Second Regular Session Seventy-fourth General Assembly STATE OF COLORADO

REREVISED

This Version Includes All Amendments Adopted in the Second House

LLS NO. 24-0922.03 Josh Schultz x5486

SENATE BILL 24-205

SENATE SPONSORSHIP

Rodriguez, Cutter, Fenberg, Michaelson Jenet, Priola, Winter F.

HOUSE SPONSORSHIP

Titone and Rutinel, Duran

Senate Committees

House Committees

Judiciary

101

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State, Civic, Military, & Veterans Affairs

A BILL FOR AN ACT

CONCERNING CONSUMER PROTECTIONS IN INTERACTIONS WITH ARTIFICIAL INTELLIGENCE SYSTEMS.

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 http://leg.colorado.gov.)

The bill requires a developer of a high-risk artificial intelligence system (high-risk system) to use reasonable care to avoid algorithmic discrimination in the high-risk system. There is a rebuttable presumption that a developer used reasonable care if the developer complied with specified provisions in the bill, including:

• Making available to a deployer of the high-risk system a

HOUSE
Amended 3rd Reading

HOUSE
Amended 2nd Reading

SENATE
Amended 3rd Reading
May 3, 2024

SENATE Amended 2nd Reading May 2, 2024

Shading denotes HOUSE amendment. <u>Double underlining denotes SENATE amendment.</u>

Capital letters or bold & italic numbers indicate new material to be added to existing law.

Dashes through the words or numbers indicate deletions from existing law.

- statement disclosing specified information about the high-risk system;
- Making available to a deployer of the high-risk system information and documentation necessary to complete an impact assessment of the high-risk system;
- Making a publicly available statement summarizing the types of high-risk systems that the developer has developed or intentionally and substantially modified and currently makes available to a deployer and how the developer manages any known or reasonably foreseeable risks of algorithmic discrimination that may arise from the development or intentional and substantial modification of each of these high-risk systems; and
- Disclosing to the attorney general and known deployers of the high-risk system any known or reasonably foreseeable risk of algorithmic discrimination, within 90 days after the discovery or receipt of a credible report from the deployer, that the high-risk system has caused or is reasonably likely to have caused.

The bill also requires a deployer of a high-risk system to use reasonable care to avoid algorithmic discrimination in the high-risk system. There is a rebuttable presumption that a deployer used reasonable care if the deployer complied with specified provisions in the bill, including:

- Implementing a risk management policy and program for the high-risk system;
- Completing an impact assessment of the high-risk system;
- Notifying a consumer of specified items if the high-risk system makes a consequential decision concerning a consumer;
- Making a publicly available statement summarizing the types of high-risk systems that the deployer currently deploys and how the deployer manages any known or reasonably foreseeable risks of algorithmic discrimination that may arise from deployment of each of these high-risk systems; and
- Disclosing to the attorney general the discovery of algorithmic discrimination, within 90 days after the discovery, that the high-risk system has caused or is reasonably likely to have caused.

A developer of a general purpose artificial intelligence model (general purpose model) is required to create and maintain specified documentation for the general purpose model, including:

A policy to comply with federal and state copyright laws;
 and

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• A detailed summary concerning the content used to train the general purpose model.

A developer of a general purpose model must create, implement, maintain, and make available to deployers who intend to integrate the general purpose model into the deployers' artificial intelligence systems documentation and information that:

- Enables the deployers to understand the capabilities and limitations of the general purpose model;
- Discloses the technical requirements for the general purpose model to be integrated into the deployers' artificial intelligence systems;
- Discloses the design specifications of, and training processes for, the general purpose model, including the training methodologies and techniques for the general purpose model;
- Discloses the key design choices for the general purpose model, including the rationale and assumptions made;
- Discloses what the general purpose model is designed to optimize for and the relevance of the different parameters, as applicable; and
- Provides a description of the data that was used for purposes of training, testing, and validation, as applicable.

If an artificial intelligence system, including a general purpose model, generates or manipulates synthetic digital content, the bill requires the developer to:

- Ensure that the outputs of the artificial intelligence system are marked in a machine-readable format and detectable as synthetic digital content; and
- Ensure that the developer's technical solutions are effective, interoperable, robust, and reliable.

If an artificial intelligence system, including a general purpose model, generates or manipulates synthetic digital content, the bill requires the deployer of the artificial intelligence system to disclose to a consumer that the synthetic digital content has been artificially generated or manipulated.

The attorney general and district attorneys have exclusive authority to enforce the bill. During the period from July 1, 2025, through June 30, 2026, the attorney general or a district attorney, prior to initiating any action for a violation of the provisions of the bill, shall issue a notice of violation to the alleged violator and, if the attorney general or district attorney determines that a cure is possible, provide the alleged violator 60 days to cure the violation before bringing an enforcement action.

The bill provides an affirmative defense for a developer or deployer if:

• The developer or deployer of the high-risk system or

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generative system involved in a potential violation has implemented and maintained a program that is in compliance with a nationally or internationally recognized risk management framework for artificial intelligence systems that the bill or the attorney general designates; and The developer or deployer takes specified measures to discover and correct violations of the bill.

1 Be it enacted by the General Assembly of the State of Colorado: 2 **SECTION 1.** In Colorado Revised Statutes, add part 16 to article 3 1 of title 6 as follows: 4 PART 16 5 ARTIFICIAL INTELLIGENCE 6 **6-1-1601. Definitions.** AS USED IN THIS PART 16, UNLESS THE 7 CONTEXT OTHERWISE REQUIRES: (1) (a) "ALGORITHMIC DISCRIMINATION" MEANS ANY CONDITION 8 9 IN WHICH THE USE OF AN ARTIFICIAL INTELLIGENCE SYSTEM RESULTS IN AN 10 UNLAWFUL DIFFERENTIAL TREATMENT OR IMPACT THAT DISFAVORS AN 11 INDIVIDUAL OR GROUP OF INDIVIDUALS ON THE BASIS OF THEIR ACTUAL OR 12 PERCEIVED AGE, COLOR, DISABILITY, ETHNICITY, GENETIC INFORMATION, 13 LIMITED PROFICIENCY IN THE ENGLISH LANGUAGE, NATIONAL ORIGIN, 14 RACE, RELIGION, REPRODUCTIVE HEALTH, SEX, VETERAN STATUS, OR 15 OTHER CLASSIFICATION PROTECTED UNDER THE LAWS OF THIS STATE OR 16 FEDERAL LAW. 17 (b) "ALGORITHMIC DISCRIMINATION" DOES NOT INCLUDE: 18 (I) THE OFFER, LICENSE, OR USE OF A HIGH-RISK ARTIFICIAL 19 INTELLIGENCE SYSTEM BY A DEVELOPER OR DEPLOYER FOR THE SOLE 20 PURPOSE OF: 21 (A) THE DEVELOPER'S OR DEPLOYER'S SELF-TESTING TO IDENTIFY,

MITIGATE, OR PREVENT DISCRIMINATION OR OTHERWISE ENSURE

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1	COMPLIANCE WITH STATE AND FEDERAL LAW; OR
2	(B) EXPANDING AN APPLICANT, CUSTOMER, OR PARTICIPANT POOL
3	TO INCREASE DIVERSITY OR REDRESS HISTORICAL DISCRIMINATION; OR
4	(II) AN ACT OR OMISSION BY OR ON BEHALF OF A PRIVATE CLUB OR
5	OTHER ESTABLISHMENT THAT IS NOT IN FACT OPEN TO THE PUBLIC, AS SET
6	FORTH IN TITLE II OF THE FEDERAL "CIVIL RIGHTS ACT OF 1964", 42
7	U.S.C. SEC. 2000a (e), AS AMENDED.
8	(2) "Artificial intelligence system" means any
9	MACHINE-BASED SYSTEM THAT, FOR ANY EXPLICIT OR IMPLICIT OBJECTIVE.
10	INFERS FROM THE INPUTS THE SYSTEM RECEIVES HOW TO GENERATE
11	OUTPUTS, INCLUDING CONTENT, DECISIONS, PREDICTIONS, OR
12	RECOMMENDATIONS, THAT CAN INFLUENCE PHYSICAL OR VIRTUAL
13	ENVIRONMENTS.
14	(3) "CONSEQUENTIAL DECISION" MEANS A DECISION THAT HAS A
15	MATERIAL LEGAL OR SIMILARLY SIGNIFICANT EFFECT ON THE PROVISION
16	OR DENIAL TO ANY CONSUMER OF, OR THE COST OR TERMS OF:
17	(a) EDUCATION ENROLLMENT OR AN EDUCATION OPPORTUNITY;
18	(b) EMPLOYMENT OR AN EMPLOYMENT OPPORTUNITY;
19	(c) A FINANCIAL OR LENDING SERVICE;
20	(d) AN ESSENTIAL GOVERNMENT SERVICE;
21	(e) HEALTH-CARE SERVICES;
22	<u>(f) Housing;</u>
23	(g) Insurance; or
24	(h) A LEGAL SERVICE.
25	(4) "Consumer" means an individual who is a Colorado
26	RESIDENT.
27	(5) "Deploy" means to use a high-risk artificial

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I	INTELLIGENCE SYSTEM.
2	(6) "DEPLOYER" MEANS A PERSON DOING BUSINESS IN THIS STATE
3	THAT DEPLOYS A HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM.
4	(7) "DEVELOPER" MEANS A PERSON DOING BUSINESS IN THIS STATE
5	THAT DEVELOPS OR INTENTIONALLY AND SUBSTANTIALLY MODIFIES AN
6	ARTIFICIAL INTELLIGENCE SYSTEM.
7	(8) "Health-care services" has the same meaning as
8	PROVIDED IN 42 U.S.C. SEC. 234 (d)(2).
9	(9)(a) "HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM" MEANS ANY
10	ARTIFICIAL INTELLIGENCE SYSTEM THAT, WHEN DEPLOYED, MAKES, OR IS
11	A SUBSTANTIAL FACTOR IN MAKING, A CONSEQUENTIAL DECISION.
12	(b) "High-risk artificial intelligence system" does not
13	<u>INCLUDE:</u>
14	(I) An artificial intelligence system if the artificial
15	INTELLIGENCE SYSTEM IS INTENDED TO:
16	(A) PERFORM A NARROW PROCEDURAL TASK; OR
17	(B) DETECT DECISION-MAKING PATTERNS OR DEVIATIONS FROM
18	PRIOR DECISION-MAKING PATTERNS AND IS NOT INTENDED TO REPLACE OR
19	INFLUENCE A PREVIOUSLY COMPLETED HUMAN ASSESSMENT WITHOUT
20	SUFFICIENT HUMAN REVIEW; OR
21	(II) THE FOLLOWING TECHNOLOGIES, UNLESS THE TECHNOLOGIES.
22	WHEN DEPLOYED, MAKE, OR ARE A SUBSTANTIAL FACTOR IN MAKING, A
23	CONSEQUENTIAL DECISION:
24	(A) ANTI-FRAUD TECHNOLOGY THAT DOES NOT USE FACIAL
25	RECOGNITION TECHNOLOGY;
26	(B) Anti-malware;
27	(C) Anti-virus;

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(D) ARTIFICIAL INTELLIGENCE-ENABLED VIDEO GAMES;
(E) CALCULATORS;
(F) Cybersecurity;
(G) Databases;
(H) Data storage;
(I) FIREWALL;
(J) Internet domain registration;
(K) Internet website loading;
(L) NETWORKING;
(M) SPAM- AND ROBOCALL-FILTERING;
(N) SPELL-CHECKING;
(O) SPREADSHEETS;
(P) WEB CACHING;
(Q) WEB HOSTING OR ANY SIMILAR TECHNOLOGY; OR
(R) TECHNOLOGY THAT COMMUNICATES WITH CONSUMERS IN
NATURAL LANGUAGE FOR THE PURPOSE OF PROVIDING USERS WITH
INFORMATION, MAKING REFERRALS OR RECOMMENDATIONS, AND
ANSWERING QUESTIONS AND IS SUBJECT TO AN ACCEPTED USE POLICY
THAT PROHIBITS GENERATING CONTENT THAT IS DISCRIMINATORY OF
HARMFUL.
(10) (a) "Intentional and substantial modification" of
"INTENTIONALLY AND SUBSTANTIALLY MODIFIES" MEANS A DELIBERATE
CHANGE MADE TO AN ARTIFICIAL INTELLIGENCE SYSTEM THAT RESULTS IN
ANY NEW REASONABLY FORESEEABLE RISK OF ALGORITHMIC
DISCRIMINATION.
(b) "Intentional and substantial modification" of
"INTENTIONALLY AND SURSTANTIALLY MODIFIES" DOES NOT INCLUDE A

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1	CHANGE MADE TO A HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM, OR THE
2	PERFORMANCE OF A HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM, IF:
3	(I) THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM CONTINUES
4	TO LEARN AFTER THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM IS:
5	(A) Offered, sold, leased, licensed, given, or otherwise
6	MADE AVAILABLE TO A DEPLOYER; OR
7	(B) DEPLOYED;
8	(II) THE CHANGE IS MADE TO THE HIGH-RISK ARTIFICIAL
9	INTELLIGENCE SYSTEM AS A RESULT OF ANY LEARNING DESCRIBED IN
10	SUBSECTION (10)(b)(I) OF THIS SECTION;
11	(III) THE CHANGE WAS PREDETERMINED BY THE DEPLOYER, OR A
12	THIRD PARTY CONTRACTED BY THE DEPLOYER, WHEN THE DEPLOYER OR
13	THIRD PARTY COMPLETED AN INITIAL IMPACT ASSESSMENT OF SUCH
14	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM PURSUANT TO SECTION
15	<u>6-1-1603 (3); AND</u>
16	(IV) THE CHANGE IS INCLUDED IN TECHNICAL DOCUMENTATION
17	FOR THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM.
18	(11) (a) "SUBSTANTIAL FACTOR" MEANS A FACTOR THAT:
19	(I) Assists in making a consequential decision;
20	(II) IS CAPABLE OF ALTERING THE OUTCOME OF A CONSEQUENTIAL
21	DECISION; AND
22	(III) IS GENERATED BY AN ARTIFICIAL INTELLIGENCE SYSTEM.
23	(b) "SUBSTANTIAL FACTOR" INCLUDES ANY USE OF AN ARTIFICIAL
24	INTELLIGENCE SYSTEM TO GENERATE ANY CONTENT, DECISION,
25	PREDICTION, OR RECOMMENDATION CONCERNING A CONSUMER THAT IS
26	USED AS A BASIS TO MAKE A CONSEQUENTIAL DECISION CONCERNING THE
27	CONSUMER.

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(12) "TRADE SECRET" HAS THE MEANING SET FORTH IN SECTION
<u>7-74-102 (4).</u>
6-1-1602. Developer duty to avoid algorithmic discrimination
- required documentation. (1) ON AND AFTER FEBRUARY 1, 2026, A
DEVELOPER OF A HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM SHALL USE
REASONABLE CARE TO PROTECT CONSUMERS FROM ANY KNOWN OR
REASONABLY FORESEEABLE RISKS OF ALGORITHMIC DISCRIMINATION
ARISING FROM THE INTENDED AND CONTRACTED USES OF THE HIGH-RISK
ARTIFICIAL INTELLIGENCE SYSTEM. IN ANY ENFORCEMENT ACTION
BROUGHT ON OR AFTER FEBRUARY 1, 2026, BY THE ATTORNEY GENERAL
PURSUANT TO SECTION 6-1-1606, THERE IS A REBUTTABLE PRESUMPTION
THAT A DEVELOPER USED REASONABLE CARE AS REQUIRED UNDER THIS
SECTION IF THE DEVELOPER COMPLIED WITH THIS SECTION AND ANY
ADDITIONAL REQUIREMENTS OR OBLIGATIONS AS SET FORTH IN RULES
PROMULGATED BY THE ATTORNEY GENERAL PURSUANT TO SECTION
<u>6-1-1607.</u>
(2) On and after February 1, 2026, and except as provided
IN SUBSECTION (6) OF THIS SECTION, A DEVELOPER OF A HIGH-RISK
ARTIFICIAL INTELLIGENCE SYSTEM SHALL MAKE AVAILABLE TO THE
DEPLOYER OR OTHER DEVELOPER OF THE HIGH-RISK ARTIFICIAL
INTELLIGENCE SYSTEM:
(a) A GENERAL STATEMENT DESCRIBING THE REASONABLY
FORESEEABLE USES AND KNOWN HARMFUL OR INAPPROPRIATE USES OF
THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM;
(b) DOCUMENTATION DISCLOSING:
(I) HIGH-LEVEL SUMMARIES OF THE TYPE OF DATA USED TO TRAIN
THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM;

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(II) KNOWN OR REASONABLY FORESEEABLE LIMITATIONS OF THE
GH-RISK ARTIFICIAL INTELLIGENCE SYSTEM, INCLUDING KNOWN OR
EASONABLY FORESEEABLE RISKS OF ALGORITHMIC DISCRIMINATION
RISING FROM THE INTENDED USES OF THE HIGH-RISK ARTIFICIAL
TELLIGENCE SYSTEM;
(III) THE PURPOSE OF THE HIGH-RISK ARTIFICIAL INTELLIGENCE
<u>'STEM;</u>
(IV) The intended benefits and uses of the high-risk
RTIFICIAL INTELLIGENCE SYSTEM; AND
(V) ALL OTHER INFORMATION NECESSARY TO ALLOW THE
EPLOYER TO COMPLY WITH THE REQUIREMENTS OF SECTION 6-1-1603;
(c) DOCUMENTATION DESCRIBING:
(I) HOW THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM WAS
VALUATED FOR PERFORMANCE AND MITIGATION OF ALGORITHMIC
SCRIMINATION BEFORE THE HIGH-RISK ARTIFICIAL INTELLIGENCE
STEM WAS OFFERED, SOLD, LEASED, LICENSED, GIVEN, OR OTHERWISE
ADE AVAILABLE TO THE DEPLOYER;
(II) THE DATA GOVERNANCE MEASURES USED TO COVER THE
RAINING DATASETS AND THE MEASURES USED TO EXAMINE THE
JITABILITY OF DATA SOURCES, POSSIBLE BIASES, AND APPROPRIATE
ITIGATION;
(III) THE INTENDED OUTPUTS OF THE HIGH-RISK ARTIFICIAL
TELLIGENCE SYSTEM;
(IV) THE MEASURES THE DEVELOPER HAS TAKEN TO MITIGATE
NOWN OR REASONABLY FORESEEABLE RISKS OF ALGORITHMIC
SCRIMINATION THAT MAY ARISE FROM THE REASONABLY FORESEEABLE
EPLOYMENT OF THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM; AND

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1	(V) HOW THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM
2	SHOULD BE USED, NOT BE USED, AND MONITORED BY AN INDIVIDUAL WHEN
3	THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM IS USED TO MAKE, OR IS
4	A SUBSTANTIAL FACTOR IN MAKING, A CONSEQUENTIAL DECISION; AND
5	(d) Any additional documentation that is reasonably
6	NECESSARY TO ASSIST THE DEPLOYER IN UNDERSTANDING THE OUTPUTS
7	AND MONITOR THE PERFORMANCE OF THE HIGH-RISK ARTIFICIAL
8	INTELLIGENCE SYSTEM FOR RISKS OF ALGORITHMIC DISCRIMINATION.
9	(3) (a) EXCEPT AS PROVIDED IN SUBSECTION (6) OF THIS SECTION,
10	A DEVELOPER THAT OFFERS, SELLS, LEASES, LICENSES, GIVES, OR
11	OTHERWISE MAKES AVAILABLE TO A DEPLOYER OR OTHER DEVELOPER A
12	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM ON OR AFTER FEBRUARY 1,
13	2026, SHALL MAKE AVAILABLE TO THE DEPLOYER OR OTHER DEVELOPER,
14	TO THE EXTENT FEASIBLE, THE DOCUMENTATION AND INFORMATION,
15	THROUGH ARTIFACTS SUCH AS MODEL CARDS, DATASET CARDS, OR OTHER
16	IMPACT ASSESSMENTS, NECESSARY FOR A DEPLOYER, OR FOR A THIRD
17	PARTY CONTRACTED BY A DEPLOYER, TO COMPLETE AN IMPACT
18	ASSESSMENT PURSUANT TO SECTION 6-1-1603 (3).
19	(b) A DEVELOPER THAT ALSO SERVES AS A DEPLOYER FOR A
20	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM IS NOT REQUIRED TO
21	GENERATE THE DOCUMENTATION REQUIRED BY THIS SECTION UNLESS THE
22	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM IS PROVIDED TO AN
23	UNAFFILIATED ENTITY ACTING AS A DEPLOYER.
24	(4) (a) On and after February 1, 2026, a developer shall
25	MAKE AVAILABLE, IN A MANNER THAT IS CLEAR AND READILY AVAILABLE
26	ON THE DEVELOPER'S WEBSITE OR IN A PUBLIC USE CASE INVENTORY, A
27	STATEMENT SUMMARIZING:

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1	(1) THE TYPES OF HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEMS
2	THAT THE DEVELOPER HAS DEVELOPED OR INTENTIONALLY AND
3	SUBSTANTIALLY MODIFIED AND CURRENTLY MAKES AVAILABLE TO A
4	DEPLOYER OR OTHER DEVELOPER; AND
5	(II) How the developer manages known or reasonably
6	FORESEEABLE RISKS OF ALGORITHMIC DISCRIMINATION THAT MAY ARISE
7	FROM THE DEVELOPMENT OR INTENTIONAL AND SUBSTANTIAL
8	MODIFICATION OF THE TYPES OF HIGH-RISK ARTIFICIAL INTELLIGENCE
9	SYSTEMS DESCRIBED IN ACCORDANCE WITH SUBSECTION (4)(a)(I) OF THIS
10	<u>SECTION.</u>
11	(b) A DEVELOPER SHALL UPDATE THE STATEMENT DESCRIBED IN
12	SUBSECTION (4)(a) OF THIS SECTION:
13	(I) AS NECESSARY TO ENSURE THAT THE STATEMENT REMAINS
14	ACCURATE; AND
15	(II) NO LATER THAN NINETY DAYS AFTER THE DEVELOPER
16	INTENTIONALLY AND SUBSTANTIALLY MODIFIES ANY HIGH-RISK
17	ARTIFICIAL INTELLIGENCE SYSTEM DESCRIBED IN SUBSECTION (4)(a)(I) OF
18	THIS SECTION.
19	(5) On and after February 1, 2026, a developer of a
20	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM SHALL DISCLOSE TO THE
21	ATTORNEY GENERAL, IN A FORM AND MANNER PRESCRIBED BY THE
22	ATTORNEY GENERAL, AND TO ALL KNOWN DEPLOYERS OR OTHER
23	DEVELOPERS, OF THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM ANY
24	KNOWN OR REASONABLY FORESEEABLE RISKS OF ALGORITHMIC
25	DISCRIMINATION ARISING FROM THE INTENDED USES OF THE HIGH-RISK
26	ARTIFICIAL INTELLIGENCE SYSTEM WITHOUT UNREASONABLE DELAY BUT
27	NO LATER THAN NINETY DAYS AFTER THE DATE ON WHICH:

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1	(a) The developer discovers through the developer's
2	ONGOING TESTING AND ANALYSIS THAT THE DEVELOPER'S HIGH-RISK
3	ARTIFICIAL INTELLIGENCE SYSTEM HAS BEEN DEPLOYED AND HAS CAUSED
4	OR IS REASONABLY LIKELY TO HAVE CAUSED ALGORITHMIC
5	DISCRIMINATION; OR
6	(b) The developer receives from a deployer a credible
7	REPORT THAT THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM HAS BEEN
8	DEPLOYED AND HAS CAUSED ALGORITHMIC DISCRIMINATION.
9	(6) Nothing in subsections (2) to (5) of this section requires
10	A DEVELOPER TO DISCLOSE A TRADE SECRET, INFORMATION PROTECTED
11	FROM DISCLOSURE BY STATE OR FEDERAL LAW, OR INFORMATION THAT
12	WOULD CREATE A SECURITY RISK TO THE DEVELOPER.
13	(7) On and after February 1, 2026, the attorney general
14	MAY REQUIRE THAT A DEVELOPER DISCLOSE TO THE ATTORNEY GENERAL.
15	NO LATER THAN NINETY DAYS AFTER THE REQUEST AND IN A FORM AND
16	MANNER PRESCRIBED BY THE ATTORNEY GENERAL, THE STATEMENT OR
17	DOCUMENTATION DESCRIBED IN SUBSECTION (2) OF THIS SECTION. THE
18	ATTORNEY GENERAL MAY EVALUATE SUCH STATEMENT OR
19	DOCUMENTATION TO ENSURE COMPLIANCE WITH THIS PART 16, AND THE
20	STATEMENT OR DOCUMENTATION IS NOT SUBJECT TO DISCLOSURE UNDER
21	THE "COLORADO OPEN RECORDS ACT", PART 2 OF ARTICLE 72 OF TITLE
22	24. In a disclosure pursuant to this subsection (7), a developer
23	MAY DESIGNATE THE STATEMENT OR DOCUMENTATION AS INCLUDING
24	PROPRIETARY INFORMATION OR A TRADE SECRET. TO THE EXTENT THAT
25	ANY INFORMATION CONTAINED IN THE STATEMENT OR DOCUMENTATION
26	INCLUDES INFORMATION SUBJECT TO ATTORNEY-CLIENT PRIVILEGE OR
27	WORK-PRODUCT PROTECTION, THE DISCLOSURE DOES NOT CONSTITUTE A

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1	WAIVER OF THE PRIVILEGE OR PROTECTION.
2	6-1-1603. Deployer duty to avoid algorithmic discrimination
3	- risk management policy and program. (1) ON AND AFTER FEBRUARY
4	1, 2026, A DEPLOYER OF A HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM
5	SHALL USE REASONABLE CARE TO PROTECT CONSUMERS FROM ANY KNOWN
6	OR REASONABLY FORESEEABLE RISKS OF ALGORITHMIC DISCRIMINATION.
7	IN ANY ENFORCEMENT ACTION BROUGHT ON OR AFTER FEBRUARY 1, 2026.
8	BY THE ATTORNEY GENERAL PURSUANT TO SECTION 6-1-1606, THERE IS A
9	REBUTTABLE PRESUMPTION THAT A DEPLOYER OF A HIGH-RISK ARTIFICIAL
10	INTELLIGENCE SYSTEM USED REASONABLE CARE AS REQUIRED UNDER THIS
11	SECTION IF THE DEPLOYER COMPLIED WITH THIS SECTION AND ANY
12	ADDITIONAL REQUIREMENTS OR OBLIGATIONS AS SET FORTH IN RULES
13	PROMULGATED BY THE ATTORNEY GENERAL PURSUANT TO SECTION
14	<u>6-1-1607.</u>
15	(2) (a) On and after February 1, 2026, and except as
16	PROVIDED IN SUBSECTION (6) OF THIS SECTION, A DEPLOYER OF A
17	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM SHALL IMPLEMENT A RISK
18	MANAGEMENT POLICY AND PROGRAM TO GOVERN THE DEPLOYER'S
19	DEPLOYMENT OF THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM. THE
20	RISK MANAGEMENT POLICY AND PROGRAM MUST SPECIFY AND
21	INCORPORATE THE PRINCIPLES, PROCESSES, AND PERSONNEL THAT THE
22	DEPLOYER USES TO IDENTIFY, DOCUMENT, AND MITIGATE KNOWN OR
23	REASONABLY FORESEEABLE RISKS OF ALGORITHMIC DISCRIMINATION. THE
24	RISK MANAGEMENT POLICY AND PROGRAM MUST BE AN ITERATIVE
25	PROCESS PLANNED, IMPLEMENTED, AND REGULARLY AND
26	SYSTEMATICALLY REVIEWED AND UPDATED OVER THE LIFE CYCLE OF A
27	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM, REQUIRING REGULAR.

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1	SYSTEMATIC REVIEW AND UPDATES. A RISK MANAGEMENT POLICY AND
2	PROGRAM IMPLEMENTED AND MAINTAINED PURSUANT TO THIS
3	SUBSECTION (2) MUST BE REASONABLE CONSIDERING:
4	(I) (A) THE GUIDANCE AND STANDARDS SET FORTH IN THE LATEST
5	VERSION OF THE "ARTIFICIAL INTELLIGENCE RISK MANAGEMENT
6	FRAMEWORK" PUBLISHED BY THE NATIONAL INSTITUTE OF STANDARDS
7	AND TECHNOLOGY IN THE UNITED STATES DEPARTMENT OF COMMERCE,
8	STANDARD ISO/IEC 42001 OF THE INTERNATIONAL ORGANIZATION FOR
9	STANDARDIZATION, OR ANOTHER NATIONALLY OR INTERNATIONALLY
10	RECOGNIZED RISK MANAGEMENT FRAMEWORK FOR ARTIFICIAL
11	<u>INTELLIGENCE</u> SYSTEMS, IF THE STANDARDS ARE SUBSTANTIALLY
12	EQUIVALENT TO OR MORE STRINGENT THAN THE REQUIREMENTS OF THIS
13	PART 16; <u>OR</u>
14	(B) ANY RISK MANAGEMENT FRAMEWORK FOR ARTIFICIAL
15	<u>INTELLIGENCE SYSTEMS THAT THE ATTORNEY GENERAL, IN THE ATTORNEY</u>
16	GENERAL'S DISCRETION, MAY DESIGNATE;
17	(II) THE SIZE AND COMPLEXITY OF THE DEPLOYER;
18	(III) THE NATURE AND SCOPE OF THE HIGH-RISK ARTIFICIAL
19	INTELLIGENCE SYSTEMS DEPLOYED BY THE DEPLOYER, INCLUDING THE
20	INTENDED USES OF THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEMS;
21	<u>AND</u>
22	(IV) THE SENSITIVITY AND VOLUME OF DATA PROCESSED IN
23	CONNECTION WITH THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEMS
24	DEPLOYED BY THE DEPLOYER.
25	(b) A RISK MANAGEMENT POLICY AND PROGRAM IMPLEMENTED
26	PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION MAY COVER MULTIPLE
27	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEMS DEPLOYED BY THE

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1	<u>DEPLOYER.</u>
2	(3) (a) EXCEPT AS PROVIDED IN SUBSECTIONS (3)(d), (3)(e), AND
3	(6) OF THIS SECTION:
4	(I) A DEPLOYER, OR A THIRD PARTY CONTRACTED BY THE
5	DEPLOYER, THAT DEPLOYS A HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM
6	ON OR AFTER FEBRUARY 1, 2026, SHALL COMPLETE AN IMPACT
7	ASSESSMENT FOR THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM; AND
8	(II) On and after February 1, 2026, a deployer, or a third
9	PARTY CONTRACTED BY THE DEPLOYER, SHALL COMPLETE AN IMPACT
10	ASSESSMENT FOR A DEPLOYED HIGH-RISK ARTIFICIAL INTELLIGENCE
11	SYSTEM AT LEAST ANNUALLY AND WITHIN NINETY DAYS AFTER ANY
12	INTENTIONAL AND SUBSTANTIAL MODIFICATION TO THE HIGH-RISK
13	ARTIFICIAL INTELLIGENCE SYSTEM IS MADE AVAILABLE.
14	(b) An impact assessment completed pursuant to this
15	SUBSECTION (3) MUST INCLUDE, AT A MINIMUM, AND TO THE EXTENT
16	REASONABLY KNOWN BY OR AVAILABLE TO THE DEPLOYER:
17	(I) A STATEMENT BY THE DEPLOYER DISCLOSING THE PURPOSE.
18	INTENDED USE CASES, AND DEPLOYMENT CONTEXT OF, AND BENEFITS
19	AFFORDED BY, THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM;
20	(II) AN ANALYSIS OF WHETHER THE DEPLOYMENT OF THE
21	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM POSES ANY KNOWN OR
22	REASONABLY FORESEEABLE RISKS OF ALGORITHMIC DISCRIMINATION AND
23	IF SO, THE NATURE OF THE ALGORITHMIC DISCRIMINATION AND THE STEPS
24	THAT HAVE BEEN TAKEN TO MITIGATE THE RISKS;
25	(III) A DESCRIPTION OF THE CATEGORIES OF DATA THE HIGH-RISK
26	ARTIFICIAL INTELLIGENCE SYSTEM PROCESSES AS INPUTS AND THE
27	OUTPUTS THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM PRODUCES;

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1	(IV) IF THE DEPLOYER USED DATA TO CUSTOMIZE THE HIGH-RISK
2	ARTIFICIAL INTELLIGENCE SYSTEM, AN OVERVIEW OF THE CATEGORIES OF
3	DATA THE DEPLOYER USED TO CUSTOMIZE THE HIGH-RISK ARTIFICIAL
4	<u>INTELLIGENCE SYSTEM;</u>
5	(V) ANY METRICS USED TO EVALUATE THE PERFORMANCE AND
6	KNOWN LIMITATIONS OF THE HIGH-RISK ARTIFICIAL INTELLIGENCE
7	<u>SYSTEM;</u>
8	(VI) A DESCRIPTION OF ANY TRANSPARENCY MEASURES TAKEN
9	CONCERNING THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM,
10	INCLUDING ANY MEASURES TAKEN TO DISCLOSE TO A CONSUMER THAT THE
11	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM IS IN USE WHEN THE
12	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM IS IN USE; AND
13	(VII) A DESCRIPTION OF THE POST-DEPLOYMENT MONITORING AND
14	USER SAFEGUARDS PROVIDED CONCERNING THE HIGH-RISK ARTIFICIAL
15	INTELLIGENCE SYSTEM, INCLUDING THE OVERSIGHT, USE, AND LEARNING
16	PROCESS ESTABLISHED BY THE DEPLOYER TO ADDRESS ISSUES ARISING
17	FROM THE DEPLOYMENT OF THE HIGH-RISK ARTIFICIAL INTELLIGENCE
18	<u>SYSTEM.</u>
19	(c) In addition to the information required under
20	SUBSECTION (3)(b) OF THIS SECTION, AN IMPACT ASSESSMENT COMPLETED
21	PURSUANT TO THIS SUBSECTION (3) FOLLOWING AN INTENTIONAL AND
22	SUBSTANTIAL MODIFICATION TO A HIGH-RISK ARTIFICIAL INTELLIGENCE
23	SYSTEM ON OR AFTER FEBRUARY 1, 2026, MUST INCLUDE A STATEMENT
24	DISCLOSING THE EXTENT TO WHICH THE HIGH-RISK ARTIFICIAL
25	INTELLIGENCE SYSTEM WAS USED IN A MANNER THAT WAS CONSISTENT
26	WITH, OR VARIED FROM, THE DEVELOPER'S INTENDED USES OF THE
27	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM.

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1	(d) A SINGLE IMPACT ASSESSMENT MAY ADDRESS A COMPARABLE
2	SET OF HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEMS DEPLOYED BY A
3	DEPLOYER.
4	(e) If a deployer, or a third party contracted by the
5	DEPLOYER, COMPLETES AN IMPACT ASSESSMENT FOR THE PURPOSE OF
6	COMPLYING WITH ANOTHER APPLICABLE LAW OR REGULATION, THE
7	IMPACT ASSESSMENT SATISFIES THE REQUIREMENTS ESTABLISHED IN THIS
8	SUBSECTION (3) IF THE IMPACT ASSESSMENT IS REASONABLY SIMILAR IN
9	SCOPE AND EFFECT TO THE IMPACT ASSESSMENT THAT WOULD OTHERWISE
10	BE COMPLETED PURSUANT TO THIS SUBSECTION (3).
11	(f) A DEPLOYER SHALL MAINTAIN THE MOST RECENTLY
12	COMPLETED IMPACT ASSESSMENT FOR A HIGH-RISK ARTIFICIAL
13	INTELLIGENCE SYSTEM AS REQUIRED UNDER THIS SUBSECTION (3), ALL
14	RECORDS CONCERNING EACH IMPACT ASSESSMENT, AND ALL PRIOR IMPACT
15	ASSESSMENTS, IF ANY, FOR AT LEAST THREE YEARS FOLLOWING THE FINAL
16	DEPLOYMENT OF THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM.
17	(g) On or before February 1, 2026, and at least annually
18	THEREAFTER, A DEPLOYER, OR A THIRD PARTY CONTRACTED BY THE
19	DEPLOYER, MUST REVIEW THE DEPLOYMENT OF EACH HIGH-RISK
20	ARTIFICIAL INTELLIGENCE SYSTEM DEPLOYED BY THE DEPLOYER TO
21	ENSURE THAT THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM IS NOT
22	CAUSING ALGORITHMIC DISCRIMINATION.
23	(4) (a) On and after February 1, 2026, and no later than
24	THE TIME THAT A DEPLOYER DEPLOYS A HIGH-RISK ARTIFICIAL
25	INTELLIGENCE SYSTEM TO MAKE, OR BE A SUBSTANTIAL FACTOR IN
26	MAKING, A CONSEQUENTIAL DECISION CONCERNING A CONSUMER, THE
27	DEPLOYER SHALL:

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1	(I) NOTIFY THE CONSUMER THAT THE DEPLOYER HAS DEPLOYED A
2	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM TO MAKE, OR BE A
3	SUBSTANTIAL FACTOR IN MAKING, A CONSEQUENTIAL DECISION BEFORE
4	THE DECISION IS MADE;
5	(II) PROVIDE TO THE CONSUMER A STATEMENT DISCLOSING THE
6	PURPOSE OF THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM AND THE
7	NATURE OF THE CONSEQUENTIAL DECISION; THE CONTACT INFORMATION
8	FOR THE DEPLOYER; A DESCRIPTION, IN PLAIN LANGUAGE, OF THE
9	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM; AND INSTRUCTIONS ON HOW
10	TO ACCESS THE STATEMENT REQUIRED BY SUBSECTION (5)(a) OF THIS
11	SECTION; AND
12	(III) PROVIDE TO THE CONSUMER INFORMATION, IF APPLICABLE,
13	REGARDING THE CONSUMER'S RIGHT TO OPT OUT OF THE PROCESSING OF
14	PERSONAL DATA CONCERNING THE CONSUMER FOR PURPOSES OF
15	PROFILING IN FURTHERANCE OF DECISIONS THAT PRODUCE LEGAL OR
16	SIMILARLY SIGNIFICANT EFFECTS CONCERNING THE CONSUMER UNDER
17	<u>SECTION 6-1-1306 (1)(a)(I)(C).</u>
18	(b) On and after February 1, 2026, a deployer that has
19	DEPLOYED A HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM TO MAKE, OR
20	BE A SUBSTANTIAL FACTOR IN MAKING, A CONSEQUENTIAL DECISION
21	CONCERNING A CONSUMER SHALL, IF THE CONSEQUENTIAL DECISION IS
22	ADVERSE TO THE CONSUMER, PROVIDE TO THE CONSUMER:
23	(I) A STATEMENT DISCLOSING THE PRINCIPAL REASON OR REASONS
24	FOR THE CONSEQUENTIAL DECISION, INCLUDING:
25	(A) THE DEGREE TO WHICH, AND MANNER IN WHICH, THE
26	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM CONTRIBUTED TO THE
27	CONSEQUENTIAL DECISION;

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1	(B) THE TIPE OF DATA THAT WAS PROCESSED BY THE HIGH-RISK
2	ARTIFICIAL INTELLIGENCE SYSTEM IN MAKING THE CONSEQUENTIAL
3	DECISION; AND
4	(C) The source or sources of the data described in
5	SUBSECTION (4)(b)(I)(B) OF THIS SECTION;
6	(II) AN OPPORTUNITY TO CORRECT ANY INCORRECT PERSONAL
7	DATA THAT THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM PROCESSED
8	IN MAKING, OR AS A SUBSTANTIAL FACTOR IN MAKING, THE
9	CONSEQUENTIAL DECISION; AND
10	(III) AN OPPORTUNITY TO APPEAL AN ADVERSE CONSEQUENTIAL
11	DECISION CONCERNING THE CONSUMER ARISING FROM THE DEPLOYMENT
12	OF A HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM, WHICH APPEAL MUST,
13	IF TECHNICALLY FEASIBLE, ALLOW FOR HUMAN REVIEW UNLESS PROVIDING
14	THE OPPORTUNITY FOR APPEAL IS NOT IN THE BEST INTEREST OF THE
15	CONSUMER, INCLUDING IN INSTANCES IN WHICH ANY DELAY MIGHT POSE
16	A RISK TO THE LIFE OR SAFETY OF SUCH CONSUMER.
17	(c) (I) EXCEPT AS PROVIDED IN SUBSECTION (4)(c)(II) OF THIS
18	SECTION, A DEPLOYER SHALL PROVIDE THE NOTICE, STATEMENT, CONTACT
19	INFORMATION, AND DESCRIPTION REQUIRED BY SUBSECTIONS (4)(a) AND
20	(4)(b) OF THIS SECTION:
21	(A) DIRECTLY TO THE CONSUMER;
22	(B) IN PLAIN LANGUAGE;
23	(C) IN ALL LANGUAGES IN WHICH THE DEPLOYER, IN THE
24	ORDINARY COURSE OF THE DEPLOYER'S BUSINESS, PROVIDES CONTRACTS,
25	DISCLAIMERS, SALE ANNOUNCEMENTS, AND OTHER INFORMATION TO
26	CONSUMERS; AND
27	(D) In a format that is accessible to consumers with

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1	<u>DISABILITIES.</u>
2	(II) IF THE DEPLOYER IS UNABLE TO PROVIDE THE NOTICE,
3	STATEMENT, CONTACT INFORMATION, AND DESCRIPTION REQUIRED BY
4	SUBSECTIONS (4)(a) AND (4)(b) OF THIS SECTION DIRECTLY TO THE
5	CONSUMER, THE DEPLOYER SHALL MAKE THE NOTICE, STATEMENT,
6	CONTACT INFORMATION, AND DESCRIPTION AVAILABLE IN A MANNER THAT
7	IS REASONABLY CALCULATED TO ENSURE THAT THE CONSUMER RECEIVES
8	THE NOTICE, STATEMENT, CONTACT INFORMATION, AND DESCRIPTION.
9	(5) (a) On and after February 1, 2026, and except as
10	PROVIDED IN SUBSECTION (6) OF THIS SECTION, A DEPLOYER SHALL MAKE
11	AVAILABLE, IN A MANNER THAT IS CLEAR AND READILY AVAILABLE ON THE
12	DEPLOYER'S WEBSITE, A STATEMENT SUMMARIZING:
13	(I) THE TYPES OF HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEMS
14	THAT ARE CURRENTLY DEPLOYED BY THE DEPLOYER;
15	(II) HOW THE DEPLOYER MANAGES KNOWN OR REASONABLY
16	FORESEEABLE RISKS OF ALGORITHMIC DISCRIMINATION THAT MAY ARISE
17	FROM THE DEPLOYMENT OF EACH HIGH-RISK ARTIFICIAL INTELLIGENCE
18	SYSTEM DESCRIBED PURSUANT TO SUBSECTION (5)(a)(I) OF THIS SECTION;
19	<u>AND</u>
20	(III) IN DETAIL, THE NATURE, SOURCE, AND EXTENT OF THE
21	INFORMATION COLLECTED AND USED BY THE DEPLOYER.
22	(b) A DEPLOYER SHALL PERIODICALLY UPDATE THE STATEMENT
23	DESCRIBED IN SUBSECTION (5)(a) OF THIS SECTION.
24	(6) Subsections (2) , (3) , and (5) of this section do not apply
25	TO A DEPLOYER IF, AT THE TIME THE DEPLOYER DEPLOYS A HIGH-RISK
26	ARTIFICIAL INTELLIGENCE SYSTEM AND AT ALL TIMES WHILE THE
27	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM IS DEPLOYED:

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1	(a) The deployer:
2	(I) EMPLOYS FEWER THAN FIFTY FULL-TIME EQUIVALENT
3	EMPLOYEES; AND
4	(II) Does not use the deployer's own data to train the
5	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM;
6	(b) The high-risk artificial intelligence system:
7	(I) Is used for the intended uses that are disclosed to the
8	DEPLOYER AS REQUIRED BY SECTION 6-1-1602 (2)(a); AND
9	(II) CONTINUES LEARNING BASED ON DATA DERIVED FROM
10	SOURCES OTHER THAN THE DEPLOYER'S OWN DATA; AND
11	(c) THE DEPLOYER MAKES AVAILABLE TO CONSUMERS ANY IMPACT
12	ASSESSMENT THAT:
13	(I) THE DEVELOPER OF THE HIGH-RISK ARTIFICIAL INTELLIGENCE
14	SYSTEM HAS COMPLETED AND PROVIDED TO THE DEPLOYER; AND
15	(II) INCLUDES INFORMATION THAT IS SUBSTANTIALLY SIMILAR TO
16	THE INFORMATION IN THE IMPACT ASSESSMENT REQUIRED UNDER
17	SUBSECTION (3)(b) OF THIS SECTION.
18	(7) If a deployer deploys a high-risk artificial intelligence
19	SYSTEM ON OR AFTER FEBRUARY 1, 2026, AND SUBSEQUENTLY DISCOVERS
20	THAT THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM HAS CAUSED
21	ALGORITHMIC DISCRIMINATION, THE DEPLOYER, WITHOUT UNREASONABLE
22	DELAY, BUT NO LATER THAN NINETY DAYS AFTER THE DATE OF THE
23	DISCOVERY, SHALL SEND TO THE ATTORNEY GENERAL, IN A FORM AND
24	MANNER PRESCRIBED BY THE ATTORNEY GENERAL, A NOTICE DISCLOSING
25	THE DISCOVERY.
26	(8) Nothing in subsections (2) to (5) and (7) of this section
27	REQUIRES A DEPLOYER TO DISCLOSE A TRADE SECRET OR INFORMATION

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1	PROTECTED FROM DISCLOSURE BY STATE OR FEDERAL LAW. TO THE
2	EXTENT THAT A DEPLOYER WITHHOLDS INFORMATION PURSUANT TO THIS
3	SUBSECTION (8) OR SECTION 6-1-1605 (5), THE DEPLOYER SHALL NOTIFY
4	THE CONSUMER AND PROVIDE A BASIS FOR THE WITHHOLDING.
5	(9) On and after February 1, 2026, the attorney general
6	MAY REQUIRE THAT A DEPLOYER, OR A THIRD PARTY CONTRACTED BY THE
7	DEPLOYER, DISCLOSE TO THE ATTORNEY GENERAL, NO LATER THAN
8	NINETY DAYS AFTER THE REQUEST AND IN A FORM AND MANNER
9	PRESCRIBED BY THE ATTORNEY GENERAL, THE RISK MANAGEMENT POLICY
10	IMPLEMENTED PURSUANT TO SUBSECTION (2) OF THIS SECTION, THE
11	IMPACT ASSESSMENT COMPLETED PURSUANT TO SUBSECTION (3) OF THIS
12	SECTION, OR THE RECORDS MAINTAINED PURSUANT TO SUBSECTION (3)(f)
13	OF THIS SECTION. THE ATTORNEY GENERAL MAY EVALUATE THE RISK
14	MANAGEMENT POLICY, IMPACT ASSESSMENT, OR RECORDS TO ENSURE
15	COMPLIANCE WITH THIS PART 16, AND THE RISK MANAGEMENT POLICY,
16	IMPACT ASSESSMENT, AND RECORDS ARE NOT SUBJECT TO DISCLOSURE
17	UNDER THE "COLORADO OPEN RECORDS ACT", PART 2 OF ARTICLE 72 OF
18	TITLE 24. IN A DISCLOSURE PURSUANT TO THIS SUBSECTION (9), A
19	DEPLOYER MAY DESIGNATE THE STATEMENT OR DOCUMENTATION AS
20	INCLUDING PROPRIETARY INFORMATION OR A TRADE SECRET. TO THE
21	EXTENT THAT ANY INFORMATION CONTAINED IN THE RISK MANAGEMENT
22	POLICY, IMPACT ASSESSMENT, OR RECORDS INCLUDE INFORMATION
23	SUBJECT TO ATTORNEY-CLIENT PRIVILEGE OR WORK-PRODUCT
24	PROTECTION, THE DISCLOSURE DOES NOT CONSTITUTE A WAIVER OF THE
25	PRIVILEGE OR PROTECTION.
26	6-1-1604. Disclosure of an artificial intelligence system to
27	consumer. (1) On and after February 1, 2026, and except as

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1	PROVIDED IN SUBSECTION (2) OF THIS SECTION, A DEPLOYER OR OTHER
2	DEVELOPER THAT DEPLOYS, OFFERS, SELLS, LEASES, LICENSES, GIVES, OR
3	OTHERWISE MAKES AVAILABLE AN ARTIFICIAL INTELLIGENCE SYSTEM
4	THAT IS INTENDED TO INTERACT WITH CONSUMERS SHALL ENSURE THE
5	DISCLOSURE TO EACH CONSUMER WHO INTERACTS WITH THE ARTIFICIAL
6	INTELLIGENCE SYSTEM THAT THE CONSUMER IS INTERACTING WITH AN
7	ARTIFICIAL INTELLIGENCE SYSTEM.
8	(2) DISCLOSURE IS NOT REQUIRED UNDER SUBSECTION (1) OF THIS
9	SECTION UNDER CIRCUMSTANCES IN WHICH IT WOULD BE OBVIOUS TO A
10	REASONABLE PERSON THAT THE PERSON IS INTERACTING WITH AN
11	ARTIFICIAL INTELLIGENCE SYSTEM.
12	6-1-1605. Compliance with other legal obligations
13	definitions. (1) NOTHING IN THIS PART 16 RESTRICTS A DEVELOPER'S, A
14	DEPLOYER'S, OR OTHER PERSON'S ABILITY TO:
15	(a) Comply with federal, state, or municipal laws.
16	ORDINANCES, OR REGULATIONS;
17	(b) COMPLY WITH A CIVIL, CRIMINAL, OR REGULATORY INQUIRY.
18	INVESTIGATION, SUBPOENA, OR SUMMONS BY A FEDERAL, A STATE, A
19	MUNICIPAL, OR OTHER GOVERNMENTAL AUTHORITY;
20	(c) COOPERATE WITH A LAW ENFORCEMENT AGENCY CONCERNING
21	CONDUCT OR ACTIVITY THAT THE DEVELOPER, DEPLOYER, OR OTHER
22	PERSON REASONABLY AND IN GOOD FAITH BELIEVES MAY VIOLATE
23	FEDERAL, STATE, OR MUNICIPAL LAWS, ORDINANCES, OR REGULATIONS;
24	(d) Investigate, establish, exercise, prepare for, or defend
25	LEGAL CLAIMS;
26	(e) Take immediate steps to protect an interest that is
27	ESSENTIAL FOR THE LIFE OR PHYSICAL SAFETY OF A CONSUMER OR

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1	ANOTHER INDIVIDUAL;
2	(f) BY ANY MEANS OTHER THAN THE USE OF FACIAL RECOGNITION
3	TECHNOLOGY, PREVENT, DETECT, PROTECT AGAINST, OR RESPOND TO
4	SECURITY INCIDENTS, IDENTITY THEFT, FRAUD, HARASSMENT, MALICIOUS
5	OR DECEPTIVE ACTIVITIES, OR ILLEGAL ACTIVITY; INVESTIGATE, REPORT,
6	OR PROSECUTE THE PERSONS RESPONSIBLE FOR ANY SUCH ACTION; OR
7	PRESERVE THE INTEGRITY OR SECURITY OF SYSTEMS;
8	(g) Engage in public or peer-reviewed scientific or
9	STATISTICAL RESEARCH IN THE PUBLIC INTEREST THAT ADHERES TO ALL
10	OTHER APPLICABLE ETHICS AND PRIVACY LAWS AND IS CONDUCTED IN
11	ACCORDANCE WITH 45 CFR 46, AS AMENDED, OR RELEVANT
12	REQUIREMENTS ESTABLISHED BY THE FEDERAL FOOD AND DRUG
13	ADMINISTRATION;
14	(h) CONDUCT RESEARCH, TESTING, AND DEVELOPMENT ACTIVITIES
15	REGARDING AN ARTIFICIAL INTELLIGENCE SYSTEM OR MODEL, OTHER THAN
16	TESTING CONDUCTED UNDER REAL-WORLD CONDITIONS, BEFORE THE
17	ARTIFICIAL INTELLIGENCE SYSTEM OR MODEL IS PLACED ON THE MARKET,
18	DEPLOYED, OR PUT INTO SERVICE, AS APPLICABLE; OR
19	(i) Assist another developer, deployer, or other person
20	WITH ANY OF THE OBLIGATIONS IMPOSED UNDER THIS PART 16.
21	(2) THE OBLIGATIONS IMPOSED ON DEVELOPERS, DEPLOYERS, OR
22	OTHER PERSONS UNDER THIS PART 16 DO NOT RESTRICT A DEVELOPER'S, A
23	DEPLOYER'S, OR OTHER PERSON'S ABILITY TO:
24	(a) Effectuate a product recall; or
25	(b) Identify and repair technical errors that impair
26	EXISTING OR INTENDED FUNCTIONALITY.
27	(3) THE OBLIGATIONS IMPOSED ON DEVELOPERS, DEPLOYERS, OR

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1	OTHER PERSONS UNDER THIS PART 16 DO NOT APPLY WHERE COMPLIANCE
2	WITH THIS PART 16 BY THE DEVELOPER, DEPLOYER, OR OTHER PERSON
3	WOULD VIOLATE AN EVIDENTIARY PRIVILEGE UNDER THE LAWS OF THIS
4	STATE.
5	(4) Nothing in this part 16 imposes any obligation on a
6	DEVELOPER, A DEPLOYER, OR OTHER PERSON THAT ADVERSELY AFFECTS
7	THE RIGHTS OR FREEDOMS OF A PERSON, INCLUDING THE RIGHTS OF A
8	PERSON TO FREEDOM OF SPEECH OR FREEDOM OF THE PRESS THAT ARE
9	GUARANTEED IN:
10	(a) The first amendment to the United States constitution;
11	<u>OR</u>
12	(b) Section 10 of article II of the state constitution.
13	(5) NOTHING IN THIS PART 16 APPLIES TO A DEVELOPER, A
14	DEPLOYER, OR OTHER PERSON:
15	(a) Insofar as the developer, deployer, or other person
16	DEVELOPS, DEPLOYS, PUTS INTO SERVICE, OR INTENTIONALLY AND
17	SUBSTANTIALLY MODIFIES, AS APPLICABLE, A HIGH-RISK ARTIFICIAL
18	INTELLIGENCE SYSTEM:
19	(I) That has been approved, authorized, certified, cleared,
20	DEVELOPED, OR GRANTED BY A FEDERAL AGENCY, SUCH AS THE FEDERAL
21	FOOD AND DRUG ADMINISTRATION OR THE FEDERAL AVIATION
22	ADMINISTRATION, ACTING WITHIN THE SCOPE OF THE FEDERAL AGENCY'S
23	AUTHORITY, OR BY A REGULATED ENTITY SUBJECT TO THE SUPERVISION
24	AND REGULATION OF THE FEDERAL HOUSING FINANCE AGENCY; OR
25	(II) IN COMPLIANCE WITH STANDARDS ESTABLISHED BY A FEDERAL
26	AGENCY, INCLUDING STANDARDS ESTABLISHED BY THE FEDERAL OFFICE
27	OF THE NATIONAL COORDINATOR FOR HEALTH INFORMATION

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1	TECHNOLOGY, OR BY A REGULATED ENTITY SUBJECT TO THE SUPERVISION
2	AND REGULATION OF THE FEDERAL HOUSING FINANCE AGENCY, IF THE
3	STANDARDS ARE SUBSTANTIALLY EQUIVALENT OR MORE STRINGENT THAN
4	THE REQUIREMENTS OF THIS PART 16;
5	(b) CONDUCTING RESEARCH TO SUPPORT AN APPLICATION FOR
6	APPROVAL OR CERTIFICATION FROM A FEDERAL AGENCY, INCLUDING THE
7	FEDERAL AVIATION ADMINISTRATION, THE FEDERAL COMMUNICATIONS
8	COMMISSION, OR THE FEDERAL FOOD AND DRUG ADMINISTRATION OR
9	RESEARCH TO SUPPORT AN APPLICATION OTHERWISE SUBJECT TO REVIEW
10	BY THE FEDERAL AGENCY;
11	(c) Performing work under, or in connection with, a
12	CONTRACT WITH THE UNITED STATES DEPARTMENT OF COMMERCE, THE
13	United States department of defense, or the national
14	AERONAUTICS AND SPACE ADMINISTRATION, UNLESS THE DEVELOPER,
15	DEPLOYER, OR OTHER PERSON IS PERFORMING THE WORK ON A HIGH-RISK
16	ARTIFICIAL INTELLIGENCE SYSTEM THAT IS USED TO MAKE, OR IS A
17	SUBSTANTIAL FACTOR IN MAKING, A DECISION CONCERNING EMPLOYMENT
18	OR HOUSING; OR
19	(d) That is a covered entity within the meaning of the
20	FEDERAL "HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
21	OF 1996", 42 U.S.C. SECS. 1320d TO 1320d-9, AND THE REGULATIONS
22	PROMULGATED UNDER THE FEDERAL ACT, AS BOTH MAY BE AMENDED
23	FROM TIME TO TIME, AND IS PROVIDING HEALTH-CARE RECOMMENDATIONS
24	<u>THAT:</u>
25	(I) ARE GENERATED BY AN ARTIFICIAL INTELLIGENCE SYSTEM;
26	(II) REQUIRE A HEALTH-CARE PROVIDER TO TAKE ACTION TO
27	IMPLEMENT THE RECOMMENDATIONS; AND

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1	(III) ARE NOT CONSIDERED TO BE HIGH RISK.
2	(6) Nothing in this part 16 applies to any artificial
3	INTELLIGENCE SYSTEM THAT IS ACQUIRED BY OR FOR THE FEDERAL
4	GOVERNMENT OR ANY FEDERAL AGENCY OR DEPARTMENT, INCLUDING THE
5	UNITED STATES DEPARTMENT OF COMMERCE, THE UNITED STATES
6	DEPARTMENT OF DEFENSE, OR THE NATIONAL AERONAUTICS AND SPACE
7	ADMINISTRATION, UNLESS THE ARTIFICIAL INTELLIGENCE SYSTEM IS A
8	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM THAT IS USED TO MAKE, OR
9	IS A SUBSTANTIAL FACTOR IN MAKING, A DECISION CONCERNING
10	EMPLOYMENT OR HOUSING.
11	(7) AN INSURER, AS DEFINED IN SECTION 10-1-102 (13), A
12	FRATERNAL BENEFIT SOCIETY, AS DESCRIBED IN SECTION 10-14-102, OR A
13	DEVELOPER OF AN ARTIFICIAL INTELLIGENCE SYSTEM USED BY AN INSURER
14	IS IN FULL COMPLIANCE WITH THIS PART 16 IF THE INSURER, THE
15	FRATERNAL BENEFIT SOCIETY, OR THE DEVELOPER IS SUBJECT TO THE
16	REQUIREMENTS OF SECTION 10-3-1104.9 AND ANY RULES ADOPTED BY THE
17	COMMISSIONER OF INSURANCE PURSUANT TO SECTION 10-3-1104.9.
18	(8) (a) A BANK, OUT-OF-STATE BANK, CREDIT UNION CHARTERED
19	BY THE STATE OF COLORADO, FEDERAL CREDIT UNION, OUT-OF-STATE
20	CREDIT UNION, OR ANY AFFILIATE OR SUBSIDIARY THEREOF, IS IN FULL
21	COMPLIANCE WITH THIS PART 16 IF THE BANK, OUT-OF-STATE BANK,
22	CREDIT UNION CHARTERED BY THE STATE OF COLORADO, FEDERAL CREDIT
23	UNION, OUT-OF-STATE CREDIT UNION, OR AFFILIATE OR SUBSIDIARY IS
24	SUBJECT TO EXAMINATION BY A STATE OR FEDERAL PRUDENTIAL
25	REGULATOR UNDER ANY PUBLISHED GUIDANCE OR REGULATIONS THAT
26	APPLY TO THE USE OF HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEMS AND
27	THE GUIDANCE OR REGULATIONS:

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1	(I) Impose requirements that are substantially equivalent
2	TO OR MORE STRINGENT THAN THE REQUIREMENTS IMPOSED IN THIS PART
3	<u>16; and</u>
4	(II) AT A MINIMUM, REQUIRE THE BANK, OUT-OF-STATE BANK,
5	CREDIT UNION CHARTERED BY THE STATE OF COLORADO, FEDERAL CREDIT
6	UNION, OUT-OF-STATE CREDIT UNION, OR AFFILIATE OR SUBSIDIARY TO:
7	(A) REGULARLY AUDIT THE BANK'S, OUT-OF-STATE BANK'S,
8	CREDIT UNION CHARTERED BY THE STATE OF COLORADO'S, FEDERAL
9	CREDIT UNION'S, OUT-OF-STATE CREDIT UNION'S, OR AFFILIATE'S OR
10	SUBSIDIARY'S USE OF HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEMS FOR
11	COMPLIANCE WITH STATE AND FEDERAL ANTIDISCRIMINATION LAWS AND
12	REGULATIONS APPLICABLE TO THE BANK, OUT-OF-STATE BANK, CREDIT
13	UNION CHARTERED BY THE STATE OF COLORADO, FEDERAL CREDIT UNION,
14	OUT-OF-STATE CREDIT UNION, OR AFFILIATE OR SUBSIDIARY; AND
15	(B) MITIGATE ANY ALGORITHMIC DISCRIMINATION CAUSED BY THE
16	USE OF A HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM OR ANY RISK OF
17	ALGORITHMIC DISCRIMINATION THAT IS REASONABLY FORESEEABLE AS A
18	RESULT OF THE USE OF A HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM.
19	(b) As used in this subsection (8):
20	(I) "Affiliate" has the meaning set forth in section
21	<u>11-101-401 (3.5).</u>
22	(II) "BANK" HAS THE MEANING SET FORTH IN SECTION 11-101-401
23	<u>(5).</u>
24	(III) "CREDIT UNION" HAS THE MEANING SET FORTH IN SECTION
25	<u>11-30-101 (1)(a).</u>
26	(IV) "OUT-OF-STATE BANK" HAS THE MEANING SET FORTH IN
27	<u>SECTION 11-101-401 (50).</u>

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I	(9) IF A DEVELOPER, A DEPLOYER, OR OTHER PERSON ENGAGES IN
2	AN ACTION PURSUANT TO AN EXEMPTION SET FORTH IN THIS SECTION, THE
3	DEVELOPER, DEPLOYER, OR OTHER PERSON BEARS THE BURDEN OF
4	DEMONSTRATING THAT THE ACTION QUALIFIES FOR THE EXEMPTION.
5	6-1-1606. Enforcement by attorney general
6	(1) NOTWITHSTANDING SECTION 6-1-103, THE ATTORNEY GENERAL HAS
7	EXCLUSIVE AUTHORITY TO ENFORCE THIS PART 16.
8	(2) EXCEPT AS PROVIDED IN SUBSECTION (3) OF THIS SECTION, A
9	VIOLATION OF THE REQUIREMENTS ESTABLISHED IN THIS PART 16
10	CONSTITUTES AN UNFAIR TRADE PRACTICE PURSUANT TO SECTION 6-1-105
11	<u>(1)(eeee).</u>
12	(3) IN ANY ACTION COMMENCED BY THE ATTORNEY GENERAL TO
13	ENFORCE THIS PART 16, IT IS AN AFFIRMATIVE DEFENSE THAT THE
14	DEVELOPER, DEPLOYER, OR OTHER PERSON:
15	(a) DISCOVERS AND CURES A VIOLATION OF THIS PART 16 AS A
16	RESULT OF:
17	(I) FEEDBACK THAT THE DEVELOPER, DEPLOYER, OR OTHER
18	PERSON ENCOURAGES DEPLOYERS OR USERS TO PROVIDE TO THE
19	DEVELOPER, DEPLOYER, OR OTHER PERSON;
20	(II) ADVERSARIAL TESTING OR RED TEAMING, AS THOSE TERMS
21	ARE DEFINED OR USED BY THE NATIONAL INSTITUTE OF STANDARDS AND
22	TECHNOLOGY; OR
23	(III) AN INTERNAL REVIEW PROCESS; AND
24	(b) Is otherwise in compliance with:
25	(I) THE LATEST VERSION OF THE "ARTIFICIAL INTELLIGENCE RISK
26	MANAGEMENT FRAMEWORK" PUBLISHED BY THE NATIONAL INSTITUTE OF
27	STANDARDS AND TECHNOLOGY IN THE UNITED STATES DEPARTMENT OF

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1	COMMERCE AND STANDARD ISO/IEC 42001 OF THE INTERNATIONAL
2	ORGANIZATION FOR STANDARDIZATION;
3	(II) Another nationally or internationally recognized
4	RISK MANAGEMENT FRAMEWORK FOR ARTIFICIAL INTELLIGENCE SYSTEMS,
5	IF THE STANDARDS ARE SUBSTANTIALLY EQUIVALENT TO OR MORE
6	STRINGENT THAN THE REQUIREMENTS OF THIS PART 16; OR
7	(III) ANY RISK MANAGEMENT FRAMEWORK FOR ARTIFICIAL
8	INTELLIGENCE SYSTEMS THAT THE ATTORNEY GENERAL, IN THE ATTORNEY
9	GENERAL'S DISCRETION, MAY DESIGNATE AND, IF DESIGNATED, SHALL
10	PUBLICLY DISSEMINATE.
11	(4) A DEVELOPER, A DEPLOYER, OR OTHER PERSON BEARS THE
12	BURDEN OF DEMONSTRATING TO THE ATTORNEY GENERAL THAT THE
13	REQUIREMENTS ESTABLISHED IN SUBSECTION (3) OF THIS SECTION HAVE
14	BEEN SATISFIED.
15	(5) Nothing in this part 16, including the enforcement
16	AUTHORITY GRANTED TO THE ATTORNEY GENERAL UNDER THIS SECTION,
17	PREEMPTS OR OTHERWISE AFFECTS ANY RIGHT, CLAIM, REMEDY,
18	PRESUMPTION, OR DEFENSE AVAILABLE AT LAW OR IN EQUITY. A
19	REBUTTABLE PRESUMPTION OR AFFIRMATIVE DEFENSE ESTABLISHED
20	UNDER THIS PART 16 APPLIES ONLY TO AN ENFORCEMENT ACTION
21	BROUGHT BY THE ATTORNEY GENERAL PURSUANT TO THIS SECTION AND
22	DOES NOT APPLY TO ANY RIGHT, CLAIM, REMEDY, PRESUMPTION, OR
23	DEFENSE AVAILABLE AT LAW OR IN EQUITY.
24	(6) This part 16 does not provide the basis for, and is not
25	SUBJECT TO, A PRIVATE RIGHT OF ACTION FOR VIOLATIONS OF THIS PART
26	16 or any other law.
27	6-1-1607 Rules (1) THE ATTOPNEY GENERAL MAY DROMLII GATE

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1	RULES AS NECESSARY FOR THE PURPOSE OF IMPLEMENTING AND
2	ENFORCING THIS PART 16, INCLUDING:
3	(a) The documentation and requirements for developers
4	<u>PURSUANT TO SECTION 6-1-1602 (2);</u>
5	(b) The contents of and requirements for the notices and
6	<u>DISCLOSURES REQUIRED BY SECTIONS 6-1-1602 (5) AND (7); 6-1-1603 (4),</u>
7	(5), (7), AND (9); AND 6-1-1604;
8	(c) THE CONTENT AND REQUIREMENTS OF THE RISK MANAGEMENT
9	POLICY AND PROGRAM REQUIRED BY SECTION 6-1-1603 (2);
10	(d) The content and requirements of the impact
11	ASSESSMENTS REQUIRED BY SECTION 6-1-1603 (3);
12	(e) The requirements for the rebuttable presumptions set
13	FORTH IN SECTIONS 6-1-1602 AND 6-1-1603; AND
14	(f) The requirements for the affirmative defense set forth
15	IN SECTION 6-1-1606 (3), INCLUDING THE PROCESS BY WHICH THE
16	ATTORNEY GENERAL WILL RECOGNIZE ANY OTHER NATIONALLY OR
17	INTERNATIONALLY RECOGNIZED RISK MANAGEMENT FRAMEWORK FOR
18	ARTIFICIAL INTELLIGENCE SYSTEMS.
19	SECTION 2. In Colorado Revised Statutes, 6-1-105, add
20	(1)(eeee) as follows:
21	6-1-105. Unfair or deceptive trade practices. (1) A person
22	engages in a deceptive trade practice when, in the course of the person's
23	business, vocation, or occupation, the person:
24	(eeee) VIOLATES PART 16 OF THIS ARTICLE 1.
25	SECTION 3. Safety clause. The general assembly finds,
26	determines, and declares that this act is necessary for the immediate
2.7	preservation of the public peace, health, or safety or for appropriations for

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- 1 the support and maintenance of the departments of the state and state
- 2 <u>institutions.</u>

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