4) DISCLOSURE IS NOT REQUIRED UNDER SUBSECTION (1) OR (2)
22 OF THIS SECTION UNDER CIRCUMSTANCES IN WHICH:

23 (a) IT WOULD BE OBVIOUS TO A REASONABLE CONSUMER THAT THE
24 CONSUMER IS INTERACTING WITH AN ARTIFICIAL INTELLIGENCE SYSTEM OR
25 A REQUIRED DISCLOSURE ARTIFICIAL INTELLIGENCE SYSTEM; OR

26 (b) THE DISCLOSURE COULD IMPEDE AN EMERGENCY
27 COMMUNICATION OR EMERGENCY RESPONSE.

1 **6-1-1703. Violations of the "Colorado Consumer Protection**

2 **Act" - enforcement.** (1) NOTWITHSTANDING SECTION 6-1-103, THE
3 ATTORNEY GENERAL HAS EXCLUSIVE AUTHORITY TO ENFORCE THIS PART
4 17.

5 (2) ON AND AFTER JANUARY 1, 2027, A VIOLATION OF THIS PART
6 17 CONSTITUTES A DECEPTIVE TRADE PRACTICE PURSUANT TO SECTION
7 6-1-105 (1)(hhhh).

8 (3) (a) ON AND AFTER JANUARY 1, 2027, THE DESIGN,
9 DEVELOPMENT, DISTRIBUTION, OR USE OF AN ARTIFICIAL INTELLIGENCE
10 SYSTEM OR A REQUIRED DISCLOSURE ARTIFICIAL INTELLIGENCE SYSTEM
11 MAY BE THE BASIS FOR LIABILITY PURSUANT TO THIS ARTICLE 1 TO THE
12 EXTENT THAT A VIOLATION OF THIS PART 17 OR THIS ARTICLE 1 CAN BE
13 ESTABLISHED.

14 (b) COMPLIANCE WITH THE REQUIREMENTS OF THIS PART 17 DOES
15 NOT NEGATE OR AFFECT THE LIABILITY OR POTENTIAL LIABILITY OF A
16 DEVELOPER OR DEPLOYER OF AN ARTIFICIAL INTELLIGENCE SYSTEM OR A
17 REQUIRED DISCLOSURE ARTIFICIAL INTELLIGENCE SYSTEM UNDER PARTS
18 3 TO 8 OF ARTICLE 34 OF TITLE 24.

19 (4) ON AND AFTER JANUARY 1, 2027, IN AN ACTION BROUGHT BY
20 THE ATTORNEY GENERAL RELATED TO THE USE OF AN ARTIFICIAL
21 INTELLIGENCE SYSTEM OR A REQUIRED DISCLOSURE ARTIFICIAL
22 INTELLIGENCE SYSTEM IN A MANNER THAT VIOLATES THIS PART 17 OR THIS
23 ARTICLE 1, IF THE COURT DECLARES THAT AN ACT OR PRACTICE VIOLATES
24 THIS PART 17 OR THIS ARTICLE 1, THE COURT MAY:

25 (a) ISSUE AN INJUNCTION FOR A VIOLATION OF THIS PART 17 OR
26 THIS ARTICLE 1;

27 (b) ORDER DISGORGEMENT OF ANY MONEY RECEIVED IN

1 VIOLATION OF THIS PART 17 OR THIS ARTICLE 1; OR

2 (c) ORDER THE PAYMENT OF DISGORGED MONEY OR OF DAMAGES
3 TO A PERSON INJURED BY A VIOLATION OF THIS PART 17 OR THIS ARTICLE
4 1.

5 (5) IF THE COURT GRANTS JUDGMENT, INCLUDING INJUNCTIVE
6 RELIEF, TO THE ATTORNEY GENERAL IN A CLAIM REGARDING A VIOLATION
7 OF THIS PART 17 OR THIS ARTICLE 1, THE COURT MAY AWARD TO THE
8 ATTORNEY GENERAL COURT COSTS OR INVESTIGATIVE FEES.

9 (6) NOTHING IN THIS PART 17, INCLUDING THE ENFORCEMENT
10 AUTHORITY GRANTED TO THE ATTORNEY GENERAL UNDER THIS SECTION,
11 PREEMPTS OR OTHERWISE AFFECTS ANY OTHER RIGHT, CLAIM, REMEDY,
12 PRESUMPTION, OR DEFENSE AVAILABLE AT LAW OR IN EQUITY.

13 (7) (a) THIS PART 17 DOES NOT AUTHORIZE A PRIVATE RIGHT OF
14 ACTION FOR A VIOLATION OF THIS PART 17 OR THIS ARTICLE 1.

15 (b) THIS PART 17 DOES NOT RELIEVE ANY PARTY FROM ANY DUTY
16 OR OBLIGATION IMPOSED UNDER THIS ARTICLE 1 AND DOES NOT ALTER
17 ANY RIGHT OR RECOURSE AVAILABLE TO A PERSON UNDER THIS ARTICLE
18 1 OR OTHER APPLICABLE STATE LAW OR ANY RIGHT OR RECOURSE THAT IS
19 OTHERWISE AVAILABLE TO A PERSON AT LAW OR IN EQUITY.

20 **6-1-1704. Rules.** THE ATTORNEY GENERAL MAY ADOPT RULES AS
21 NECESSARY TO IMPLEMENT AND ENFORCE THIS PART 17.

22 **SECTION 2.** In Colorado Revised Statutes, **add** 24-34-310 as
23 follows:

24 **24-34-310. Violations of "Colorado Anti-discrimination Act"**
25 **by use of artificial intelligence systems and required disclosure**
26 **artificial intelligence systems - definitions - rules.** (1) (a) THE DESIGN,
27 DEVELOPMENT, OR USE OF AN ARTIFICIAL INTELLIGENCE SYSTEM OR A

1 REQUIRED DISCLOSURE ARTIFICIAL INTELLIGENCE SYSTEM MAY BE THE
2 BASIS FOR LIABILITY UNDER PARTS 3 TO 8 OF THIS ARTICLE 34 TO THE
3 EXTENT THAT A VIOLATION OF ANY SUCH PROVISIONS CAN BE
4 ESTABLISHED.

5 (b) COMPLIANCE WITH THE REQUIREMENTS OF PARTS 3 TO 8 OF
6 THIS ARTICLE 34 DOES NOT NEGATE OR AFFECT THE LIABILITY OR
7 POTENTIAL LIABILITY OF A DEVELOPER OR DEPLOYER OF AN ARTIFICIAL
8 INTELLIGENCE SYSTEM OR A REQUIRED DISCLOSURE ARTIFICIAL
9 INTELLIGENCE SYSTEM UNDER ARTICLE 1 OF TITLE 6.

10 (2) NOTHING IN THIS SECTION PREEMPTS OR OTHERWISE AFFECTS
11 ANY RIGHT, CLAIM, REMEDY, PRESUMPTION, OR DEFENSE AVAILABLE
12 UNDER PARTS 3 TO 8 OF THIS ARTICLE 34 OR OTHERWISE AVAILABLE AT
13 LAW OR IN EQUITY.

14 (3) THE COMMISSION MAY ADOPT RULES AS NECESSARY TO
15 IMPLEMENT AND ENFORCE THIS SECTION.

16 (4) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT
17 OTHERWISE REQUIRES:

18 (a) "ARTIFICIAL INTELLIGENCE SYSTEM" HAS THE MEANING SET
19 FORTH IN SECTION 6-1-1701 (1).

20 (b) "DEVELOPER" HAS THE MEANING SET FORTH IN SECTION
21 6-1-1701 (5).

22 (c) "REQUIRED DISCLOSURE ARTIFICIAL INTELLIGENCE SYSTEM"
23 HAS THE MEANING SET FORTH IN SECTION 6-1-1701 (9).

24 **SECTION 3.** In Colorado Revised Statutes, 22-1-135, **amend**
25 (2)(a)(V) as follows:

26 **22-1-135. Terms and conditions in public school contracts -**
27 **definitions.** (2) (a) A term or condition in a public school contract is void

1 ab initio if the term or condition:

2 (V) Purports to waive, alter, or limit the application of:

3 (A) The "Student Data Transparency and Security Act", article 16
4 of this title 22;

5 (B) The provisions of sections 6-1-713 and 6-1-713.5 relating to
6 protection and disposal of personal identifying information;

7 (C) The provisions of article 73 of title 24 relating to security
8 breaches and personal information;

9 (D) ~~or, upon it taking effect on July 1, 2023,~~ The "Colorado
10 Privacy Act", part 13 of article 1 of title 6; ~~or~~

11 (E) THE PROVISIONS OF PART 17 OF ARTICLE 1 OF TITLE 6 RELATING
12 TO THE USE AND DEPLOYMENT OF ARTIFICIAL INTELLIGENCE SYSTEMS; OR

13 (F) THE PROVISIONS OF SECTION 24-34-310 RELATING TO THE USE
14 AND DEPLOYMENT OF ARTIFICIAL INTELLIGENCE SYSTEMS; OR

15 **SECTION 4.** In Colorado Revised Statutes, **add** 24-106-110 as
16 follows:

17 **24-106-110. Terms and conditions in public entity contracts**
18 **for artificial intelligence systems - indemnification - definitions.**

19 (1) **Definitions.** AS USED IN THIS SECTION, UNLESS CONTEXT OTHERWISE
20 REQUIRES:

21 (a) "ARTIFICIAL INTELLIGENCE SYSTEM" HAS THE MEANING SET
22 FORTH IN SECTION 6-1-1701 (1).

23 (b) "CONTRACTOR" MEANS A PERSON HAVING A CONTRACT OR AN
24 AGREEMENT WITH A COLORADO STATE AGENCY OR PUBLIC ENTITY,
25 EXCLUDING A CONTRACT OR AN AGREEMENT BETWEEN A COLORADO
26 STATE AGENCY OR PUBLIC ENTITY AND ANOTHER COLORADO STATE
27 AGENCY, PUBLIC ENTITY, OR EMPLOYEE OF A COLORADO STATE AGENCY

1 OR PUBLIC ENTITY.

2 (c) "PUBLIC ENTITY" HAS THE MEANING SET FORTH IN SECTION
3 24-34-301 (18).

4 (2) A CONTRACT OR AN AGREEMENT THAT IS ENTERED INTO
5 BETWEEN A COLORADO STATE AGENCY OR PUBLIC ENTITY AND A
6 CONTRACTOR FOR PRODUCTS OR SERVICES RELATED TO THE USE OF AN
7 ARTIFICIAL INTELLIGENCE SYSTEM MUST INCLUDE THE PROVISIONS
8 REQUIRED IN SUBSECTION (3) OF THIS SECTION.

9 (b) IF A CONTRACT OR AN AGREEMENT BETWEEN A COLORADO
10 STATE AGENCY OR PUBLIC ENTITY AND A CONTRACTOR DOES NOT INCLUDE
11 THE PROVISIONS REQUIRED IN SUBSECTION (3) OF THIS SECTION, THE
12 CONTRACT OR AGREEMENT IS DEEMED TO INCLUDE THE PROVISIONS
13 REQUIRED IN SUBSECTION (3) OF THIS SECTION, IF THE PRIMARY PURPOSE
14 OF THE CONTRACT OR AGREEMENT IS TO ACQUIRE PRODUCTS OR SERVICES
15 RELATED TO THE USE OF AN ARTIFICIAL INTELLIGENCE SYSTEM FOR THE
16 BENEFIT OF THE STATE AGENCY OR PUBLIC ENTITY.

17 (3) (a) A CONTRACTOR SHALL CERTIFY THAT THE PRODUCTS AND
18 SERVICES THE CONTRACTOR IS PROVIDING TO THE STATE AGENCY OR
19 PUBLIC ENTITY PURSUANT TO THEIR CONTRACT OR AGREEMENT COMPLY
20 WITH THE PROVISIONS OF PART 17 OF ARTICLE 1 OF TITLE 6 RELATED TO
21 THE USE OF ARTIFICIAL INTELLIGENCE SYSTEMS.

22 (b) A CONTRACTOR SHALL CERTIFY THAT THE PRODUCTS AND
23 SERVICES THE CONTRACTOR IS PROVIDING TO THE STATE AGENCY OR
24 PUBLIC ENTITY PURSUANT TO THEIR CONTRACT OR AGREEMENT COMPLY
25 WITH SECTION 24-34-310 RELATED TO THE USE OF ARTIFICIAL
26 INTELLIGENCE SYSTEMS.

27 (c) THE CONTRACTOR SHALL INDEMNIFY, HOLD HARMLESS, AND

1 ASSUME LIABILITY ON BEHALF OF THE STATE AGENCY OR PUBLIC ENTITY,
2 AND THE STATE AGENCY'S OR PUBLIC ENTITY'S OFFICERS, EMPLOYEES, AND
3 AGENTS, FOR ALL COSTS, EXPENSES, CLAIMS, DAMAGES, LIABILITIES,
4 COURT AWARDS, ATTORNEY FEES AND RELATED COSTS, AND ANY OTHER
5 AMOUNTS INCURRED BY THE STATE AGENCY OR PUBLIC ENTITY IN
6 RELATION TO THE CONTRACTOR'S NONCOMPLIANCE WITH:

7 (I) PART 17 OF ARTICLE 1 OF TITLE 6 RELATING TO THE USE OF
8 ARTIFICIAL INTELLIGENCE SYSTEMS; AND

9 (II) SECTION 24-34-310 RELATING TO THE USE OF ARTIFICIAL
10 INTELLIGENCE SYSTEMS.

11 **SECTION 5. Act subject to petition - effective date.** Section
12 24-34-310, Colorado Revised Statutes, as enacted in section 2 of this act;
13 section 22-1-135 (2)(a)(V), Colorado Revised Statutes, as amended in
14 section 3 of this act; and section 24-106-110, Colorado Revised Statutes,
15 as enacted in section 4 of this act, take effect January 1, 2027, and the
16 remainder of this act takes effect at 12:01 a.m. on the day following the
17 expiration of the ninety-day period after final adjournment of the general
18 assembly; except that, if a referendum petition is filed pursuant to section
19 1 (3) of article V of the state constitution against this act or an item,
20 section, or part of this act within such period, then the act, item, section,
21 or part will not take effect unless approved by the people at the general
22 election to be held in November 2026 and, in such case, will take effect
23 on the date of the official declaration of the vote thereon by the governor;
24 except that section 24-34-310, Colorado Revised Statutes, as enacted in
25 section 2 of this act; section 22-1-135 (2)(a)(V), Colorado Revised
26 Statutes, as amended in section 3 of this act; and section 24-106-110,

1 Colorado Revised Statutes, as enacted in section 4 of this act, take effect
2 January 1, 2027, or on the date of the official declaration of the vote
3 thereon by the governor, whichever is later.