

Be it Enacted by the People of the State of Colorado:

Single subject. This act concerns the creation and administration of the Automation Mitigation Enterprise as a government-owned business enterprise to assess enterprise mitigation revenue and administer zero-percent APR civic infrastructure lending, with fiscal guardrails and accountability.

Bill 3 — Automation Revenue Enterprise Act (AME)

Revised : (1) routes proceeds to 0% APR municipal lending for non-surveillance civic infrastructure; (2) Silicon-to-Carbon \$10 disposal fee and certifications via the PUC; (3) scope creep.

SECTION 1. Legislative Declaration.

Fee-for-service linkage; metered utility charges. Any metered utility charge authorized by this article is imposed to defray the reasonable costs of enterprise services, including metering, verification, audit infrastructure, administration, and is reasonably related to those costs.

Fee-for-service linkage; token-output attribution charges. Any token-output or output-attribution charge authorized by this article is imposed to defray the reasonable costs of enterprise services, including attribution verification, audit processes, administration, and is reasonably related to those costs.

Fee-for-service linkage; per-decision or per-event charges. Any per-decision, per-event, or per-transaction charge authorized by this article is imposed to defray the reasonable costs of enterprise services, including enforcement, verification, dispute resolution, administration, and is reasonably related to those costs.

Baseline administrative due process. Unless a more specific procedure is provided in this act, before imposing an adverse assessment, suspension, vendor exclusion, debarment referral, or

other material adverse action, the responsible agency shall provide: (a) written digital notice stating the factual basis and legal authority; (b) a reasonable opportunity to respond with evidence; (c) a decision by a neutral decision-maker; and (d) a right to administrative appeal and judicial review as provided by law. Emergency actions may be taken to protect life-safety or prevent ongoing violations, provided prompt post-action notice and review are afforded.

Fee-for-service linkage; valuation-based mitigation charge. Any valuation-based mitigation charge authorized by this article is imposed to defray the reasonable costs of enterprise services and to offset measurable externalities arising from covered automation activity, and is reasonably related to those costs and externalities.

(1) The general assembly finds and declares that: (a) Artificial intelligence and automation systems can generate extraordinary economic value while shifting public costs onto residents, local districts, and the state, including costs associated with water, fire resilience, energy demand, and civic infrastructure strain; (b) A predictable, objective, and technology-neutral enterprise funding mechanism is necessary to modernize civic infrastructure and to reduce public safety risks amplified by automation-scale compute and data-center growth; (c) Metering compute inputs and commercial inference outputs provides an administrable basis for assessing enterprise fees that track automation intensity and commercial benefit; and (d) The generation and deployment of automation hardware imposes end-of-life disposal and reclamation burdens that require dedicated funding.

(2) It is the intent of the general assembly that this Act: (a) Creates the AME as a TABOR-exempt enterprise with independent revenues and independent governance; (b) Establishes the Metered Utility Model (objective compute inputs and commercial inference outputs) for covered automation activity; (c) Routes enterprise proceeds to 0% APR municipal lending for non-

surveillance civic infrastructure, with explicit prohibitions on surveillance, predictive policing, and law-enforcement expansion funding; and (d) Implements environmental and integrity safeguards for compute systems and automation hardware, and strong anti-evasion enforcement. The General Assembly further finds and declares that the assessments, fees, and charges levied under this article are expressly designed and intended to defray the reasonable, direct, and indirect costs of the Automation Mitigation Enterprise in administering its programs, services, and enforcement functions. The revenue generated is proportionate to the costs imposed by covered operators on enterprise infrastructure and public systems, and does not serve to raise general revenue for the state.

SECTION 2. In Colorado Revised Statutes, add article 21 to title 24 as follows:

ARTICLE 21

AUTOMATION REVENUE ENTERPRISE

24-21-101. Definitions.

(10) “Restoration Credits” means non-cash credits issued by the Automation Mitigation Enterprise for the limited purpose of defraying measurable externalities arising from automation displacement and covered operator harms, redeemable only through direct-to-provider payment rails or other fiduciary spend-control protocols authorized by this article.

Restoration Credits are not cash and may not be withdrawn as cash. The Enterprise shall disburse Restoration Credits only by direct payment to approved providers, merchants, landlords, servicers, or contractors, with tamper-evident records sufficient for audit.

Construction; nexus. No general welfare entitlement is created by this article. Any disbursement, mitigation supplement, or eligible capital project authorized by this article is permitted only to

the extent warranted by objective displacement or saturation findings and conditional on certified revenue sufficiency. Nothing in this article constitutes an unfunded mandate or permanent base-salary obligation for any local government, district, or political subdivision.

Construction; independent operability. This act is intended to be operable independently. Any cross-references to other titles or articles are for coordination only and do not require enactment of any other measure as a condition of effectiveness. No provision of this act shall be construed to imply a unified subject across multiple measures or to alter the single subject stated herein.

Fee posture; nexus. Assessments and charges under this article are enterprise mitigation revenues imposed to offset measurable externalities arising from automation and to fund authorized enterprise programs and civic infrastructure lending within the Enterprise's business purpose.

As used in this article 21, unless the context otherwise requires:

(1) "Covered automation activity" means the commercial deployment of emergent automation or automation systems that generate commercial outputs at scale through automated decision, ranking, generation, actuation, or inference, or that materially substitute for tasks previously or ordinarily performed by human labor, as further defined by rule.

(2) "Covered entity" means any person or business entity that operates, deploys, offers, sells, licenses, or provides covered automation activity in Colorado, including cloud providers and downstream deployers, as defined by rule.

(3) "Metered Utility Model" means the objective, unit-based fee methodology established by this article that measures automation intensity using one or more of the following: (a) Compute inputs, including kilowatt-hours, water liters, cooling ton-hours, or equivalent measurable utility inputs; (b) Commercial inference outputs, including token counts, inference minutes, requests, or

other measurable output units; and (c) Other objective proxies approved by rule that can be independently audited.

(4) "Municipal borrower" means a county, municipality, special district, school district, fire protection district, water district, or other local governmental entity authorized to incur debt or enter financing arrangements under Colorado law.

(5) "Non-surveillance civic infrastructure" means physical infrastructure and related controls that:

(a) Provide public utility, resilience, safety, water, energy efficiency, or fire response benefits; and

(b) Are not designed, procured, or operated primarily for surveillance, predictive policing, biometric monitoring, or law-enforcement expansion.

(6) "Silicon-to-Carbon Reclamation Fee" means the advance disposal fee imposed under section 24-21-106 on commercial automation hardware deployed in Colorado.

(7) "Vendor laundering" means any scheme, contract structure, or corporate arrangement designed to evade or reduce enterprise fees or obligations by routing covered automation activity through a subsidiary, affiliate, contractor, or third-party vendor while retaining control as defined in section 24-21-103(4).

(8) "AME" means the enterprise created in section 24-21-102.

(9) "Enterprise" has the meaning set forth in section 20 of article X of the state constitution and relevant case law.

24-21-102. AME — creation — enterprise status — governance — limitations.

(1) Creation. There is hereby created the AME as a body corporate and political subdivision of the state for the limited purposes set forth in this article.

(2) Enterprise status. The AME shall be operated as an enterprise. It shall be self-funded through fees and charges imposed pursuant to this article, and shall not rely on general fund appropriations for more than ten percent (10%) of its total annual revenues.

(3) No pledge of state credit. The AME shall not pledge the credit of the state, and obligations of the AME shall not constitute a debt of the state.

(4) Restricted purpose and funds. All revenues collected under this article are enterprise funds and may be expended only for the purposes authorized by this article. No commingling with the general fund is permitted.

(5) Governance; board composition; citizen majority.

(a) The AME shall be governed by a nine-member board of directors, constructed to prevent regulatory capture:

(I) Four ex officio or state designees:

(A) The executive director of the department of local affairs, or the director's designee;

(B) A commissioner of the public utilities commission, or the commissioner's designee;

(C) A designee appointed by the attorney general; and

(D) A designee appointed by the office of the state public defender.

(II) Five independent resident appointees (the citizen majority): Appointed by the governor and confirmed by the senate to staggered four-year terms. These members shall not be actively employed by any covered operator:

(A) One resident with validated technical expertise in cryptography or secure enclave engineering;

(B) One resident representing a Colorado municipal or county government;

(C) One resident representing public school educators or early childhood care providers;

(D) One resident advocate with lived experience navigating state rehabilitative, probation, or family welfare systems; and

(E) One resident acting as an at-large representative of the Resident Forensic Verification Panel.

(b) Conflict limits. A member shall not, during service on the board, be an officer, director, employee, or compensated lobbyist of a covered operator, nor hold a material financial interest that would reasonably create a conflict of interest; the AME shall adopt a conflict policy by rule.

(c) Meetings; records. The board shall meet at least quarterly and shall maintain public minutes consistent with open meetings law, except that security-sensitive and trade-secret information may be handled in executive session as permitted by law.

24-21-103. Metered fees — imposition — nexus — payor responsibility — anti-evasion — veil piercing.

(1) Fee imposition. The AME shall impose and collect metered enterprise fees on covered automation activity commercially deployed in Colorado.

(2) Colorado nexus. A covered automation activity is subject to this article if:

(a) The activity is delivered to, consumed by, or directed at users, devices, or delivery addresses in Colorado; or

- (b) The activity is deployed commercially within Colorado; or
- (c) The compute inputs (including electricity or water) are consumed within Colorado; or
- (d) The covered entity otherwise has sufficient nexus consistent with the constitutions of the United States and Colorado.

(3) Payor responsibility. Fees shall be owed by the covered entity that controls the commercial deployment, provided that the AME may by rule allocate responsibility among upstream compute providers and downstream deployers to prevent double-charging and to ensure collection integrity.

(4) Vendor laundering and veil piercing (50% control rule). A parent company or controlling person that retains fifty percent (50%) or greater ownership, voting power, board control, contractual control, or effective control over a subsidiary, affiliate, contractor, or third-party vendor operating in Colorado remains jointly and severally liable for all enterprise fees, penalties, and assessments owed by such subsidiary, affiliate, contractor, or vendor. Control may be shown by equity, governance rights, exclusive contracting, pricing authority, or operational command.

(5) Anti-evasion; Ghost Folio penalties.

(a) Any intentional evasion of metered fees through dark networks, undisclosed routing, falsified metering records, tampering with meters, or other willful concealment constitutes "Ghost Folio Evasion."

(b) Ghost Folio Evasion triggers treble damages payable to the AME and the enterprise may seek injunctive relief, audit escalation, and immediate collection remedies. (c) It is also a Ghost Folio Evasion violation to use a fraudulent identifier or false attestation to an automated

fiduciary proxy to circumvent child essentials category restrictions, to obtain duplicate benefits, or to establish or access an unauthorized minor-designated account. (d) The enterprise shall refer credible Ghost Folio Evasion to the attorney general for civil enforcement and, where warranted, criminal referral under applicable state fraud statutes.

(e) In addition to civil penalties, the enterprise may suspend access to restricted-purpose benefits associated with the fraudulent account only with immediate written notice, a fourteen-day (14-day) window to appeal, and a reinstatement pathway upon corrective action and verification established by rule.

24-21-104. Metering schedule — objective units — audits — confidentiality.

(1) Schedule. The AME shall establish, by rule, a metering schedule specifying:

- (a) The unit(s) used for compute inputs and commercial inference outputs;
- (b) The per-unit fee rates for each unit;
- (c) The conversion method where multiple units are used; and
- (d) Reporting frequency and minimum audit evidence.

(2) Objective auditing. Covered entities shall maintain auditable records of metered units. The AME may require independent attestation and may utilize secure receipt of audit artifacts and zero-knowledge proofs protecting trade secrets.

(3) Confidentiality. The AME shall protect trade secrets and sensitive security information.

Public reporting shall be aggregated except where disclosure is required by law or court order.

24-21-105. Uses of funds — civic infrastructure lending — 0% APR municipal loans — prohibitions.

For purposes of authorized mitigation supplements that are paid to third parties, including direct payment assistance toward a resident's qualifying federal student loan obligation, the AME shall remit funds directly to the payee or servicer and maintain tamper-evident disbursement records; such payments do not constitute cash assistance.

24-21-109.1. Eligible borrowers — regional transportation districts; capital resilience only.

(1) In addition to counties, municipalities, and local districts otherwise eligible for civic infrastructure lending under this article, the enterprise may extend zero percent (0%) APR municipal lending to a regional transportation district or other transit authority organized under Colorado law solely for capital projects constituting non-surveillance civic resilience infrastructure.

(2) Eligible capital projects under this section may include electrification, grid interconnection, emergency evacuation capacity, energy storage or microgrid integration, maintenance-facility hardening, and access corridors serving certified retraining hubs and essential-service routes, as defined by rule.

(3) Prohibited uses. Enterprise funds shall not be used to subsidize operating deficits, pensions, general payroll, routine service operations, or police expansion.

(4) Construction. This section authorizes capital lending for resilience and does not create a general operational subsidy for transit agencies.

(1) Civic infrastructure lending only. All enterprise revenues collected under this article shall be used exclusively to provide zero percent (0%) APR

loans to municipal borrowers for non-surveillance civic infrastructure projects. Grants, wage insurance, general welfare payments, or unrelated program expenditures are prohibited.

(2) Priority categories. The AME shall prioritize lending for:

- (a) Geothermal district energy and snowmelt systems, including sidewalk and roadway snowmelt where integrated with geothermal loops;
- (b) Water resilience projects, including storage, treatment modernization, leak reduction, reuse, watershed protection, and wildfire-related water system hardening; and
- (c) Fire resilience and fire department infrastructure, including stations, apparatus modernization, training facilities, communications redundancy, and wildfire response capacity.

(3) Prohibited surveillance uses. Enterprise funds shall not be disbursed, directly or indirectly, for:

- (a) Municipal surveillance systems, including predictive policing algorithms, facial recognition, biometric monitoring, mass camera networks, license plate readers, or similar systems;
- (b) Police department expansion, militarization, or staffing expansion unrelated to non-surveillance civic infrastructure; or
- (c) Procurement or deployment of automated decision systems used for surveillance or enforcement against residents.

(d) Limited detention facility exception - life-safety and constitutional compliance. Notwithstanding subsection (3)(b), the enterprise may disburse zero percent (0%) APR loans to a county or other municipal borrower for the capital construction, replacement, life-safety retrofit, code compliance modernization, or environmental remediation of an existing county detention

facility only to the extent necessary to meet constitutional standards, court orders, fire/life-safety codes, ADA accessibility requirements, or documented health and safety deficiencies.

(I) Loan proceeds shall not be used to procure, deploy, operate, or expand any municipal surveillance systems prohibited by subsection (3)(a), nor any automated decision systems prohibited by subsection (3)(c).

(II) As a condition of approval, the enterprise shall make an express finding, supported by public documentation, that the project does not materially increase net jail bed capacity above a baseline established by rule, except to the minimum extent required by a court order or to replace unsafe capacity that is being removed from service.

(III) Nothing in this subsection (3)(d) authorizes operating subsidies, staffing expansion, or general law-enforcement expansion unrelated to the approved capital compliance scope.

(4) Loan terms. The AME shall establish loan underwriting standards by rule, including:

(a) 0% APR with reasonable administrative fees capped by rule;

(b) Term lengths appropriate to the asset class;

(c) Project eligibility verification and anti-fraud controls; and

(d) Public transparency for approved projects, with technical details that do not compromise security.

(5) Revolving structure. Loan repayments shall be retained within the enterprise as a revolving lending pool dedicated to the purposes of this section.

(6) Concentration limit; anti-capture. To prevent capture of the revolving pool, the enterprise shall establish by rule a maximum annual commitment limit for any single municipal borrower or coordinated group acting under common control. The limit must be designed to preserve access for small and rural jurisdictions while permitting scaled projects in high-population areas when objectively justified.

(7) Baseline allocation and per-capita fairness. The enterprise shall adopt a transparent allocation framework that includes a baseline pro-rata access component using population or service-population measures, and may include objective impact multipliers based on verified reductions

in public-safety risk, utility load, water loss, wildfire exposure, or other measurable resilience outcomes.

(8) Joint Infrastructure Allowances — pooling, transfer, and negotiated shares.

(a) Two or more municipal borrowers may apply jointly for a single regional project or coordinated portfolio and may allocate proceeds and repayment obligations among themselves by intergovernmental agreement pursuant to section 29-1-203, C.R.S., or article XIV, section 18 of the state constitution.

(b) Allowance pooling and transfer. A municipality or county may, by intergovernmental agreement, pool, temporarily transfer, or lease a portion of its annual 0% lending allowance to a contiguous municipality or county for a joint infrastructure project, including district thermal networks, water resilience, wildfire mitigation, transit resilience, or other non-surveillance civic infrastructure authorized in this article.

(c) Anti-hoarding and verifiable benefit. The enterprise shall approve an allowance transfer only if the intergovernmental agreement includes enforceable performance terms demonstrating a verifiable, material benefit to both the transferring and receiving jurisdictions, and only for the duration of the approved joint project. A jurisdiction shall retain not less than fifty percent (50%) of its annual allowance absent a finding by the enterprise that the joint project provides direct infrastructure service or risk reduction to the transferring jurisdiction.

(d) Public notice and audit. All pooled awards and allowance transfers must be publicly noticed by the participating jurisdictions and are subject to audit by the state auditor for compliance with this subsection (8) and the non-surveillance restrictions of this article.

(9) Refunding and refinancing of eligible obligations.

(a) In addition to originating loans for eligible projects, the enterprise may extend zero percent (0%) APR loans to a municipal borrower to refund or refinance outstanding bonds, notes, or loans of the municipal borrower only to the extent the proceeds of the refunded or refinanced

obligations were originally used to finance:

(I) Non-surveillance civic infrastructure projects as defined in section 24-21-101; or

(II) Detention facility compliance projects authorized under subsection (3)(d) of this section.

(b) No cash-out; tracing required. The enterprise shall require documentation sufficient to trace the refunded or refinanced principal to eligible capital costs and shall prohibit any refunding structure that results in a cash-out distribution to the borrower for non-eligible purposes.

(c) Terms; life-of-asset; public benefit. The enterprise shall adopt by rule underwriting and approval standards for refunding loans, including:

(I) A requirement that the refunding produces a demonstrable public benefit, which may include net present value savings, reduced default risk, accelerated retirement of principal, or removal of onerous covenants, as determined by rule;

(II) A requirement that the refunding loan maturity not extend beyond the useful life of the financed assets (or, for subsection (3)(d) projects, beyond the compliance life-cycle of the improvements), except where a court order requires a different schedule; and

(III) Continued application of the prohibitions in subsection (3) to the refunded or refinanced scope.

(d) Construction. Nothing in this subsection (9) authorizes refunding or refinancing of obligations primarily incurred for surveillance, predictive policing, biometric monitoring, or law-enforcement expansion.

(1) Silicon-to-Carbon Reclamation Fee. A mandatory ten-dollar (\$10.00) advance disposal fee is assessed on commercial automation hardware deployed

in Colorado, payable by the covered entity placing the hardware into commercial operation. The

AME shall deposit proceeds in an e-waste

modernization account within the enterprise to fund end-of-life recycling, reclamation, and

modernization capacity for automation hardware and

related electronics.

(2) Rulemaking for hardware scope. The AME shall define by rule the categories of commercial automation hardware subject to the fee, including

servers, accelerators, GPUs/TPUs, robotics actuators, and other automation compute equipment, and shall adopt anti-evasion rules to prevent fee

avoidance through leasing or routing structures.

(3) Water Resource Reclamation (WRR) mandate; PUC certification. Commercial data centers and covered compute facilities operating in Colorado shall:

(a) Achieve and maintain strict power usage effectiveness (PUE) standards and methane-capture or equivalent emissions mitigation certifications

authorized and enforced by the Public Utilities Commission (PUC), as established by rule;

(b) Maintain auditable water-use accounting for facility operations, including cooling and reclamation practices; and

(c) Submit certifications and audit artifacts at intervals established by rule.

(4) Enforcement linkage. Failure to maintain PUC certifications required by subsection (3) constitutes a material violation subject to enhanced

enterprise penalties, audit escalation, and potential suspension of enterprise registration until cured.

(7) Revenue application. Receipts collected under this section are enterprise revenues and shall be applied in the same manner as other revenues under section 24-21-105.

24-21-107. Transparency — reporting — sunset review — rulemaking.

(1) Annual report. The AME shall publish an annual report including:

(a) Total collections and total disbursements, including lending volumes, repayments, and revolving pool balance;

(b) Aggregate metered units and effective rates by sector, reported in a manner that protects trade secrets;

(c) Audit outcomes and enforcement actions (aggregate), including Ghost Folio referrals;

(d) Administrative cost ratio; and

(e) A public list of funded municipal projects and their category under section 24-21-105.

(2) Sunset review. This article is subject to sunset review in ten (10) years, with a legislative report on enterprise status, TABOR compliance, lending performance, and environmental mandate compliance.

(3) Rulemaking. The AME may promulgate rules necessary to implement this article, including definitions, metering schedule, nexus rules, audit standards, lending standards, environmental criteria coordination, and anti-evasion measures.

24-21-110. Construction; fee findings; evidentiary integrity; nexus.

(1) Fee construction; nexus. The enterprise fees and charges imposed under this article are intended as fees to offset measurable externalities associated with covered automation activity and compute-intensive commercial deployments, including impacts on electric demand, water use, waste reclamation, and civic infrastructure. This article shall be construed to avoid creating a tax.

(2) No extraterritorial regulation. Nothing in this article regulates conduct occurring wholly outside Colorado absent a sufficient Colorado nexus, including commercial delivery to a resident of Colorado, commercial targeting of a resident of Colorado, or compute inputs consumed within Colorado.

(3) Tamper-evident metering; adverse inference. Covered entities shall preserve metering records and audit artifacts required by this article. Failure to preserve required records after notice of assessment or dispute, or the absence of required records without a credible explanation, creates

a rebuttable presumption that the missing records would be adverse to the covered entity in enterprise assessment and dispute proceedings.

(4) Trade secret protection. Nothing in this section limits the confidentiality protections in section 24-21-104. The AME may utilize secure audit methods, including independent attestations and cryptographic proofs, to verify compliance while protecting trade secrets.

24-21-112. Fee-tax switch — contingent voter approval — suspension upon final judgment.

(1) Contingent construction. The AME shall administer the charges in this article as enterprise fees. If, however, a final, non-appealable judgment of a court of competent jurisdiction determines that any charge imposed under this article constitutes a tax requiring voter approval under article X, section 20 of the state constitution (TABOR), the affected charge shall be suspended as of the effective date of such judgment unless and until voter approval is obtained.

In the event of a judicial suspension of any assessment or charge under this section, all corresponding mitigation programs, including the issuance of Restoration Credits, shall automatically and proportionally scale down to match available, lawfully collected enterprise revenues. Nothing in this article shall be construed to create an unfunded mandate, a legal obligation, or political pressure requiring the replacement of suspended enterprise revenues with state General Fund appropriations.

(2) Referral preparation. Upon suspension under subsection (1), the AME shall transmit a report to the legislative council and the governor describing the affected charge, the basis of the judgment, and a recommended compliant structure. Legislative council staff shall prepare draft legislation and draft ballot referral language for consideration by the general assembly at the next practicable opportunity consistent with applicable constitutional and statutory procedures.

(3) Savings; continued operation. Suspension of an affected charge under subsection (1) does not invalidate the enterprise, the remaining lawful charges, the environmental requirements, or the lending and mitigation authorities that can be supported by remaining revenues. AME shall prioritize continuing lawful collections and expenditures to the maximum extent permitted by law.

24-21-113. Metered utility charges — electricity, water, and commercial inference outputs — tiered schedule.

(1) Purpose and construction. The charges in this section implement the objective “metered utility” model for covered automation activity by measuring raw compute inputs and commercial inference token outputs. AME shall administer these charges as enterprise fees to offset measurable burdens and to fund authorized enterprise programs and civic infrastructure lending.

(2) Charge bases.

(a) Electricity (kWh). A covered commercial compute facility or covered automation operator shall remit an electricity charge based on kilowatt-hours consumed for covered automation activity, as measured by metered usage or an approved allocation method when mixed-use facilities are present.

(b) Water (volume). A covered commercial compute facility or covered automation operator shall remit a water charge based on gallons or other volumetric measures of water consumed for cooling or covered automation activity, including potable and non-potable sources as specified by rule.

(c) Commercial inference outputs (tokens). A covered commercial operator with a substantial nexus to Colorado shall remit a token charge based on the quantity of targeted commercial inference token outputs attributable to Colorado during the reporting period, as measured by API

logs, attested counters, or cryptographic proofs approved by rule. For purposes of this subsection, “substantial nexus” includes maintaining covered commercial compute facilities or covered automation operations in Colorado, or contracting to deliver targeted commercial inference outputs to Colorado commercial users in a manner that is fairly apportioned to in-state activity. The Division shall adopt apportionment rules to avoid multiple taxation and to ensure the charge is reasonably related to services, compliance infrastructure, and provided under this article.

Apportionment guardrails. Any methodology attributing enterprise mitigation revenue to Colorado shall be based on objective, documented factors such as resident account linkage, in-state service delivery, in-state commercial benefit, and other substantial nexus indicators. The Enterprise shall publish the attribution methodology by rule, maintain auditable supporting records, and provide a prompt administrative dispute process with defined evidentiary standards.

(3) Tiered schedule. AME shall adopt by rule a tiered schedule that applies multipliers to the charges in subsection (2) based on objective thresholds that cannot be evaded through fragmentation, including cumulative parent-and-subsubsidiary aggregation. Tiers may be based on token volume, compute throughput, or annual gross receipts attributable to covered automation activity. AME shall include a small-operator safe harbor and de minimis thresholds to avoid burdening small businesses.

(5) Anti-evasion; allocation; audit. AME shall adopt rules governing metering integrity, audit artifacts, and allocation methods for mixed-use infrastructure. Intentional evasion of the metered utility charges through false metering, dark routing, log suppression, or vendor laundering is

subject to the enforcement provisions of this article, including treble damages and audit escalation.

(6) Rulemaking timeline. AME shall publish initial rules implementing this section within one hundred eighty (180) days after the effective date of this act, including tier thresholds, measurement standards, audit schemas, and dispute procedures.

24-21-114. Emergency findings; public safety and economic stability purpose.

(1) Emergency findings. The general assembly finds and declares that rapid automation and artificial intelligence deployment creates measurable externalities and risks to residents, workers, and public safety, including infrastructure strain, displacement of workers, and degradation of public services, that require immediate enterprise-level mitigation and funding mechanisms.

(2) Purpose. This article establishes an enterprise fee model to offset measurable burdens from covered automation activity and to fund authorized enterprise programs, civic infrastructure lending, and mitigation measures, consistent with the enterprise structure and TABOR compliance requirements of this article.

(3) Public safety construction. This article shall be construed to prioritize non-surveillance civic resilience uses, and shall be administered to preserve due process and audit integrity.

24-21-196. TABOR compliance savings clause — voter approval where required; enterprise eligibility; suspension of reclassified taxes.

(1) Voter approval where required. This article is intended to be administered in full compliance with section 20 of article X of the state constitution (TABOR). Where voter approval is required for the creation, increase, extension, or retention and spending of any tax, revenue change, or

fiscal authorization, the state shall seek and rely upon such voter approval through the ballot process.

(2) Enterprise eligibility preserved. The enterprise established under this article shall be operated as a government-owned business for purposes of TABOR to the maximum extent permitted by law, including maintenance of eligibility criteria and revenue-source constraints as required to qualify as an enterprise.

(3) Savings; suspension of reclassified taxes. If a court of competent jurisdiction determines that any assessment, charge, or fee imposed under this article constitutes a tax requiring additional voter approval under TABOR, the specific assessment determined to be a tax is suspended upon entry of such order unless and until voter approval is obtained, without impairing the remaining lawful provisions, charges, enterprise operations, or allocations authorized by this article.

Construction — opt-in; no compulsory resident enrollment.

Nothing in this act requires any resident to enroll in enterprise programs or activate optional verification services. Where the act offers enhanced protections through affirmative registration, the default status is non-participation unless the resident expressly opts in.

SECTION 3. Severability.

If any provision of this act or its application is found invalid, such invalidity does not affect other provisions or applications that can be given effect without the invalid provision or application, and to this end the provisions of this act are declared severable.

SECTION 4. Safety clause.

The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

ANNEX B — MUNICIPAL LENDING ALLOWANCES AND IGA

POOLING (NONCODIFIED)

The AME lending program may be administered using jurisdictional annual lending allowances to ensure equitable access while enabling regional megaprojects through IGAs.

Base Allowance: annual baseline 0% APR lending allowance for each participating municipality, county, special district, or regional authority, scaled by population and critical-infrastructure burden.

Pooling Authority: jurisdictions may pool, transfer, or jointly negotiate allowances through an Intergovernmental Agreement (IGA) for a specific joint project that provides verifiable benefits to all participating jurisdictions.

Anti-Hoarding Rule: allowances may not be permanently assigned or sold; transfers must be time-limited to a defined project and must preserve a minimum retained allowance for the transferring jurisdiction.

Verification: each pooled project must publish a public benefit statement and post-completion performance report (energy saved, heat reused, jobs created, risk mitigated).

Intent; preservation of core purpose. It is the intent of the People that the core purpose of this Act —the mitigation of measurable externalities arising from automation and the funding of civic

infrastructure through enterprise revenues—be preserved to the maximum extent permitted by law. Any judicial finding of invalidity should be interpreted narrowly to preserve the maximum possible functionality of the Automation Mitigation Enterprise established by this Act.