# Second Regular Session Seventy-fourth General Assembly STATE OF COLORADO

### **PREAMENDED**

This Unofficial Version Includes Committee Amendments Not Yet Adopted on Second Reading

LLS NO. 24-0634.01 Richard Sweetman x4333

**SENATE BILL 24-129** 

#### SENATE SPONSORSHIP

Pelton B. and Kolker,

#### **HOUSE SPONSORSHIP**

deGruy Kennedy and Frizell,

## Senate Committees Business, Labor, & Technology Appropriations

#### **House Committees**

	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 <a href="http://leg.colorado.gov">http://leg.colorado.gov</a>.)

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

• Requiring any person to provide the public agency with

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 13 GOVERNMENTAL UNIT, INCLUDING: 14 (a) THE STATE;

-2-

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 IS
21	NECESSARY TO ENFORCE OR ENSURE COMPLIANCE WITH THE LAW; AND
22	(b) The provisions of this section concerning a public
23	AGENCY'S ACCESS TO OR USE OF MEMBER-SPECIFIC DATA ARE CONSISTENT
24	WITH:
25	(I) SECTION 7-136-105, WHICH PROHIBITS ANY PERSON FROM
26	OBTAINING OR USING A NONPROFIT CORPORATION'S MEMBERSHIP LIST FOR
27	ANY PURPOSE UNRELATED TO A MEMBER'S INTEREST AS A MEMBER; AND

-3-

1	(II) SECTION 24-/3-102, WHICH REQUIRES GOVERNMENTAL
2	ENTITIES TO PROTECT ACCESS TO CERTAIN TYPES OF PERSONAL
3	IDENTIFYING INFORMATION.
4	(2) $\underline{\hspace{1cm}}$ Except as provided in subsection (3) of this section
5	OR AS OTHERWISE PERMITTED BY LAW OR AS IS NECESSARY TO ENFORCE
6	OR ENSURE COMPLIANCE WITH THE STATE CONSTITUTION OR AN
7	APPLICABLE FEDERAL, STATE, OR LOCAL STATUTE, CHARTER PROVISION,
8	RESOLUTION, ORDINANCE, RULE, OR REGULATION, A PUBLIC AGENCY
9	SHALL NOT:
10	(a) REQUIRE ANY PERSON, INCLUDING A NONPROFIT ENTITY OR AN
11	OFFICER, DIRECTOR, EMPLOYEE, OR AGENT OF A NONPROFIT ENTITY, TO
12	PROVIDE THE PUBLIC AGENCY WITH MEMBER-SPECIFIC DATA OR
13	OTHERWISE COMPEL THE DISCLOSURE OF MEMBER-SPECIFIC DATA;
14	(b) Disclose to any person one or more items of
15	MEMBER-SPECIFIC DATA, INCLUDING A COMPLETE OR PARTIAL LIST OF
16	NONPROFIT ENTITY MEMBERS WHO ARE EMPLOYED BY A PUBLIC AGENCY
17	OR ANY INFORMATION INCLUDED IN A NONPROFIT ENTITY MEMBER'S
18	PERSONNEL FILES AS DEFINED IN SECTION 24-72-202 (4.5); OR
19	(c) Request or require a current or prospective
20	CONTRACTOR OR A CURRENT OR PROSPECTIVE GRANTEE OF A GRANT
21	PROGRAM ADMINISTERED BY THE PUBLIC AGENCY TO PROVIDE A LIST OF
22	NONPROFIT ENTITIES TO WHICH THE CURRENT OR PROSPECTIVE
23	CONTRACTOR OR GRANTEE HAS PROVIDED FINANCIAL OR NONFINANCIAL
24	SUPPORT.
25	_
26	(3) This section does not preclude a public agency from
27	REQUIRING PRODUCTION OF A NONPROFIT ENTITY'S MEMBER-SPECIFIC

-4- 129

1	DATAIF:
2	(a) THE MEMBER-SPECIFIC DATA IS SPECIFICALLY IDENTIFIED IN A
3	LAWFUL SUBPOENA OR WARRANT ISSUED BY A COURT OF COMPETENT
4	JURISDICTION OR IS ISSUED UNDER THE AGENCY'S STATUTORY OR
5	CONSTITUTIONAL AUTHORITY IN AN ADMINISTRATIVE, CIVIL, OR CRIMINAL
6	FILING IN A COURT OF COMPETENT JURISDICTION OR IN AN
7	ADMINISTRATIVE PROCEEDING BEFORE AN ADMINISTRATIVE LAW JUDGE,
8	A HEARING OFFICER, OR OTHER DULY AUTHORIZED, QUASI-JUDICIAL
9	OFFICIAL, INCLUDING THE INDEPENDENT ETHICS COMMISSION AS
10	AUTHORIZED BY ARTICLE XXIX OF THE STATE CONSTITUTION;
11	(b) In discovery under the Colorado rules of civil
12	PROCEDURE, A COURT OF COMPETENT JURISDICTION, AN ADMINISTRATIVE
13	LAW JUDGE, A HEARING OFFICER, OR OTHER DULY AUTHORIZED,
14	QUASI-JUDICIAL OFFICIAL, INCLUDING THE INDEPENDENT ETHICS
15	COMMISSION AS AUTHORIZED BY ARTICLE XXIX OF THE STATE
16	CONSTITUTION, ENTERS A PROTECTIVE ORDER PROHIBITING THE PUBLIC
17	DISCLOSURE OF THE MEMBER-SPECIFIC DATA TO ANY PERSON OTHER THAN
18	COUNSEL IN AND THE PARTIES TO A LEGAL ACTION;
19	(c) THE MEMBER-SPECIFIC DATA IS ADMITTED INTO EVIDENCE AS
20	RELEVANT TO PROVING OR DISPROVING THE CLAIMS OR DEFENSES AT ISSUE
21	BEFORE A COURT OF COMPETENT JURISDICTION, AN ADMINISTRATIVE LAW
22	JUDGE, A HEARING OFFICER, OR OTHER DULY AUTHORIZED, QUASI-JUDICIAL
23	OFFICIAL, INCLUDING THE INDEPENDENT ETHICS COMMISSION AS
24	AUTHORIZED BY ARTICLE XXIX OF THE STATE CONSTITUTION;
25	(d) THE MEMBER-SPECIFIC DATA IS VOLUNTARILY AND PUBLICLY
26	DISCLOSED BY THE PERSON OR THE NONPROFIT ENTITY TO WHICH IT
2.7	RELATES:

-5- 129

1	(e) The member-specific data is sought by a nonprofit
2	ENTITY THAT REQUESTS INFORMATION CONCERNING ITS OWN MEMBERS
3	FROM A PUBLIC AGENCY BY WHICH THE MEMBERS ARE EMPLOYED;
4	(f) Information disclosing the identity of any director,
5	OFFICER, REGISTERED AGENT, OR INCORPORATOR OF A NONPROFIT ENTITY
6	IN A REPORT OR DISCLOSURE IS REQUIRED BY STATUTE TO BE FILED WITH
7	THE SECRETARY OF STATE OR, FOR UNINCORPORATED ASSOCIATIONS, AN
8	AGENCY THAT IS DESIGNATED BY LAW; EXCEPT THAT INFORMATION THAT
9	DIRECTLY IDENTIFIES A PERSON SOLELY BECAUSE THE PERSON IS A
10	FINANCIAL DONOR TO A NONPROFIT ENTITY SHALL NOT BE DISCLOSED
11	UNLESS DISCLOSURE IS REQUIRED BY SUBSECTION $(3)(g)$ OF THIS SECTION;
12	(g) THE MEMBER-SPECIFIC DATA IS REQUIRED TO BE MADE PUBLIC
13	BECAUSE DISCLOSURE OF A CONTRIBUTION OR DONATION MADE BY ONE OR
14	MORE MEMBERS OF A NONPROFIT ENTITY IS EXPRESSLY REQUIRED BY
15	FEDERAL, STATE, OR LOCAL CAMPAIGN FINANCE LAWS;
16	(h) The member-specific data is required by statute $\underline{\text{or}}$
17	REGULATION IN ORDER FOR AN APPLICANT TO QUALIFY FOR OR TO
18	OPERATE A BUSINESS ACTIVITY IN THE STATE, SO LONG AS THE
19	MEMBER-SPECIFIC DATA IS USED ONLY IN CONNECTION WITH THE SPECIFIC
20	APPLICATION TO WHICH THE REQUEST RELATES AND FOR ANY RELATED
21	PROCEEDINGS;
22	(i) The member-specific data is necessary to determine
23	COMPLIANCE WITH FEDERAL OR STATE ANTITRUST STATUTES;
24	(j) THE MEMBER-SPECIFIC DATA IS SOUGHT BY A PUBLIC AGENCY
25	INVESTIGATING ALLEGED VIOLATIONS OF STATE OR LOCAL CIVIL OR
26	CRIMINAL LAWS AS PERMITTED OR EXPRESSLY REQUIRED BY LAW;
27	(k) The member-specific data is collected and used for the

-6- 129

1	PURPOSE OF EVALUATING THE SUITABILITY OF APPLICANTS FOR, AND ANY
2	POTENTIAL CONFLICTS OF INTEREST RESULTING FROM, EMPLOYMENT BY A
3	PUBLIC AGENCY OR APPOINTMENTS TO STATE OR LOCAL BOARDS,
4	COMMISSIONS, ADVISORY COMMITTEES, TASK FORCES, GRANT
5	APPLICATION REVIEW COMMITTEES, OR COMPARABLE ENTITIES, SO LONG
6	AS THE MEMBER-SPECIFIC DATA IS USED ONLY IN CONNECTION WITH THE
7	SPECIFIC APPLICATION FOR AN APPOINTMENT TO WHICH THE REQUEST
8	RELATES AND FOR ANY RELATED PROCEEDINGS;
9	(1) THE MEMBER-SPECIFIC DATA IS COLLECTED AND USED IN ORDER
10	TO DETERMINE WHETHER A PERSON APPLYING FOR OR RENEWING ANY
11	GRANT, BENEFITS, FINANCING, OR PAYMENTS FROM OR THROUGH, OR ANY
12	CONTRACT WITH, A PUBLIC AGENCY SHOULD BE AWARDED THE GRANT,
13	BENEFITS, FINANCING, PAYMENTS, OR CONTRACT AND INCLUDES
14	INFORMATION PERTAINING TO PERSONS RELATED TO OR AFFILIATED WITH
15	THE APPLICANT, SO LONG AS THE MEMBER-SPECIFIC DATA IS USED ONLY IN
16	CONNECTION WITH THE SPECIFIC APPLICATION FOR, OR RENEWAL OF, A
17	GRANT, BENEFITS, FINANCING, OR PAYMENTS TO WHICH THE REQUEST
18	RELATES AND FOR ANY RELATED PROCEEDINGS;
19	(m) THE MEMBER-SPECIFIC DATA IS COLLECTED AND USED IN AN
20	AUDIT CONDUCTED BY A PUBLIC AGENCY TO ENSURE APPROPRIATE USE OF
21	PUBLIC RESOURCES OR THAT THE PUBLIC AGENCY'S ACTS ARE CONSISTENT
22	WITH ITS STATUTORY OR REGULATORY DUTIES AND POWERS, SO LONG AS
23	THE MEMBER-SPECIFIC DATA IS USED ONLY IN CONNECTION WITH THE
24	SPECIFIC AUDIT TO WHICH THE REQUEST RELATES AND FOR ANY RELATED
25	PROCEEDINGS;
26	(n) The member-specific data is collected and used by a
2.7	PUBLIC AGENCY THAT IS FORMED AS A NONPROFIT ENTITY WHERE SUCH

-7- 129

1	MEMBER-SPECIFIC DATA IS USED, EITHER DIRECTLY BY THE PUBLIC
2	AGENCY OR THROUGH ITS AUTHORIZED AGENT, SOLELY TO CONTACT,
3	INFORM, OR SOLICIT ITS DUES-PAYING MEMBERS OR DONORS, OR TO SEEK
4	<u>UPDATES OF THEIR MEMBER-SPECIFIC DATA;</u>
5	(o) THE MEMBER-SPECIFIC DATA IS SOUGHT BY THE DEPARTMENT
6	OF REVENUE TO DETERMINE A TAXPAYER'S COMPLIANCE WITH LAWS
7	RELATING TO THE DEDUCTION OF CONTRIBUTIONS TO A NONPROFIT ENTITY
8	FROM A PERSON'S TAXABLE INCOME; OR
9	(p) The member-specific data was voluntarily released to
10	THE PUBLIC AGENCY BY THE PERSON OR THE NONPROFIT ENTITY TO WHICH
11	THE DATA RELATES.
12	(4) (a) A nonprofit entity or any of its members affected
13	ADVERSELY BY A VIOLATION OF THIS SECTION MAY INITIATE A CIVIL
14	ACTION IN DISTRICT COURT FOR INJUNCTIVE RELIEF, DAMAGES, OR SUCH
15	OTHER RELIEF AS IS APPROPRIATE TO ADDRESS THE VIOLATION. SUCH AN
16	ACTION MUST BE INITIATED AGAINST THE PUBLIC AGENCY THAT SOUGHT
17	AND OBTAINED, OR IMPROPERLY DISCLOSED, MEMBER-SPECIFIC DATA OF
18	THE NONPROFIT ENTITY IN VIOLATION OF THIS SECTION.
19	(b) Notwithstanding the limitations of the "Colorado
20	GOVERNMENTAL IMMUNITY ACT", ARTICLE 10 OF TITLE 24, DAMAGES
21	MAY BE AWARDED TO COMPENSATE A PERSON FOR INJURY OR LOSS
22	CAUSED BY A PUBLIC AGENCY WRONGFULLY REQUIRING THE PRODUCTION
23	OF, OR WRONGFULLY DISCLOSING, MEMBER-SPECIFIC DATA AS FOLLOWS:
24	(I) EXCEPT AS DESCRIBED IN SUBSECTION $(4)(b)(II)$ of this
25	SECTION, NOT LESS THAN TWO THOUSAND FIVE HUNDRED DOLLARS FOR
26	EACH <u>RECKLESS</u> VIOLATION OF THIS SECTION; AND
27	(II) NOT LESS THAN SEVEN THOUSAND FIVE HUNDRED DOLLARS

-8-

1	FOR EACH INTENTIONAL VIOLATION OF THIS SECTION.
2	(c) A COURT MAY AWARD THE COSTS OF LITIGATION, INCLUDING
3	REASONABLE ATTORNEY FEES AND WITNESS FEES, TO A COMPLAINANT
4	THAT PREVAILS IN AN ACTION DESCRIBED IN THIS SUBSECTION (4).
5	SECTION 3. In Colorado Revised Statutes, 24-72-204, add (10)
6	as follows:
7	24-72-204. Allowance or denial of inspection - grounds -
8	procedure - appeal - definitions - repeal. (10) The custodian of any
9	PUBLIC RECORDS SHALL NOT REQUIRE A NONPROFIT ENTITY TO PRODUCE
10	MEMBER-SPECIFIC DATA, AS DEFINED IN SECTION 7-90-102 (36.5), THAT IS
11	CONTAINED IN PUBLIC RECORDS WHERE SUCH RECORDS ARE NOT SUBJECT
12	TO INSPECTION AND COPYING PURSUANT TO THIS SECTION. A CUSTODIAN
13	SHALL DENY ANY REQUEST TO INSPECT, COPY, OR REPRODUCE ANY
14	MEMBER-SPECIFIC DATA IN THE POSSESSION OF A PUBLIC AGENCY AND
15	PROVIDED TO THE PUBLIC AGENCY BY A NONPROFIT ENTITY. A CUSTODIAN
16	SHALL NOT REQUIRE A NONPROFIT ENTITY TO PRODUCE RECORDS AND
17	INFORMATION RELATING TO THE IDENTIFICATION OF INDIVIDUAL
18	EMPLOYEES OF NONPROFIT ENTITIES WITH WHOM THE PUBLIC ENTITY
19	CONTRACTS FOR SERVICES OR OF INDIVIDUAL EMPLOYEES OF
20	SUBCONTRACTORS OF SUCH NONPROFIT ENTITIES.
21	SECTION 4. Act subject to petition - effective date -
22	applicability. (1) This act takes effect at 12:01 a.m. on the day following
23	the expiration of the ninety-day period after final adjournment of the
24	general assembly; except that, if a referendum petition is filed pursuant
25	to section 1 (3) of article V of the state constitution against this act or an
26	item, section, or part of this act within such period, then the act, item,
2.7	section, or part will not take effect unless approved by the people at the

-9-

- 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 governor.
- 4 (2) This act applies to the collection and disclosure of data 5 concerning members of a nonprofit entity by a public agency on or after 6 the applicable effective date of this act.

-10-