Second Regular Session Seventy-fourth General Assembly STATE OF COLORADO

REREVISED

This Version Includes All Amendments Adopted in the Second House SENATE BILL 24-129

LLS NO. 24-0634.01 Richard Sweetman x4333

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A BILL FOR AN ACT

101	CONCERNING PROTECTING THE PRIVACY OF PERSONS ASSOCIATED
102	WITH NONPROFIT ENTITIES, AND, IN CONNECTION THEREWITH,
103	PROHIBITING PUBLIC AGENCIES FROM TAKING CERTAIN ACTIONS
104	RELATING TO THE COLLECTION AND DISCLOSURE OF DATA THAT
105	MAY IDENTIFY SUCH PERSONS.

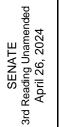
Bill Summary

(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 <u>http://leg.colorado.gov</u>.)

With certain exceptions, the bill prohibits a public agency from:

• Requiring any person to provide the public agency with





Amended 2nd Reading

SENATE

April 25, 2024

data that may identify a member of a nonprofit entity (member-specific data) or compelling the disclosure of member-specific data;

- Disclosing member-specific data to any person; or
- Requesting or requiring a current or prospective contractor or a current or prospective grantee of a grant program administered by the public agency to provide a list of nonprofit entities to which the current or prospective contractor or grantee has provided financial or nonfinancial support.

A nonprofit entity or any of its members affected adversely by a public agency's violation of the bill's provisions may initiate a civil action against the public agency in district court for injunctive relief, damages, or such other relief as is appropriate. Notwithstanding existing laws concerning governmental immunity, a court may award damages against a public agency that violates the bill's provisions as follows:

• Not less than \$2,500 for each violation; and

• Not less than \$7,500 for each intentional violation.

A court may also award the costs of litigation to a complainant that prevails in such an action.

1 Be it enacted by the General Assembly of the State of Colorado: 2 SECTION 1. In Colorado Revised Statutes, 7-90-102, add (36.5) 3 and (53.5) as follows: 4 **7-90-102.** Definitions. As used in this title 7, except as otherwise 5 defined for the purpose of any section, subpart, part, or article of this title 6 7, or unless the context otherwise requires: 7 (36.5) "MEMBER-SPECIFIC DATA" MEANS ANY DOCUMENT, LIST, 8 RECORD, OR COMPILATION OF ONE OR MORE CATEGORIES OF "PERSONAL 9 IDENTIFYING INFORMATION", AS DEFINED IN SECTION 18-5-901 (13), THAT 10 IDENTIFIES, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, A PERSON AS 11 A MEMBER, ____ VOLUNTEER, OR DONOR TO ANY NONPROFIT ENTITY. "PUBLIC AGENCY" MEANS ANY STATE OR LOCAL 12 (53.5)13 GOVERNMENTAL UNIT, INCLUDING: 14 (a) THE STATE;

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1 (b) ANY DEPARTMENT, AGENCY, OFFICE, COMMISSION, BOARD, 2 DIVISION, OR OTHER AGENCY OF THE STATE; 3 (c) ANY INSTITUTION, AS DEFINED IN SECTION 24-72-202 (1.5); 4 AND 5 (d)ANY POLITICAL SUBDIVISION, AS DEFINED IN SECTION 6 24-72-202 (5). 7 SECTION 2. In Colorado Revised Statutes, add 7-90-107 as 8 follows: 9 7-90-107. Protection of member-specific data - nonprofit 10 entities - rights and remedies - legislative declaration. (1) THE 11 GENERAL ASSEMBLY FINDS AND DECLARES THAT: 12 (a) GIVEN THE LONG-HELD PROTECTION OF THE FUNDAMENTAL 13 RIGHTS OF ASSOCIATION AND PRIVACY UNDER THE CONSTITUTIONS OF THE 14 UNITED STATES AND THE STATE OF COLORADO, IT IS IN THE PUBLIC 15 INTEREST TO PROHIBIT PUBLIC AGENCIES FROM COLLECTING OR 16 DISCLOSING MEMBER-SPECIFIC DATA ABOUT MEMBERS OF, VOLUNTEERS 17 OF, AND FINANCIAL AND NONFINANCIAL DONORS TO NONPROFIT ENTITIES 18 THAT ARE EXEMPT FROM TAXATION UNDER THE FEDERAL "INTERNAL 19 REVENUE CODE OF 1986", 26 U.S.C. SEC. 501 (c), AS AMENDED, EXCEPT 20 AS SUCH COLLECTION OR DISCLOSURE IS PERMITTED BY LAW OR RULE OR 21 IS NECESSARY TO ENFORCE OR ENSURE COMPLIANCE WITH THE LAW OR 22 RULES OF THE STATE; AND 23 (b) THE PROVISIONS OF THIS SECTION CONCERNING A PUBLIC 24 AGENCY'S ACCESS TO OR USE OF MEMBER-SPECIFIC DATA ARE CONSISTENT 25 WITH: 26 (I) SECTION 7-136-105, WHICH PROHIBITS ANY PERSON FROM 27 OBTAINING OR USING A NONPROFIT CORPORATION'S MEMBERSHIP LIST FOR

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ANY PURPOSE UNRELATED TO A MEMBER'S INTEREST AS A MEMBER; AND
 (II) SECTION 24-73-102, WHICH REQUIRES GOVERNMENTAL
 ENTITIES TO PROTECT ACCESS TO CERTAIN TYPES OF PERSONAL
 IDENTIFYING INFORMATION.

5 (2) ____ EXCEPT AS PROVIDED IN SUBSECTION (3) OF THIS SECTION
6 OR <u>AS OTHERWISE PERMITTED BY LAW OR AS IS NECESSARY TO ENFORCE</u>
7 <u>OR ENSURE COMPLIANCE WITH THE STATE CONSTITUTION OR AN</u>
8 <u>APPLICABLE FEDERAL, STATE, OR LOCAL STATUTE, CHARTER PROVISION,</u>
9 <u>RESOLUTION, ORDINANCE, RULE, OR REGULATION, A PUBLIC AGENCY</u>
10 SHALL NOT:

(a) REQUIRE ANY PERSON, INCLUDING A NONPROFIT ENTITY OR AN
 OFFICER, DIRECTOR, EMPLOYEE, OR AGENT OF A NONPROFIT ENTITY, TO
 PROVIDE THE PUBLIC AGENCY WITH MEMBER-SPECIFIC DATA OR
 OTHERWISE COMPEL THE DISCLOSURE OF MEMBER-SPECIFIC DATA;

15 (b) DISCLOSE TO ANY PERSON ONE OR MORE ITEMS OF
16 MEMBER-SPECIFIC DATA, INCLUDING A COMPLETE OR PARTIAL LIST OF
17 NONPROFIT ENTITY MEMBERS WHO ARE EMPLOYED BY A PUBLIC AGENCY
18 OR ANY INFORMATION INCLUDED IN A NONPROFIT ENTITY MEMBER'S
19 PERSONNEL FILES AS DEFINED IN SECTION 24-72-202 (4.5); OR

<u>(c)</u> REQUEST OR REQUIRE A CURRENT OR PROSPECTIVE
 CONTRACTOR OR A CURRENT OR PROSPECTIVE GRANTEE OF A GRANT
 PROGRAM ADMINISTERED BY THE PUBLIC AGENCY TO PROVIDE A LIST OF
 NONPROFIT ENTITIES TO WHICH THE CURRENT OR PROSPECTIVE
 CONTRACTOR OR GRANTEE HAS PROVIDED FINANCIAL OR NONFINANCIAL
 SUPPORT.

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(3) This section does not preclude a public agency from

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REQUIRING PRODUCTION OF A NONPROFIT ENTITY'S MEMBER-SPECIFIC
 DATA IF:

- 3 (a) THE MEMBER-SPECIFIC DATA IS SPECIFICALLY IDENTIFIED IN A
 4 LAWFUL SUBPOENA OR WARRANT THAT IS:
- 5 (I) ISSUED BY A COURT OF COMPETENT JURISDICTION OR IS ISSUED 6 UNDER THE AGENCY'S STATUTORY OR CONSTITUTIONAL AUTHORITY IN AN 7 ADMINISTRATIVE, CIVIL, OR CRIMINAL MATTER OR FOR AN 8 ADMINISTRATIVE PROCEEDING BEFORE AN ADMINISTRATIVE LAW JUDGE, 9 A HEARING OFFICER, OR OTHER DULY AUTHORIZED, QUASI-JUDICIAL 10 OFFICIAL, INCLUDING THE INDEPENDENT ETHICS COMMISSION AS 11 AUTHORIZED BY ARTICLE XXIX OF THE STATE CONSTITUTION; OR 12 (II) SERVED UPON A STATE OR LOCAL AGENCY FOR PURPOSES OF
- 13 FACILITATING A LAWFUL INVESTIGATION, SUBJECT TO THE CONDITIONS OF
- 14 <u>A PROTECTIVE ORDER AS DIRECTED BY THE COURT OR AGENCY THAT</u>
- 15 <u>ISSUED THE SUBPOENA;</u>

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- 16 (b) (I) THE MEMBER-SPECIFIC DATA IS PRODUCED IN DISCOVERY 17 UNDER THE COLORADO RULES OF CIVIL PROCEDURE BEFORE A COURT OF 18 COMPETENT JURISDICTION OR AS AUTHORIZED BY JURISDICTION, AN 19 ADMINISTRATIVE LAW JUDGE, A HEARING OFFICER, OR OTHER DULY 20 AUTHORIZED, QUASI-JUDICIAL OFFICIAL, INCLUDING THE INDEPENDENT 21 ETHICS COMMISSION AS AUTHORIZED BY ARTICLE XXIX OF THE STATE 22 CONSTITUTION, SO LONG AS THE PRESIDING OFFICIAL ENTERS A 23 PROTECTIVE ORDER PROHIBITING OR LIMITING THE DISCLOSURE OF THE 24 MEMBER-SPECIFIC DATA TO THE PUBLIC. 25 (II) A PROTECTIVE ORDER MAY BE ISSUED AS DESCRIBED IN THIS
- 27 OR LOCAL AGENCIES ENGAGED IN SECURITIES AND COMMODITIES
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SUBSECTION (3)(b) AT THE COURT'S DISCRETION IN DISCOVERY BY STATE

1 ENFORCEMENT, LICENSING, OR EXAMINATION PROCEDURES.

(c) THE MEMBER-SPECIFIC DATA IS ADMITTED INTO EVIDENCE AS
RELEVANT TO PROVING OR DISPROVING THE CLAIMS OR DEFENSES AT ISSUE
<u>BEFORE A COURT OF COMPETENT JURISDICTION, AN ADMINISTRATIVE LAW</u>
<u>JUDGE, A HEARING OFFICER, OR OTHER DULY AUTHORIZED, QUASI-JUDICIAL</u>
<u>OFFICIAL, INCLUDING THE INDEPENDENT ETHICS COMMISSION AS</u>
AUTHORIZED BY ARTICLE XXIX OF THE STATE CONSTITUTION;

8 (d) THE MEMBER-SPECIFIC DATA IS VOLUNTARILY AND PUBLICLY
9 DISCLOSED BY THE PERSON OR THE NONPROFIT ENTITY TO WHICH IT
10 RELATES;

11 (e) THE MEMBER-SPECIFIC DATA IS SOUGHT BY A NONPROFIT
12 ENTITY THAT REQUESTS INFORMATION CONCERNING ITS OWN MEMBERS
13 FROM A PUBLIC AGENCY BY WHICH THE MEMBERS ARE EMPLOYED;

14 (f) INFORMATION DISCLOSING THE IDENTITY OF ANY DIRECTOR, 15 OFFICER, REGISTERED AGENT, OR INCORPORATOR OF A NONPROFIT ENTITY 16 IN A REPORT OR DISCLOSURE IS REQUIRED BY STATUTE TO BE FILED WITH 17 THE SECRETARY OF STATE OR, FOR UNINCORPORATED ASSOCIATIONS, AN 18 AGENCY THAT IS DESIGNATED BY LAW; EXCEPT THAT INFORMATION THAT 19 DIRECTLY IDENTIFIES A PERSON SOLELY BECAUSE THE PERSON IS A 20 FINANCIAL DONOR TO A NONPROFIT ENTITY SHALL NOT BE DISCLOSED 21 UNLESS DISCLOSURE IS REQUIRED BY SUBSECTION (3)(g) OF THIS SECTION; 22 (g) THE MEMBER-SPECIFIC DATA IS REQUIRED TO BE MADE PUBLIC 23 BECAUSE DISCLOSURE OF A CONTRIBUTION OR DONATION MADE BY ONE OR 24 MORE MEMBERS OF A NONPROFIT ENTITY IS EXPRESSLY REQUIRED BY 25 FEDERAL, STATE, OR LOCAL CAMPAIGN FINANCE LAWS;

26 (h) THE MEMBER-SPECIFIC DATA IS REQUIRED BY STATUTE <u>OR</u>
 27 <u>REGULATION</u> IN <u>ORDER FOR AN APPLICANT TO QUALIFY FOR OR TO</u>

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1	OPERATE A BUSINESS ACTIVITY IN THE STATE OR IN ORDER FOR LICENSEES
2	OR REGISTRANTS TO COMPLY WITH ONGOING REGULATORY
3	REQUIREMENTS, SO LONG AS THE MEMBER-SPECIFIC DATA IS USED ONLY IN
4	CONNECTION WITH LAWFUL REGULATORY OR ENFORCEMENT ACTIVITY TO
5	WHICH THE REQUEST RELATES AND FOR ANY RELATED PROCEEDINGS;
6	
-	(i) THE MEMBER-SPECIFIC DATA IS NECESSARY TO DETERMINE
7	<u>COMPLIANCE WITH FEDERAL OR STATE ANTITRUST STATUTES;</u>
8	(j) The member-specific data is sought by a public agency
9	INVESTIGATING ALLEGED VIOLATIONS OF STATE OR LOCAL CIVIL OR
10	CRIMINAL LAWS AS PERMITTED OR EXPRESSLY REQUIRED BY LAW;
11	(k) The member-specific data is collected and used for the
12	PURPOSE OF EVALUATING THE SUITABILITY OF APPLICANTS FOR, AND ANY
13	POTENTIAL CONFLICTS OF INTEREST RESULTING FROM, EMPLOYMENT BY A
14	PUBLIC AGENCY OR APPOINTMENTS TO STATE OR LOCAL BOARDS,
15	COMMISSIONS, ADVISORY COMMITTEES, TASK FORCES, GRANT
16	APPLICATION REVIEW COMMITTEES, OR COMPARABLE ENTITIES, SO LONG
17	AS THE MEMBER-SPECIFIC DATA IS USED ONLY IN CONNECTION WITH THE
18	SPECIFIC APPLICATION FOR AN APPOINTMENT TO WHICH THE REQUEST
19	RELATES AND FOR ANY RELATED PROCEEDINGS;
20	(1) THE MEMBER-SPECIFIC DATA IS COLLECTED AND USED IN ORDER
21	TO DETERMINE WHETHER A PERSON THAT IS APPLYING FOR OR BEING
22	EVALUATED FOR ANY GRANT, BENEFITS, FINANCING, OR PAYMENTS FROM
23	OR THROUGH, OR ANY CONTRACT WITH, A PUBLIC AGENCY SHOULD BE
24	AWARDED THE GRANT, BENEFITS, FINANCING, PAYMENTS, OR CONTRACT
25	AND INCLUDES INFORMATION PERTAINING TO PERSONS RELATED TO OR
26	AFFILIATED WITH THE APPLICANT, AS WELL AS PERSONS CONDUCTING THE
27	EVALUATION, SO LONG AS THE MEMBER-SPECIFIC DATA IS USED ONLY IN

1	CONNECTION WITH THE SPECIFIC APPLICATION FOR, OR EVALUATION FOR,
2	A GRANT, BENEFITS, FINANCING, OR PAYMENTS TO WHICH THE REQUEST
3	RELATES AND FOR ANY RELATED PROCEEDINGS;
4	(m) The member-specific data is collected and used by the
5	OFFICE OF THE STATE AUDITOR FOR THE PURPOSE OF PERFORMING THE
6	FUNCTIONS OF THAT OFFICE OR IN AN AUDIT, EVALUATION, OR STUDY
7	CONDUCTED BY A PUBLIC AGENCY TO PERFORM ITS FUNCTIONS, SO LONG
8	AS THE MEMBER-SPECIFIC DATA IS USED ONLY FOR OFFICIAL STATE
9	BUSINESS;
10	(n) The member-specific data is collected and used by A
11	PUBLIC AGENCY THAT IS FORMED AS A NONPROFIT ENTITY WHERE SUCH
12	MEMBER-SPECIFIC DATA IS USED, EITHER DIRECTLY BY THE PUBLIC
13	AGENCY OR THROUGH ITS AUTHORIZED AGENT, SOLELY TO CONTACT,
14	INFORM, OR SOLICIT ITS DUES-PAYING MEMBERS OR DONORS, OR TO SEEK
15	UPDATES OF THEIR MEMBER-SPECIFIC DATA;
16	(0) THE MEMBER-SPECIFIC DATA IS SOUGHT BY THE DEPARTMENT
17	OF REVENUE TO DETERMINE A TAXPAYER'S COMPLIANCE WITH LAWS
18	RELATING TO THE DEDUCTION OR CREDITS ARISING FROM CONTRIBUTIONS
19	TO A NONPROFIT ENTITY FROM A PERSON'S TAXABLE INCOME;
20	(p) The member-specific data is produced for the purposes
21	OF ENFORCEMENT, EXAMINATION, OR OTHER SECURITIES AND
22	COMMODITIES REGULATORY MATTERS, INCLUDING COLLABORATION WITH
23	OTHER SECURITIES AND COMMODITIES ENFORCEMENT AND REGULATORY
24	AGENCIES, INCLUDING, BUT NOT LIMITED TO, INTERNATIONAL, FOREIGN,
25	FEDERAL, STATE, AND SELF-REGULATORY AGENCIES, SUCH AS THE
26	FINANCIAL INDUSTRY REGULATORY AUTHORITY;
27	(q) THE MEMBER-SPECIFIC DATA CONCERNS A MEMBER WHO HAS

- 1 BEEN ISSUED OR IS PRACTICING UNDER ANY CLASS OF LICENSE UNDER
- 2 <u>SECTION 44-20-108 OR 44-20-408; OR</u>

3 (r) THE MEMBER-SPECIFIC DATA WAS VOLUNTARILY RELEASED TO
 4 THE PUBLIC AGENCY BY THE PERSON OR THE NONPROFIT ENTITY TO WHICH

5 <u>THE DATA RELATES.</u>

6 (4) (a) A NONPROFIT ENTITY OR ANY OF ITS MEMBERS AFFECTED
7 ADVERSELY BY A VIOLATION OF THIS SECTION MAY INITIATE A CIVIL
8 ACTION IN DISTRICT COURT FOR INJUNCTIVE RELIEF, DAMAGES, OR SUCH
9 OTHER RELIEF AS IS APPROPRIATE TO ADDRESS THE VIOLATION. SUCH AN
10 ACTION MUST BE INITIATED AGAINST THE PUBLIC AGENCY THAT SOUGHT
11 AND OBTAINED, OR IMPROPERLY DISCLOSED, MEMBER-SPECIFIC DATA OF
12 THE NONPROFIT ENTITY IN VIOLATION OF THIS SECTION.

13 (b) NOTWITHSTANDING THE LIMITATIONS OF THE "COLORADO GOVERNMENTAL IMMUNITY ACT", ARTICLE 10 OF TITLE 24, DAMAGES 14 15 MAY BE AWARDED TO COMPENSATE A PERSON FOR INJURY OR LOSS 16 CAUSED BY A PUBLIC AGENCY WRONGFULLY REQUIRING THE PRODUCTION 17 OF, OR WRONGFULLY DISCLOSING, MEMBER-SPECIFIC DATA AS FOLLOWS: 18 (I) EXCEPT AS DESCRIBED IN SUBSECTION (4)(b)(II) OF THIS 19 SECTION, NOT LESS THAN TWO THOUSAND FIVE HUNDRED DOLLARS FOR 20 EACH RECKLESS VIOLATION OF THIS SECTION; AND

21 (II) NOT LESS THAN SEVEN THOUSAND FIVE HUNDRED DOLLARS
22 FOR EACH INTENTIONAL VIOLATION OF THIS SECTION.

(c) A COURT MAY AWARD THE COSTS OF LITIGATION, INCLUDING
REASONABLE ATTORNEY FEES AND WITNESS FEES, TO A COMPLAINANT
THAT PREVAILS IN AN ACTION DESCRIBED IN THIS SUBSECTION (4).

26 <u>SECTION 3.</u> In Colorado Revised Statutes, 24-72-204, add (10)
 27 <u>as follows:</u>

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1	24-72-204. Allowance or denial of inspection - grounds -
2	procedure - appeal - definitions - repeal. (10) The custodian of any
3	PUBLIC RECORDS SHALL NOT REQUIRE A NONPROFIT ENTITY TO PRODUCE
4	MEMBER-SPECIFIC DATA, AS DEFINED IN SECTION 7-90-102 (36.5), THAT IS
5	CONTAINED IN PUBLIC RECORDS WHERE SUCH RECORDS ARE NOT SUBJECT
6	TO INSPECTION AND COPYING PURSUANT TO THIS SECTION. A CUSTODIAN
7	SHALL DENY ANY REQUEST TO INSPECT, COPY, OR REPRODUCE ANY
8	MEMBER-SPECIFIC DATA IN THE POSSESSION OF A PUBLIC AGENCY AND
9	PROVIDED TO THE PUBLIC AGENCY BY A NONPROFIT ENTITY. A CUSTODIAN
10	SHALL NOT REQUIRE A NONPROFIT ENTITY TO PRODUCE RECORDS AND
11	INFORMATION RELATING TO THE IDENTIFICATION OF INDIVIDUAL
12	EMPLOYEES OF NONPROFIT ENTITIES WITH WHOM THE PUBLIC ENTITY
13	CONTRACTS FOR SERVICES OR OF INDIVIDUAL EMPLOYEES OF
14	SUBCONTRACTORS OF SUCH NONPROFIT ENTITIES.

15 SECTION 4. Act subject to petition - effective date -16 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following 17 the expiration of the ninety-day period after final adjournment of the 18 general assembly; except that, if a referendum petition is filed pursuant 19 to section 1 (3) of article V of the state constitution against this act or an 20 item, section, or part of this act within such period, then the act, item, 21 section, or part will not take effect unless approved by the people at the 22 general election to be held in November 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the 23 24 governor.

(2) This act applies to the collection and disclosure of data
concerning members of a nonprofit entity by a public agency on or after
the applicable effective date of this act.