BILLPAPER

SENATE BILL

SENATE SPONSORSHIP

Rodriguez,

HOUSE SPONSORSHIP

Titone and Bacon,

Senate Committees	House Committees

A BILL FOR AN ACT

101 CONCERNING MEASURES EFFECTIVE NO LATER THAN JUNE 30, 2026, TO
102 INCREASE TRANSPARENCY FOR ALGORITHMIC 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 bill eliminates these provisions and:

- Defines "algorithmic decision system" (system) to mean any machine-based system or computational process that uses statistical modeling, data analytics, artificial

intelligence, or machine learning to generate a simplified output or is capable, for a given set of human-defined objectives, of making predictions or recommendations and is used to assist, inform, or replace human decision-making;

● Requires a developer of a system to, on and after February 1, 2026, provide certain disclosures to a deployer of the system;

● Requires a deployer of a system to, on and after February 1, 2026, provide certain disclosures to an individual who is or will be affected by a decision made, informed, or influenced by a system and provide the individual with a procedure to correct the accuracy of data that was used by the system;

● Provides that a developer and deployer of a system are jointly and severally liable for a violation of any law that results from the deployer's use of the developer's system;

● Requires a person that makes available a generative artificial intelligence system to disclose to an individual interacting with the generative artificial intelligence system that the individual is interacting with a generative artificial intelligence system;

● Clarifies that a violation of the bill's requirements is an unfair or deceptive trade practice under the "Colorado Consumer Protection Act"; and

● Permits the attorney general to adopt rules implementing the provisions of the bill.

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

2   **SECTION 1.** In Colorado Revised Statutes, **repeal and reenact,**

3   **with amendments,** part 17 of article 1 of title 6 as follows:

4   PART 17

5   ALGORITHMIC SYSTEMS

6   **6-1-1701. Short title.** THE SHORT TITLE OF THIS PART 17 IS THE

7   "COLORADO ARTIFICIAL INTELLIGENCE SUNSHINE ACT".

8   **6-1-1702. Definitions - rules.** AS USED IN THIS PART 17, UNLESS

9   THE CONTEXT OTHERWISE REQUIRES:

10   (1) (a)   "ALGORITHMIC DECISION SYSTEM" MEANS ANY

1 MACHINE-BASED SYSTEM OR COMPUTATIONAL PROCESS THAT USES

2 STATISTICAL MODELING, DATA ANALYTICS, ARTIFICIAL INTELLIGENCE, OR

3 MACHINE LEARNING TO GENERATE A SIMPLIFIED OUTPUT, INCLUDING

4 SCORES, CLASSIFICATIONS, OR RECOMMENDATIONS, OR IS CAPABLE, FOR

5 A GIVEN SET OF HUMAN-DEFINED OBJECTIVES, OF MAKING PREDICTIONS OR

6 RECOMMENDATIONS AND IS USED TO ASSIST, INFORM, OR REPLACE HUMAN

7 DECISION-MAKING.

8 (b) "ALGORITHMIC DECISION SYSTEM" DOES NOT INCLUDE THE

9 FOLLOWING:

10 (I) DATABASES, SPREADSHEETS, OR OTHER TOOLS THAT MERELY

11 ORGANIZE DATA ALREADY IN THE POSSESSION OF THE HUMAN USER OF THE

12 SYSTEM;

13 (II) JUNK EMAIL FILTERS;

14 (III) FIREWALLS;

15 (IV) ANTI-VIRUS SOFTWARE;

16 (V) CALCULATORS;

17 (VI) SPELL-CHECKING;

18 (VII) ANTI-MALWARE;

19 (VIII) ARTIFICIAL-INTELLIGENCE-ENABLED VIDEO GAMES;

20 (IX) CYBERSECURITY;

21 (X) DATA STORAGE;

22 (XI) INTERNET DOMAIN REGISTRATION;

23 (XII) INTERNET WEBSITE LOADING;

24 (XIII) NETWORKING;

25 (XIV) SPAM CALL AND ROBOCALL FILTERING;

26 (XV) WEB CACHING;

27 (XVI) WEB HOSTING OR SIMILAR TECHNOLOGY; OR

1   (XVII) TECHNOLOGIES THAT ARE SOLELY USED TO ORDER OFFICE

2   SUPPLIES, SCHEDULE MEETINGS, AUTOMATE INVENTORY TRACKING, OR

3   PERFORM, ASSIST, OR ADMINISTER SIMILAR MINISTERIAL ADMINISTRATIVE

4   SUPPORT FUNCTIONS.

5   (2) (a) "BIOMETRIC IDENTIFIER" MEANS DATA GENERATED BY THE

6   TECHNOLOGICAL PROCESSING, MEASUREMENT, OR ANALYSIS OF AN

7   INDIVIDUAL'S BIOLOGICAL, PHYSICAL, OR BEHAVIORAL CHARACTERISTICS,

8   WHICH DATA CAN BE PROCESSED FOR THE PURPOSE OF UNIQUELY

9   IDENTIFYING THE INDIVIDUAL.

10   (b) "BIOMETRIC IDENTIFIER" INCLUDES:

11   (I) A FINGERPRINT;

12   (II) A VOICEPRINT;

13   (III) A SCAN OR RECORD OF AN EYE RETINA OR IRIS;

14   (IV) A FACIAL MAP, FACIAL GEOMETRY, OR FACIAL TEMPLATE; OR

15   (V) OTHER UNIQUE BIOLOGICAL, PHYSICAL, OR BEHAVIORAL

16   PATTERNS OR CHARACTERISTICS.

17   (3) "DEPLOY" MEANS TO USE AN ALGORITHMIC DECISION SYSTEM.

18   (4) "DEPLOYER" MEANS A PERSON DOING BUSINESS IN THIS STATE

19   THAT DEPLOYS AN ALGORITHMIC DECISION SYSTEM.

20   (5) "DEVELOP" MEANS TO DESIGN, BUILD, OR TRAIN AN

21   ALGORITHMIC DECISION SYSTEM OR TO KNOWINGLY AND MATERIALLY

22   MODIFY, ADAPT, OR COMBINE AN EXISTING MACHINE-BASED SYSTEM OR

23   COMPUTATIONAL PROCESS FOR USE AS AN ALGORITHMIC DECISION

24   SYSTEM.

25   (6) "DEVELOPER" MEANS A PERSON OR THE PERSON'S AGENT DOING

26   BUSINESS IN THIS STATE THAT:

27   (a) DEVELOPS AN ALGORITHMIC DECISION SYSTEM; OR

1	(b) SELLS, LEASES, DISTRIBUTES, OR OTHERWISE MAKES

2	AVAILABLE AN ALGORITHMIC DECISION SYSTEM TO A DEPLOYER.

3	(7) "PERSONAL CHARACTERISTICS" INCLUDE:

4	(a) PERSONAL DATA, AS DEFINED IN SECTION 6-1-1303 (17);

5	(b) SENSITIVE DATA, AS DEFINED IN SECTION 6-1-1303 (24);

6	(c) GENETIC INFORMATION, AS DEFINED IN SECTION 10-3-1104.6

7	(2)(c);

8	(d) A BIOMETRIC IDENTIFIER;

9	(e) AN INDIVIDUAL'S ECONOMIC SITUATION, HEALTH, PERSONAL

10	PREFERENCES, AFFILIATIONS, INTERESTS, RELIABILITY, BEHAVIOR,

11	LOCATION, OR MOVEMENTS; AND

12	(f) INFERENCES ASSOCIATED WITH A GROUP, BAND, CLASS, OR TIER

13	OF INDIVIDUALS TO WHICH THE INDIVIDUAL BELONGS.

14	(8) "PLAIN LANGUAGE" MEANS COMMUNICATION THAT IS:

15	(a) CLEAR, CONCISE, AND EASY TO UNDERSTAND FOR THE

16	INTENDED AUDIENCE, INCLUDING PEOPLE WITH DISABILITIES, PEOPLE WITH

17	LIMITED EDUCATION, AND ENGLISH LANGUAGE LEARNERS; AND

18	(b) AVAILABLE IN ENGLISH, SPANISH, AND ANY OTHER RELEVANT

19	LANGUAGES REQUIRED BY THE ATTORNEY GENERAL BY RULE.

20	**6-1-1703. Disclosure requirements for developers of**

21	**algorithmic decision systems.** (1) ON AND AFTER FEBRUARY 1, 2026, A

22	DEVELOPER SHALL, CONSISTENT WITH ANY FORM AND MANNER

23	PRESCRIBED BY THE ATTORNEY GENERAL, PROVIDE TO EACH DEPLOYER OF

24	THE DEVELOPER'S ALGORITHMIC DECISION SYSTEM:

25	(a) AN ANALYSIS OF WHETHER AND HOW ANY INTENDED USES, OR

26	REASONABLY FORESEEABLE USES OR MISUSES, OF THE ALGORITHMIC

27	DECISION SYSTEM POSE A KNOWN OR REASONABLY FORESEEABLE RISK OF

1   VIOLATING THIS ARTICLE 1 OR PARTS 3 TO 8 OF ARTICLE 34 OF TITLE 24;

2   (b) A DESCRIPTION OF ANY STEPS TAKEN BY THE DEVELOPER TO

3   MITIGATE ANY IDENTIFIED RISKS OF VIOLATIONS OF THIS ARTICLE 1 OR

4   PARTS 3 TO 8 OF ARTICLE 34 OF TITLE 24;

5   (c) A STATEMENT DESCRIBING THE INTENDED USES AND

6   REASONABLY FORESEEABLE MISUSES OF THE ALGORITHMIC DECISION

7   SYSTEM; AND

8   (d) ALL OTHER INFORMATION NECESSARY TO ALLOW THE

9   DEPLOYER TO COMPLY WITH THE DEPLOYER'S OBLIGATIONS UNDER THIS

10   PART 17.

11   **6-1-1704. Disclosure requirements for deployers of**

12   **algorithmic decision systems.** (1) ON AND AFTER FEBRUARY 1, 2026, A

13   DEPLOYER SHALL, EITHER DIRECTLY OR THROUGH A DEVELOPER OR OTHER

14   THIRD PARTY, PROVIDE THE DISCLOSURES REQUIRED BY SUBSECTION (2)

15   OF THIS SECTION DIRECTLY TO AN INDIVIDUAL WHO IS OR WILL BE

16   AFFECTED BY A DECISION MADE, INFORMED, OR INFLUENCED BY AN

17   ALGORITHMIC DECISION SYSTEM, WHICH DECISION HAS A MATERIAL LEGAL

18   OR SIMILARLY SIGNIFICANT EFFECT ON THE PROVISION OR DENIAL TO THE

19   INDIVIDUAL OF, OR THE COST OR TERMS OF:

20   (a) EDUCATION ENROLLMENT OR AN EDUCATION OPPORTUNITY;

21   (b) EMPLOYMENT OR AN EMPLOYMENT OPPORTUNITY;

22   (c) A FINANCIAL OR LENDING SERVICE;

23   (d) AN ESSENTIAL GOVERNMENT SERVICE;

24   (e) A HEALTH-CARE SERVICE;

25   (f) HOUSING;

26   (g) INSURANCE; OR

27   (h) A LEGAL SERVICE.

1   (2) (a) BEFORE A DEPLOYER DEPLOYS AN ALGORITHMIC DECISION

2   SYSTEM TO MAKE, INFORM, OR INFLUENCE A DECISION AFFECTING AN

3   INDIVIDUAL AS DESCRIBED IN SUBSECTION (1) OF THIS SECTION, THE

4   DEPLOYER SHALL PROVIDE THE INDIVIDUAL WITH A NOTICE, IN PLAIN

5   LANGUAGE AND CONSISTENT WITH ANY FORM AND MANNER PRESCRIBED

6   BY THE ATTORNEY GENERAL, THAT THE DEPLOYER WILL BE USING AN

7   ALGORITHMIC DECISION SYSTEM TO MAKE, INFORM, OR INFLUENCE A

8   DECISION CONCERNING THE INDIVIDUAL, WHICH NOTICE MUST INCLUDE:

9   (I)   THE NAME OF THE DEVELOPER OR DEVELOPERS OF THE

10   ALGORITHMIC DECISION SYSTEM;

11   (II) THE TRADE NAME AND VERSION NUMBER OF THE ALGORITHMIC

12   DECISION SYSTEM;

13   (III)   THE NATURE OF THE DECISION AND THE STAGE IN THE

14   DECISION-MAKING PROCESS DURING WHICH THE ALGORITHMIC DECISION

15   SYSTEM WILL BE USED; AND

16   (IV) THE CONTACT INFORMATION FOR THE DEPLOYER.

17   (b) AS SOON AS PRACTICABLE, AND NO LATER THAN THIRTY DAYS

18   AFTER THE DEPLOYMENT OF AN ALGORITHMIC DECISION SYSTEM TO MAKE,

19   INFORM, OR INFLUENCE A DECISION AS DESCRIBED IN SUBSECTION (1) OF

20   THIS SECTION, A DEPLOYER SHALL PROVIDE AN AFFECTED INDIVIDUAL, IN

21   PLAIN LANGUAGE AND CONSISTENT WITH ANY FORM AND MANNER

22   PRESCRIBED BY THE ATTORNEY GENERAL, WITH:

23   (I) A LIST OF THE TYPES, CATEGORIES, AND SOURCES OF PERSONAL

24   CHARACTERISTICS ASSOCIATED WITH THE INDIVIDUAL THAT WERE

25   ANALYZED, PREDICTED, INPUT INTO, INFERRED, OR COLLECTED BY THE

26   ALGORITHMIC DECISION SYSTEM;

27   (II) A LIST OF THE TWENTY PERSONAL CHARACTERISTICS OF THE

1 INDIVIDUAL THAT MOST SUBSTANTIALLY INFLUENCED THE OUTPUT OF THE

2 ALGORITHMIC DECISION SYSTEM OR, IF THE ALGORITHMIC DECISION

3 SYSTEM'S OUTPUT WAS INFLUENCED BY FEWER THAN TWENTY PERSONAL

4 CHARACTERISTICS, A LIST OF ALL PERSONAL CHARACTERISTICS THAT

5 INFLUENCED THE OUTPUT; AND

6 (III) INFORMATION ON HOW THE INDIVIDUAL CAN EXERCISE THEIR

7 RIGHTS PURSUANT TO SECTION 6-1-1705.

8 **6-1-1705. Individual right to access and correct data used by**

9 **an algorithmic decision system - procedures.** (1) AN INDIVIDUAL

10 AFFECTED BY A DECISION MADE, INFORMED, OR INFLUENCED BY AN

11 ALGORITHMIC DECISION SYSTEM, AS DESCRIBED IN SECTION 6-1-1704 (1),

12 HAS A RIGHT TO:

13 (a) ACCESS ANY PERSONAL CHARACTERISTICS OF THE INDIVIDUAL

14 THAT WERE ANALYZED BY, PREDICTED BY, INPUT INTO, INFERRED BY, OR

15 COLLECTED BY AN ALGORITHMIC DECISION SYSTEM; AND

16 (b) CHALLENGE AND CORRECT ANY INACCURATE DATA.

17 (2) A DEPLOYER OR DEVELOPER THAT HAS ACCESS TO AN

18 INDIVIDUAL'S DATA SHALL CREATE REASONABLE, ACCESSIBLE, AND

19 CONCISE PROCEDURES IN PLAIN LANGUAGE TO ALLOW THE INDIVIDUAL TO

20 EXERCISE THE INDIVIDUAL'S RIGHTS PURSUANT TO SUBSECTION (1) OF THIS

21 SECTION.

22 **6-1-1706. Disclosure requirements - generative artificial**

23 **intelligence systems - definition.** (1) PURSUANT TO ANY REQUIREMENTS

24 ESTABLISHED BY THE ATTORNEY GENERAL, A PERSON THAT DEPLOYS,

25 OFFERS, SELLS, LEASES, LICENSES, GIVES, OR OTHERWISE MAKES

26 AVAILABLE A GENERATIVE ARTIFICIAL INTELLIGENCE SYSTEM THAT IS

27 INTENDED TO INTERACT WITH AN INDIVIDUAL SHALL DISCLOSE TO EACH

1 INDIVIDUAL WHO INTERACTS WITH THE GENERATIVE ARTIFICIAL

2 INTELLIGENCE SYSTEM THE FACT THAT THE INDIVIDUAL IS INTERACTING

3 WITH A GENERATIVE ARTIFICIAL INTELLIGENCE SYSTEM.

4 (2) AS USED IN THIS SECTION, "GENERATIVE ARTIFICIAL

5 INTELLIGENCE SYSTEM" MEANS AN ARTIFICIAL INTELLIGENCE SYSTEM

6 THAT:

7 (a) IS TRAINED ON DATA;

8 (b) INTERACTS WITH AN INDIVIDUAL USING TEXT, AUDIO, OR

9 VISUAL COMMUNICATION; AND

10 (c) GENERATES UNSCRIPTED OUTPUTS SIMILAR TO OUTPUTS

11 CREATED BY A HUMAN, WITH LIMITED OR NO HUMAN OVERSIGHT.

12 **6-1-1707. Joint and several liability for a developer and**

13 **deployer of an algorithmic decision system.** (1) NOTWITHSTANDING

14 THE REQUIREMENTS REGARDING LIABILITY IN SECTION 13-21-111.5, ON

15 AND AFTER THE EFFECTIVE DATE OF THIS PART 17, AS AMENDED, THE

16 DEVELOPER AND DEPLOYER OF AN ALGORITHMIC DECISION SYSTEM ARE

17 JOINTLY AND SEVERALLY LIABLE FOR A VIOLATION OF LAW FACILITATED

18 BY THE DEPLOYER'S USE OF THE ALGORITHMIC DECISION SYSTEM.

19 (2) NOTWITHSTANDING SUBSECTION (1) OF THIS SECTION, A

20 DEVELOPER IS NOT JOINTLY AND SEVERALLY LIABLE IF THE DEVELOPER

21 CAN DEMONSTRATE THAT THE VIOLATION OF LAW RESULTED FROM A

22 MISUSE OF THE ALGORITHMIC DECISION SYSTEM BY THE DEPLOYER, THE

23 DEVELOPER TOOK ALL REASONABLE STEPS AVAILABLE, CONTRACTUAL OR

24 OTHERWISE, TO PREVENT THE MISUSE, AND THE DEVELOPER:

25 (a) DID NOT INTEND AND COULD NOT HAVE REASONABLY

26 FORESEEN THE MISUSE; OR

27 (b) SPECIFICALLY DISALLOWED THE MISUSE IN DISCLOSURES

1 PURSUANT TO SECTION 6-1-1703 (1).

2 (3) NOTHING IN THIS SECTION LIMITS, DISPLACES, OR OTHERWISE

3 AFFECTS ANY LIABILITY THAT A DEVELOPER MAY HAVE IN THE

4 DEVELOPER'S OWN RIGHT, SEPARATE AND APART FROM LIABILITY UNDER

5 THIS SECTION, FOR A VIOLATION OF STATE OR FEDERAL LAW. COMPLIANCE

6 WITH THE REQUIREMENTS OF THIS PART 17 IS NOT A DEFENSE TO, AND

7 DOES NOT OTHERWISE EXCUSE, NONCOMPLIANCE WITH ANY APPLICABLE

8 LAW.

9 **6-1-1708. Enforcement.** (1) A VIOLATION OF THIS PART 17

10 CONSTITUTES AN UNFAIR OR DECEPTIVE TRADE PRACTICE PURSUANT TO

11 SECTION 6-1-105 (1)(hhhh).

12 (2) THIS PART 17 DOES NOT PROVIDE THE BASIS FOR A PRIVATE

13 RIGHT OF ACTION.

14 (3) NOTHING IN THIS PART 17 PREEMPTS OR OTHERWISE AFFECTS

15 ANY OTHER RIGHT, CLAIM, REMEDY, PRESUMPTION, OR DEFENSE

16 AVAILABLE AT LAW OR IN EQUITY, INCLUDING ANY RIGHT AVAILABLE

17 PURSUANT TO LAWS GOVERNING ANTI-DISCRIMINATION, COMPETITION,

18 PRIVACY, OR UNFAIR AND DECEPTIVE ACTS AND PRACTICES.

19 **6-1-1709. Rules.** THE ATTORNEY GENERAL MAY ADOPT RULES AS

20 NECESSARY TO IMPLEMENT AND ENFORCE THIS PART 17.

21 **SECTION 2. Safety clause.** The general assembly finds,

22 determines, and declares that this act is necessary for the immediate

23 preservation of the public peace, health, or safety or for appropriations for

24 the support and maintenance of the departments of the state and state

25 institutions.