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Consumer Data Privacy

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Policymakers, particularly at the state level, are increasingly focused on passing laws aimed at protecting consumers' private data. Vast amounts of consumer data collected from online activity, along with the ability of firms and others to use or sell data for commercial gain, may threaten consumer privacy. Protections afforded to Colorado consumers are part of an evolving web of state and federal data privacy law.

Colorado Law

Colorado Privacy Act

The Colorado Legislature passed Senate Bill 21-190, which created the Colorado Privacy Act (CPA) within the Colorado Consumer Protection Act.[1] The CPA establishes personal data privacy rights and requires businesses that process personal data to fulfill certain duties. It protects the right of Colorado consumers to access, delete, and correct their personal data, as well as the right to opt out of the sale of their personal data or its use for targeted advertising or certain kinds of profiling. The CPA went into effect on July 1, 2023.

Changes to the Act

The General Assembly has amended or added to the CPA since its passage. Senate Bill 24-041 amends the CPA to add enhanced protections when processing a minor's data and if there is a heightened risk of harm to minors. House Bill 24-1130 adds protections for individuals' biometric data. Finally, Senate Bill 25-276 adds a definition for "precise geolocation data" including any data derived from a device and that is used or intended to be used to locate a consumer within a geographic area.

Code of Colorado Regulations

The CPA tasked the Colorado Attorney General with adopting new administrative rules to facilitate implementation of the act.[2] The orignial final rules were published on March 25, 2023 and went into effect on July 1, 2023. According the Attorney General's Office, these include rules that detail the technical specifications for one or more universal opt-out mechanisms that clearly communicate a consumer's choice to opt out of the processing of personal data for purposes of targeted advertising or the sale of personal data.

[1] Section 6-1-1301, *et.seq.,* C.R.S.

[2] 4 CCR 904-3.

In 2024, Colorado Department of Law filed a set of proposed draft amendments in part to incorporate changes to the CPA from the legislation passed in 2024 and the updated rules went into effect in early 2025.

Federal Law and State Overview

In addition to the CPA, consumers in Colorado are protected by federal laws that impact consumer data privacy.

Federal Legislation

While comprehensive data privacy legislation has been proposed in Congress, such as the 2024 American Privacy Rights Act and the 2022 American Data Privacy and Protection Act, there is no broad federal data privacy law. The patchwork of existing federal law aimed at protecting consumer privacy include:

- the Gramm-Leach-Bliley Act concerning obligations of financial institutions;
- the Children's Online Privacy Protection Rule concerning operators of websites and online services directed to children under 13;
- the Fair Credit Reporting Act concerning the collection and use of consumer credit information; and,
- the Health Insurance Portability and Accountability Act (HIPPA) concerning health information handled by covered entities and business associates.

The Federal Trade Commission

The Federal Trade Commission's (FTC) mission includes protecting the public from deceptive or unfair business practices and from unfair methods of competition through law enforcement, advocacy, research, and education. The FTC has used its authority granted through Section V of the Federal Trade Commission Act to bring enforcement actions against companies for privacy violations under these areas of law.

State Laws

According to the nonprofit IAPP, as of April 2025, 19 states have passed comprehensive data privacy legislation and 12 more states are actively considering bills. According to the National Conference of State Legislatures, in 2024 alone, seven states enacted comprehensive privacy legislation.

There are a number of differences within the various state data privacy frameworks. For example, the California Consumer Privacy Act is unique among state laws in allowing consumers a private right of action in limited circumstances from violations of the act. In addition, the Maryland Online Data Privacy Act, passed in 2024, contains more stringent data minimization requirements, or limits to the collection of data, as compared to other state privacy laws.