



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number: LLS 22-0676 Date: August 23, 2022
Prime Sponsors: Sen. Hansen; Buckner Bill Status: Signed into Law
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Bill Topic: ARTIFICIAL INTELLIGENCE FACIAL RECOGNITION

- Summary of Fiscal Impact:
- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill establishes a task force to study facial recognition services. It increases state expenditures on an ongoing basis beginning in FY 2022-23.

Appropriation Summary: For FY 2022-23, the bill requires and includes an appropriation of \$11,109 to the Legislative Department.

Fiscal Note Status: This fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under SB 22-113

Table with 4 columns: Category, Sub-category, Budget Year FY 2022-23, and Out Year FY 2023-24. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

## **Summary of Legislation**

The bill creates a legislative task force to study artificial intelligence and creates processes around the use of facial recognition services by state and local governments, among other related measures.

**Task force.** The bill creates the Task Force for the Consideration of Facial Recognition Services to examine and provide recommendations concerning the use of artificial intelligence by agencies of state and local governments. The task force is comprised of representatives of the legislature, state and local governments, higher education, law enforcement, and the public, as appointed by the Joint Technology Committee. Non-legislative members serve without compensation. The task force is required to meet at least every four months starting December 1, 2022, and must submit a report to the committee by each October 1, starting in 2023. The task force repeals September 1, 2027, following a sunset review by the Department of Regulatory Agencies.

**Law enforcement.** Law enforcement agencies are prohibited from employing facial recognition services to identify, observe, or track an individual unless the agency obtains a warrant or a court order. The bill specifies additional restrictions on the use of these services by law enforcement agencies.

**Other measures.** The bill includes several other provisions, including that:

- state and local agencies, other than law enforcement agencies, are prohibited from executing a contract for a facial recognition service until 2025, with some exceptions;
- law enforcement agencies must disclose their use of a facial recognition service on an criminal defendant prior to trial;
- any judge who has issued, denied, or extended a warrant for the use of a facial recognition service during the previous year, or any state or local agency that applied for such a warrant, must report on the warrants each January;
- certain circumstances are exempt from these standards of conduct;
- schools, charter schools, and institute charter schools are prohibited from executing a contract for a facial recognition service, except for a service provided by an existing contract; and
- an agent authorized by an individual to access the individual's personal data or other information on their computer, network, or system does not commit a cybercrime.

## **State Expenditures**

In FY 2022-23, the bill increases expenditures in the Legislative Department, increases workload in the Judicial Department, and potentially increases workload in state agencies in future years. Expenditures are shown in Table 2 and detailed below.

**Table 2  
Expenditures Under SB 22-113**

	FY 2022-23	FY 2023-24
<b>Legislative Department</b>		
Personal Services	\$10,166	\$13,554
Legislator Per Diem and Travel	\$943	\$1,415
Centrally Appropriated Costs <sup>1</sup>	\$2,914	\$3,219
FTE – Personal Services	0.2 FTE	0.2 FTE
<b>Total Cost</b>	<b>\$14,023</b>	<b>\$18,188</b>
<b>Total FTE</b>	<b>0.2 FTE</b>	<b>0.2 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Legislative Department.** Legislative Council Staff requires 0.2 FTE to staff the committee, conduct research, and prepare reports. First-year costs reflect the General Fund pay date shift. Reimbursement for legislative committee members assumes two meetings in the first year and three meetings in future years, with a per diem of \$111.82 and average travel expenses of \$124.00, for each of the two members.

**Judicial Department.** The new procedures for issuance and reporting requirements for warrants require the department to update the case management system and create annual reports for the State Court Administrator. Based on the low incidence of facial recognition services currently employed, this workload can be accomplished within existing appropriations.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

## Other Budget Impacts

**General Fund reserve.** Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve beginning in FY 2022-23. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1 above, which will decrease the amount of General Fund available for other purposes.

## Local Government

Workload may increase for local law enforcement agencies to obtain warrants for the use of facial recognition services.

## **Effective Date**

The bill was signed into law by the Governor on June 8, 2022, and it took effect on August 9, 2022.

## **State Appropriations**

For FY 2022-23, the bill requires and includes General Fund appropriations of \$11,109 to the Legislative Department as follows:

- \$10,166 and 0.2 FTE to Legislative Council Staff; and
- \$943 to the General Assembly.

## **State and Local Government Contacts**

All State Agencies  
Legislative Council Staff  
Sheriffs

Counties  
Legislative Legal Services

District Attorneys  
Municipalities