CHAPTER 313

CONSUMER AND COMMERCIAL TRANSACTIONS

HOUSE BILL 24-1130

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AN ACT

CONCERNING PROTECTING THE PRIVACY OF AN INDIVIDUAL'S BIOMETRIC DATA.

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

SECTION 1. Legislative declaration. (1) The general assembly finds that:

(a) Businesses increasingly use biometric identifiers to attempt to verify customer identities, streamline transactions, control access to secure areas, and maximize revenues;

(b) Biometric identifiers are unlike other unique identifiers that are used to verify identity or to access finances or other sensitive information because, unlike social security numbers, for example, biometric identifiers cannot be changed; they are unique to an individual, and once an individual's biometric identifiers are compromised, the individual has no recourse, is at heightened risk for identity theft, and may no longer feel safe participating in biometric-facilitated transactions;

(c) The public has grown wary of the use of biometric identifiers due to recent data breaches that have exposed many individuals' biometric identifiers, leaving those individuals vulnerable to harm; and

(d) Biometric identifiers can be collected without an individual's knowledge, applied instantaneously to identify the individual in circumstances where the individual has an expectation of privacy and anonymity, and used to identify and track the individual's movements, activities, and associations.

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(2) The general assembly further finds that:

(a) One increasingly prevalent biometric collection and matching technology, facial recognition technology, has been shown to have higher rates of misidentification and misclassification when it is used on faces of color, of women, of children, of the elderly, and of transgender and nonbinary persons; and

(b) This misidentification and misclassification has led to documented cases of businesses refusing admission or service to individuals because facial recognition systems incorrectly "matched" the individuals to photos of suspected shoplifters or other individuals who had been barred from the premises.

(3) While increasing protections for individuals' biometric identifiers is of the utmost importance, critical privacy protections must be balanced with the use of biometric data to support public safety as outlined in state and federal statutes. The "Colorado Privacy Act", part 13 of article 1 of title 6, Colorado Revised Statutes, includes a variety of exceptions to the requirements established in this act, including permitted uses of biometric data for public safety needs, and all of the exceptions that apply to the entirety of the "Colorado Privacy Act" apply to the protections established for biometric data and biometric identifiers in this act.

(4) Therefore, the general assembly declares that the public welfare, security, and safety will be served by regulating the collection, use, safeguarding, handling, storage, retention, and destruction of biometric identifiers.

SECTION 2. In Colorado Revised Statutes, add 6-1-1314 as follows:

6-1-1314. Biometric data and biometric identifiers - controllers - duties and requirements - written policy - prohibited acts - right to correct biometric identifiers - right to access biometric identifiers - remedies and civil actions - definitions. (1) As used in this section, unless the context otherwise REQUIRES:

(a) "Collect", "collection", or "collecting" means to access, assemble, buy, rent, gather, procure, receive, capture, or otherwise obtain any biometric identifier or biometric data pertaining to a consumer by any means, online or offline, including:

(I) ACTIVELY OR PASSIVELY RECEIVING A BIOMETRIC IDENTIFIER OR BIOMETRIC DATA FROM THE CONSUMER OR FROM A THIRD PARTY; AND

(II) OBTAINING BIOMETRIC DATA BY OBSERVING THE CONSUMER'S BEHAVIOR.

(b) "Employee" means an individual who is employed full-time, part-time, or on-call or who is hired as a contractor, subcontractor, intern, or fellow.

(c) "LEGALLY AUTHORIZED REPRESENTATIVE" MEANS A PARENT OR LEGAL GUARDIAN OF A MINOR OR A LEGAL GUARDIAN OF AN ADULT.

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(2) Written policy required. (a) A CONTROLLER THAT CONTROLS OR PROCESSES ONE OR MORE BIOMETRIC IDENTIFIERS SHALL ADOPT A WRITTEN POLICY THAT:

(I) ESTABLISHES A RETENTION SCHEDULE FOR BIOMETRIC IDENTIFIERS AND BIOMETRIC DATA;

(II) Includes a protocol for responding to a data security incident that may compromise the security of biometric identifiers or biometric data, including a process for notifying a consumer when the security of the consumer's biometric identifier or biometric data has been breached, pursuant to section 6-1-716; and

(III) INCLUDES GUIDELINES THAT REQUIRE THE DELETION OF A BIOMETRIC IDENTIFIER ON OR BEFORE THE EARLIEST OF THE FOLLOWING DATES:

(A) The date upon which the initial purpose for collecting the biometric identifier has been satisfied;

(B) Twenty-four months after the consumer last interacted with the controller; or

(C) The Earliest reasonably feasible date, which date must be no more than forty-five days after a controller determines that storage of the biometric identifier is no longer necessary, adequate, or relevant to the express processing purpose identified by a review conducted by the controller at least once annually. The controller may extend the forty-five-day period described in this subsection (2)(a)(III)(C) by up to forty-five additional days if such an extension is reasonably necessary, taking into account the complexity and number of biometric identifiers required to be deleted.

(b) A CONTROLLER SHALL MAKE ITS POLICY ADOPTED PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION AVAILABLE TO THE PUBLIC; EXCEPT THAT A CONTROLLER IS NOT REQUIRED TO MAKE AVAILABLE TO THE PUBLIC:

(I) A WRITTEN POLICY THAT APPLIES ONLY TO CURRENT EMPLOYEES OF THE CONTROLLER;

(II) A WRITTEN POLICY THAT IS USED SOLELY BY EMPLOYEES AND AGENTS OF THE CONTROLLER FOR THE OPERATION OF THE CONTROLLER; OR

(III) THE INTERNAL PROTOCOL FOR RESPONDING TO A DATA SECURITY INCIDENT THAT MAY COMPROMISE THE SECURITY OF BIOMETRIC IDENTIFIERS OR BIOMETRIC DATA.

(3) **Processors - security breach protocols.** A processor of biometric identifiers or biometric data must have a protocol for responding to a data security incident that may compromise the security of biometric identifiers or biometric data, including a process for notifying the controller when the security of a consumer's biometric identifier or biometric data has been breached, pursuant to section 6-1-716.

(4) **Collection and retention of biometric identifiers - requirements prohibited acts.** (a) A CONTROLLER SHALL NOT COLLECT OR PROCESS A BIOMETRIC IDENTIFIER OF A CONSUMER UNLESS THE CONTROLLER FIRST:

(I) SATISFIES ALL DUTIES REQUIRED BY SECTION 6-1-1308;

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(II) INFORMS THE CONSUMER OR THE CONSUMER'S LEGALLY AUTHORIZED REPRESENTATIVE IN A CLEAR, REASONABLY ACCESSIBLE, AND UNDERSTANDABLE MANNER THAT A BIOMETRIC IDENTIFIER IS BEING COLLECTED;

(III) INFORMS THE CONSUMER OR THE CONSUMER'S LEGALLY AUTHORIZED REPRESENTATIVE IN A CLEAR, REASONABLY ACCESSIBLE, AND UNDERSTANDABLE MANNER OF THE SPECIFIC PURPOSE FOR WHICH A BIOMETRIC IDENTIFIER IS BEING COLLECTED AND THE LENGTH OF TIME THAT THE CONTROLLER WILL RETAIN THE BIOMETRIC IDENTIFIER; AND

(IV) INFORMS THE CONSUMER OR THE CONSUMER'S LEGALLY AUTHORIZED REPRESENTATIVE IN A CLEAR, REASONABLY ACCESSIBLE, AND UNDERSTANDABLE MANNER IF THE BIOMETRIC IDENTIFIER WILL BE DISCLOSED, REDISCLOSED, OR OTHERWISE DISSEMINATED TO A PROCESSOR AND THE SPECIFIC PURPOSE FOR WHICH THE BIOMETRIC IDENTIFIER IS BEING SHARED WITH A PROCESSOR.

(b) A controller that processes a consumer's biometric identifier shall not:

(I) Sell, lease, or trade the biometric identifier with any entity; or

(II) DISCLOSE, REDISCLOSE, OR OTHERWISE DISSEMINATE THE BIOMETRIC IDENTIFIER UNLESS:

(A) THE CONSUMER OR THE CONSUMER'S LEGALLY AUTHORIZED REPRESENTATIVE CONSENTS TO THE DISCLOSURE, REDISCLOSURE, OR OTHER DISSEMINATION;

(B) THE DISCLOSURE, REDISCLOSURE, OR OTHER DISSEMINATION IS REQUESTED OR AUTHORIZED BY THE CONSUMER OR THE CONSUMER'S LEGALLY AUTHORIZED REPRESENTATIVE FOR THE PURPOSE OF COMPLETING A FINANCIAL TRANSACTION;

(C) THE DISCLOSURE, REDISCLOSURE, OR OTHER DISSEMINATION IS TO A PROCESSOR AND IS NECESSARY FOR THE PURPOSE FOR WHICH THE BIOMETRIC IDENTIFIER WAS COLLECTED AND TO WHICH THE CONSUMER OR THE CONSUMER'S LEGALLY AUTHORIZED REPRESENTATIVE CONSENTED; OR

(D) The disclosure, redisclosure, or other dissemination is required by state or federal law.

(c) A CONTROLLER SHALL NOT:

(I) REFUSE TO PROVIDE A GOOD OR SERVICE TO A CONSUMER, BASED ON THE CONSUMER'S REFUSAL TO CONSENT TO THE CONTROLLER'S COLLECTION, USE, DISCLOSURE, TRANSFER, SALE, RETENTION, OR PROCESSING OF A BIOMETRIC IDENTIFIER UNLESS THE COLLECTION, USE, DISCLOSURE, TRANSFER, SALE,

RETENTION, OR PROCESSING OF THE BIOMETRIC IDENTIFIER IS NECESSARY TO PROVIDE THE GOOD OR SERVICE;

(II) CHARGE A DIFFERENT PRICE OR RATE FOR A GOOD OR SERVICE OR PROVIDE A DIFFERENT LEVEL OF QUALITY OF A GOOD OR SERVICE TO ANY CONSUMER WHO EXERCISES THE CONSUMER'S RIGHTS UNDER THIS PART 13; OR

(III) PURCHASE A BIOMETRIC IDENTIFIER UNLESS THE CONTROLLER PAYS THE CONSUMER FOR THE COLLECTION OF THE CONSUMER'S BIOMETRIC IDENTIFIER, THE PURCHASE IS UNRELATED TO THE PROVISION OF A PRODUCT OR SERVICE TO THE CONSUMER, AND THE CONTROLLER HAS OBTAINED CONSENT AS DESCRIBED IN SUBSECTION (4)(a) of this section.

(d) A controller or processor shall store, transmit, and protect from disclosure all biometric identifiers using the standard of care within the controller's industry and in accordance with sections 6-1-1305 (4) and 6-1-1308 (5).

(e) A CONTROLLER SHALL OBTAIN CONSENT FROM A CONSUMER OR FROM THE CONSUMER'S LEGALLY AUTHORIZED REPRESENTATIVE BEFORE COLLECTING THE CONSUMER'S BIOMETRIC DATA, AS REQUIRED BY SECTION 6-1-1308 (7).

(5) Right to access biometric data - applicability - definition. (a) Except as described in subsection (5)(b) of this section, at the request of a consumer or a consumer's legally authorized representative, a controller that collects the consumer's biometric data shall disclose to the consumer, free of charge, the category or description of the consumer's biometric data and the following information:

(I) The source from which the controller collected the biometric data;

(II) THE PURPOSE FOR WHICH THE CONTROLLER COLLECTED OR PROCESSED THE BIOMETRIC DATA AND ANY ASSOCIATED PERSONAL DATA;

(III) THE IDENTITY OF ANY THIRD PARTY WITH WHICH THE CONTROLLER DISCLOSED OR DISCLOSES THE BIOMETRIC DATA AND THE PURPOSES FOR DISCLOSING; AND

(IV) THE CATEGORY OR A DESCRIPTION OF THE SPECIFIC BIOMETRIC DATA THAT THE CONTROLLER DISCLOSES TO THIRD PARTIES.

(b) The requirements of subsection (5)(a) of this section apply only to:

(I) A SOLE PROPRIETORSHIP, A PARTNERSHIP, A LIMITED LIABILITY COMPANY, A CORPORATION, AN ASSOCIATION, OR ANOTHER LEGAL ENTITY THAT:

(A) CONDUCTS BUSINESS IN COLORADO OR PRODUCES OR DELIVERS COMMERCIAL PRODUCTS OR SERVICES THAT ARE MARKETED TO COLORADO RESIDENTS;

(B) COLLECTS BIOMETRIC DATA OR HAS BIOMETRIC DATA COLLECTED ON ITS BEHALF; AND

(C) EITHER COLLECTS OR PROCESSES THE PERSONAL DATA OF ONE HUNDRED THOUSAND INDIVIDUALS OR MORE DURING A CALENDAR YEAR OR COLLECTS AND PROCESSES THE PERSONAL DATA OF TWENTY-FIVE THOUSAND INDIVIDUALS OR MORE AND DERIVES REVENUE FROM, OR RECEIVES A DISCOUNT ON THE PRICE OF GOODS OR SERVICES FROM, THE SALE OF PERSONAL DATA;

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(II) A CONTROLLER THAT CONTROLS OR IS CONTROLLED BY ANOTHER CONTROLLER AND THAT SHARES COMMON BRANDING WITH THE OTHER CONTROLLER. AS USED IN THIS SUBSECTION (5)(b)(II), "COMMON BRANDING" MEANS A SHARED NAME, SERVICE MARK, OR TRADEMARK THAT A CONSUMER WOULD REASONABLY UNDERSTAND TO INDICATE THAT TWO OR MORE ENTITIES ARE COMMONLY OWNED.

(III) A JOINT VENTURE OR PARTNERSHIP CONSISTING OF NO MORE THAN TWO BUSINESSES THAT SHARE CONSUMERS' PERSONAL DATA WITH EACH OTHER.

(6) **Use of consent by employers.** (a) AN EMPLOYER MAY REQUIRE AS A CONDITION OF EMPLOYMENT THAT AN EMPLOYEE OR A PROSPECTIVE EMPLOYEE CONSENT TO ALLOWING THE EMPLOYER TO COLLECT AND PROCESS THE EMPLOYEE'S OR THE PROSPECTIVE EMPLOYEE'S BIOMETRIC IDENTIFIER ONLY TO:

(I) PERMIT ACCESS TO SECURE PHYSICAL LOCATIONS AND SECURE ELECTRONIC HARDWARE AND SOFTWARE APPLICATIONS; EXCEPT THAT AN EMPLOYER SHALL NOT OBTAIN THE EMPLOYEE'S OR PROSPECTIVE EMPLOYEE'S CONSENT TO RETAIN BIOMETRIC DATA THAT IS USED FOR CURRENT EMPLOYEE LOCATION TRACKING OR THE TRACKING OF HOW MUCH TIME THE EMPLOYEE SPENDS USING A HARDWARE OR SOFTWARE APPLICATION;

(II) RECORD THE COMMENCEMENT AND CONCLUSION OF THE EMPLOYEE'S FULL WORK DAY, INCLUDING MEAL BREAKS AND REST BREAKS IN EXCESS OF THIRTY MINUTES;

(III) IMPROVE OR MONITOR WORKPLACE SAFETY OR SECURITY OR ENSURE THE SAFETY OR SECURITY OF EMPLOYEES; OR

 $(\mathrm{IV})~\mathrm{Improve}$ or monitor the safety or security of the public in the event of an emergency or crisis situation.

(b) AN EMPLOYER AND ITS PROCESSOR MAY COLLECT AND PROCESS AN EMPLOYEE'S OR PROSPECTIVE EMPLOYEE'S BIOMETRIC IDENTIFIER FOR USES OTHER THAN THOSE DESCRIBED IN SUBSECTION (6)(a) OF THIS SECTION ONLY WITH THE EMPLOYEE'S OR PROSPECTIVE EMPLOYEE'S CONSENT. AN EMPLOYER MAY NOT REQUIRE THAT AN EMPLOYEE OR PROSPECTIVE EMPLOYEE CONSENT TO SUCH COLLECTION OR PROCESSING AS A CONDITION OF EMPLOYMENT OR RETALIATE AGAINST AN EMPLOYEE OR PROSPECTIVE EMPLOYEE WHO DOES NOT CONSENT TO SUCH COLLECTION OR PROCESSING.

(c) So long as consent that is obtained for collection and processing as described in this section satisfies the definition of consent provided in section 6-1-1303(5), consent is considered to be freely given and valid for the purposes described in subsection (6)(a) of this section.

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(d) Nothing in this section restricts an employer or its processor's ability to collect and process an employee's or prospective employee's biometric identifier for uses aligned with the reasonable expectations of:

(I) An employee based on the employee's job description or role; or

(II) A PROSPECTIVE EMPLOYEE BASED ON A REASONABLE BACKGROUND CHECK, APPLICATION, OR IDENTIFICATION REQUIREMENTS IN ACCORDANCE WITH THIS SECTION.

(7) **Rules.** The department of law may promulgate rules for the implementation of this section, including rules promulgated in consultation with the office of information technology and the department of regulatory agencies establishing appropriate security standards for biometric identifiers and biometric data that are more stringent than the requirements described in this section.

SECTION 3. In Colorado Revised Statutes, 6-1-1303, **add** (2.2) and (2.4) as follows:

6-1-1303. Definitions. As used in this part 13, unless the context otherwise requires:

(2.2)(a) "Biometric data" means one or more biometric identifiers that are used or intended to be used, singly or in combination with each other or with other personal data, for identification purposes.

(b) "BIOMETRIC DATA" DOES NOT INCLUDE THE FOLLOWING UNLESS THE BIOMETRIC DATA IS USED FOR IDENTIFICATION PURPOSES:

(I) A DIGITAL OR PHYSICAL PHOTOGRAPH;

(II) AN AUDIO OR VOICE RECORDING; OR

(III) ANY DATA GENERATED FROM A DIGITAL OR PHYSICAL PHOTOGRAPH OR AN AUDIO OR VIDEO RECORDING.

(2.4) "BIOMETRIC IDENTIFIER" MEANS DATA GENERATED BY THE TECHNOLOGICAL PROCESSING, MEASUREMENT, OR ANALYSIS OF A CONSUMER'S BIOLOGICAL, PHYSICAL, OR BEHAVIORAL CHARACTERISTICS, WHICH DATA CAN BE PROCESSED FOR THE PURPOSE OF UNIQUELY IDENTIFYING AN INDIVIDUAL. "BIOMETRIC IDENTIFIER" INCLUDES:

(a) A fingerprint;

(b) A VOICEPRINT;

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

(d) A FACIAL MAP, FACIAL GEOMETRY, OR FACIAL TEMPLATE; OR

(e) OTHER UNIQUE BIOLOGICAL, PHYSICAL, OR BEHAVIORAL PATTERNS OR CHARACTERISTICS.

SECTION 4. In Colorado Revised Statutes, 6-1-1304, amend (1) as follows:

6-1-1304. Applicability of part. (1) Except as specified in subsection (2) of this section, this part 13 applies to a controller that:

(a) (I) Conducts business in Colorado or produces or delivers commercial products or services that are intentionally targeted to residents of Colorado; and

(b) (II) Satisfies one or both of the following thresholds:

(H) (A) Controls or processes the personal data of one hundred thousand consumers or more during a calendar year; or

(H) (B) Derives revenue or receives a discount on the price of goods or services from the sale of personal data and processes or controls the personal data of twenty-five thousand consumers or more; OR

(b) Controls or processes any amount of biometric identifiers or biometric data regardless of the amount of biometric identifiers or biometric data controlled or processed annually; except that a controller that meets the qualifications of this subsection (1)(b) but does not meet the qualifications of subsection (1)(a) of this section shall comply with this part 13 only for the purposes of a biometric identifier or biometric data that the controller collects and processes.

SECTION 5. Act subject to petition - effective date - applicability. (1) This act takes effect July 1, 2025; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within the ninety-day period after final adjournment of the general assembly, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2024 and, in such case, will take effect July 1, 2025, or on the date of the official declaration of the vote thereon by the governor, whichever is later.

(2) This act applies to the collection, retention, processing, and use of biometric identifiers and biometric data on and after the applicable effective date of this act.

Approved: May 31, 2024