Second Regular Session Seventy-fourth General Assembly STATE OF COLORADO

REENGROSSED

This Version Includes All Amendments Adopted in the House of Introduction

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,

Senate Committees

House Committees

Judiciary

A BILL FOR AN ACT

101 CONCERNING CONSUMER PROTECTIONS IN INTERACTIONS WITH 102 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

SENATE
Amended 3rd Reading
May 3, 2024

SENATE Amended 2nd Reading May 2, 2024

- 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

-2- 205

• 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

-3-

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

22

-4- 205

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

-5- 205

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;

-6- 205

I	(D) ARTIFICIAL INTELLIGENCE-ENABLED VIDEO GAMES;
2	(E) CALCULATORS;
3	(F) Cybersecurity;
4	(G) Databases;
5	(H) Data storage;
6	(I) FIREWALL;
7	(J) Internet domain registration;
8	(K) Internet website loading;
9	(L) NETWORKING;
10	(M) SPAM- AND ROBOCALL-FILTERING;
11	(N) SPELL-CHECKING;
12	(O) SPREADSHEETS;
13	(P) WEB CACHING;
14	(Q) WEB HOSTING OR ANY SIMILAR TECHNOLOGY; OR
15	(R) TECHNOLOGY THAT COMMUNICATES IN NATURAL LANGUAGE
16	FOR THE PURPOSE OF PROVIDING USERS WITH INFORMATION, MAKING
17	REFERRALS OR RECOMMENDATIONS, AND ANSWERING QUESTIONS AND IS
18	SUBJECT TO AN ACCEPTED USE POLICY THAT PROHIBITS GENERATING
19	CONTENT THAT IS DISCRIMINATORY OR HARMFUL.
20	(10) (a) "Intentional and substantial modification" of
21	"INTENTIONALLY AND SUBSTANTIALLY MODIFIES" MEANS A DELIBERATE
22	CHANGE MADE TO AN ARTIFICIAL INTELLIGENCE SYSTEM THAT RESULTS IN
23	ANY NEW REASONABLY FORESEEABLE RISK OF ALGORITHMIC
24	DISCRIMINATION.
25	(b) "Intentional and substantial modification" of
26	"INTENTIONALLY AND SUBSTANTIALLY MODIFIES" DOES NOT INCLUDE A
27	CHANGE MADE TO A HIGH-DISK ADTIFICIAL INTELLIGENCE SYSTEM OD THE

-7- 205

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

-8- 205

1	<u>7-74-102 (4).</u>
2	6-1-1602. Developer duty to avoid algorithmic discrimination
3	- required documentation. (1) On and after February 1, 2026, a
4	DEVELOPER OF A HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM SHALL USE
5	REASONABLE CARE TO PROTECT CONSUMERS FROM ANY KNOWN OR
6	REASONABLY FORESEEABLE RISKS OF ALGORITHMIC DISCRIMINATION
7	ARISING FROM THE INTENDED AND CONTRACTED USES OF THE HIGH-RISK
8	ARTIFICIAL INTELLIGENCE SYSTEM. IN ANY ENFORCEMENT ACTION
9	BROUGHT ON OR AFTER FEBRUARY 1, 2026, BY THE ATTORNEY GENERAL
10	PURSUANT TO SECTION 6-1-1606, THERE IS A REBUTTABLE PRESUMPTION
11	THAT A DEVELOPER USED REASONABLE CARE AS REQUIRED UNDER THIS
12	SECTION IF THE DEVELOPER COMPLIED WITH THIS SECTION AND ANY
13	ADDITIONAL REQUIREMENTS OR OBLIGATIONS AS SET FORTH IN RULES
14	PROMULGATED BY THE ATTORNEY GENERAL PURSUANT TO SECTION
15	<u>6-1-1607.</u>
16	(2) On and after February 1, 2026, and except as provided
17	IN SUBSECTION (6) OF THIS SECTION, A DEVELOPER OF A HIGH-RISK
18	ARTIFICIAL INTELLIGENCE SYSTEM SHALL MAKE AVAILABLE TO THE
19	DEPLOYER OR OTHER DEVELOPER OF THE HIGH-RISK ARTIFICIAL
20	<u>INTELLIGENCE SYSTEM:</u>
21	(a) A GENERAL STATEMENT DESCRIBING THE INTENDED USES OF
22	THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM;
23	(b) DOCUMENTATION DISCLOSING:
24	(I) HIGH-LEVEL SUMMARIES OF THE TYPE OF DATA USED TO TRAIN
25	THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM;
26	(II) KNOWN OR REASONABLY FORESEEABLE LIMITATIONS OF THE
27	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM, INCLUDING KNOWN OR

-9- 205

I	REASONABLY FORESEEABLE RISKS OF ALGORITHMIC DISCRIMINATION
2	ARISING FROM THE INTENDED USES OF THE HIGH-RISK ARTIFICIAL
3	INTELLIGENCE SYSTEM;
4	(III) THE PURPOSE OF THE HIGH-RISK ARTIFICIAL INTELLIGENCE
5	SYSTEM; AND
6	(IV) THE INTENDED BENEFITS AND USES OF THE HIGH-RISK
7	ARTIFICIAL INTELLIGENCE SYSTEM;
8	(c) DOCUMENTATION DESCRIBING:
9	(I) HOW THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM WAS
10	EVALUATED FOR PERFORMANCE AND MITIGATION OF ALGORITHMIC
11	DISCRIMINATION BEFORE THE HIGH-RISK ARTIFICIAL INTELLIGENCE
12	SYSTEM WAS OFFERED, SOLD, LEASED, LICENSED, GIVEN, OR OTHERWISE
13	MADE AVAILABLE TO THE DEPLOYER;
14	(II) THE DATA GOVERNANCE MEASURES USED TO COVER THE
15	TRAINING DATASETS AND THE MEASURES USED TO EXAMINE THE
16	SUITABILITY OF DATA SOURCES, POSSIBLE BIASES, AND APPROPRIATE
17	MITIGATION;
18	(III) THE INTENDED OUTPUTS OF THE HIGH-RISK ARTIFICIAL
19	<u>INTELLIGENCE SYSTEM;</u>
20	(IV) THE MEASURES THE DEVELOPER HAS TAKEN TO MITIGATE
21	KNOWN OR REASONABLY FORESEEABLE RISKS OF ALGORITHMIC
22	DISCRIMINATION THAT MAY ARISE FROM THE DEPLOYMENT OF THE
23	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM; AND
24	(V) How the high-risk artificial intelligence system
25	SHOULD BE USED OR MONITORED BY AN INDIVIDUAL WHEN THE HIGH-RISK
26	ARTIFICIAL INTELLIGENCE SYSTEM IS USED TO MAKE, OR IS A SUBSTANTIAL
27	FACTOR IN MAKING, A CONSEQUENTIAL DECISION; AND

-10-

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

-11- 205

1	(II) HOW THE DEVELOPER MANAGES KNOWN OR REASONABLY
2	FORESEEABLE RISKS OF ALGORITHMIC DISCRIMINATION THAT MAY ARISE
3	FROM THE DEVELOPMENT OR INTENTIONAL AND SUBSTANTIAL
4	MODIFICATION OF THE TYPES OF HIGH-RISK ARTIFICIAL INTELLIGENCE
5	SYSTEMS DESCRIBED IN ACCORDANCE WITH SUBSECTION (4)(a)(I) OF THIS
6	SECTION.
7	(b) A DEVELOPER SHALL UPDATE THE STATEMENT DESCRIBED IN
8	SUBSECTION (4)(a) OF THIS SECTION:
9	(I) AS NECESSARY TO ENSURE THAT THE STATEMENT REMAINS
10	ACCURATE; AND
11	(II) NO LATER THAN NINETY DAYS AFTER THE DEVELOPER
12	INTENTIONALLY AND SUBSTANTIALLY MODIFIES ANY HIGH-RISK
13	ARTIFICIAL INTELLIGENCE SYSTEM DESCRIBED IN SUBSECTION (4)(a)(I) OF
14	THIS SECTION.
15	(5) On and after February 1, 2026, a developer of a
16	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM SHALL DISCLOSE TO THE
17	ATTORNEY GENERAL, IN A FORM AND MANNER PRESCRIBED BY THE
18	ATTORNEY GENERAL, AND TO ALL KNOWN DEPLOYERS OR OTHER
19	DEVELOPERS, OF THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM ANY
20	KNOWN OR REASONABLY FORESEEABLE RISKS OF ALGORITHMIC
21	DISCRIMINATION ARISING FROM THE INTENDED USES OF THE HIGH-RISK
22	ARTIFICIAL INTELLIGENCE SYSTEM WITHOUT UNREASONABLE DELAY BUT
23	NO LATER THAN NINETY DAYS AFTER THE DATE ON WHICH:
24	(a) The developer discovers through the developer's
25	ONGOING TESTING AND ANALYSIS THAT THE DEVELOPER'S HIGH-RISK
26	ARTIFICIAL INTELLIGENCE SYSTEM HAS BEEN DEPLOYED AND HAS CAUSED
2.7	OR IS REASONABLY LIKELY TO HAVE CAUSED ALGORITHMIC

-12- 205

1	<u>DISCRIMINATION; OR</u>
2	(b) The developer receives from a deployer a credible
3	REPORT THAT THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM HAS BEEN
4	DEPLOYED AND HAS CAUSED ALGORITHMIC DISCRIMINATION.
5	(6) Nothing in subsections (2) to (5) of this section requires
6	A DEVELOPER TO DISCLOSE A TRADE SECRET, OTHER CONFIDENTIAL OR
7	PROPRIETARY INFORMATION, OR INFORMATION THAT WOULD CREATE A
8	SECURITY RISK TO THE DEVELOPER.
9	(7) On and after February 1, 2026, the attorney general
10	MAY REQUIRE THAT A DEVELOPER DISCLOSE TO THE ATTORNEY GENERAL,
11	IN A FORM AND MANNER PRESCRIBED BY THE ATTORNEY GENERAL, THE
12	STATEMENT OR DOCUMENTATION DESCRIBED IN SUBSECTION (2) OF THIS
13	SECTION. THE ATTORNEY GENERAL MAY EVALUATE SUCH STATEMENT OR
14	DOCUMENTATION TO ENSURE COMPLIANCE WITH THIS PART 16, AND THE
15	STATEMENT OR DOCUMENTATION IS NOT SUBJECT TO DISCLOSURE UNDER
16	THE "COLORADO OPEN RECORDS ACT", PART 2 OF ARTICLE 72 OF TITLE
17	24. In a disclosure pursuant to this subsection (7), a developer
18	MAY DESIGNATE THE STATEMENT OR DOCUMENTATION AS INCLUDING
19	PROPRIETARY INFORMATION OR A TRADE SECRET. TO THE EXTENT THAT
20	ANY INFORMATION CONTAINED IN THE STATEMENT OR DOCUMENTATION
21	INCLUDES INFORMATION SUBJECT TO ATTORNEY-CLIENT PRIVILEGE OR
22	WORK-PRODUCT PROTECTION, THE DISCLOSURE DOES NOT CONSTITUTE A
23	WAIVER OF THE PRIVILEGE OR PROTECTION.
24	6-1-1603. Deployer duty to avoid algorithmic discrimination
25	- risk management policy and program. (1) ON AND AFTER FEBRUARY
26	1, 2026, A DEPLOYER OF A HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM
27	SHALLUSE DE ASONADI E CADE TO DDOTECT CONSLIMEDS EDOM ANY KNOWN

-13-

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

-14- 205

I	FRAMEWORK" PUBLISHED BY THE NATIONAL INSTITUTE OF STANDARDS
2	AND TECHNOLOGY IN THE UNITED STATES DEPARTMENT OF COMMERCE.
3	STANDARD ISO/IEC 42001 OF THE INTERNATIONAL ORGANIZATION FOR
4	STANDARDIZATION, OR ANOTHER NATIONALLY OR INTERNATIONALLY
5	RECOGNIZED RISK MANAGEMENT FRAMEWORK FOR ARTIFICIAL
6	INTELLIGENCE SYSTEMS; OR
7	(B) ANY RISK MANAGEMENT FRAMEWORK FOR ARTIFICIAL
8	INTELLIGENCE SYSTEMS THAT THE ATTORNEY GENERAL, IN THE ATTORNEY
9	GENERAL'S DISCRETION, MAY DESIGNATE;
10	(II) THE SIZE AND COMPLEXITY OF THE DEPLOYER;
11	(III) THE NATURE AND SCOPE OF THE HIGH-RISK ARTIFICIAL
12	INTELLIGENCE SYSTEMS DEPLOYED BY THE DEPLOYER, INCLUDING THE
13	INTENDED USES OF THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEMS:
14	<u>AND</u>
15	(IV) The sensitivity and volume of data processed in
16	CONNECTION WITH THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEMS
17	DEPLOYED BY THE DEPLOYER.
18	(b) A RISK MANAGEMENT POLICY AND PROGRAM IMPLEMENTED
19	PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION MAY COVER MULTIPLE
20	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEMS DEPLOYED BY THE
21	<u>DEPLOYER.</u>
22	(3) (a) EXCEPT AS PROVIDED IN SUBSECTIONS (3)(d), (3)(e), AND
23	(6) OF THIS SECTION:
24	(I) A DEPLOYER, OR A THIRD PARTY CONTRACTED BY THE
25	DEPLOYER, THAT DEPLOYS A HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM
26	ON OR AFTER FEBRUARY 1, 2026, SHALL COMPLETE AN IMPACT
27	ASSESSMENT FOR THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM; AND

-15- 205

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

-16- 205

1	(VI) A DESCRIPTION OF ANY TRANSPARENCY MEASURES TAKEN
2	CONCERNING THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM,
3	INCLUDING ANY MEASURES TAKEN TO DISCLOSE TO A CONSUMER THAT THE
4	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM IS IN USE WHEN THE
5	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM IS IN USE; AND
6	(VII) A DESCRIPTION OF THE POST-DEPLOYMENT MONITORING AND
7	USER SAFEGUARDS PROVIDED CONCERNING THE HIGH-RISK ARTIFICIAL
8	INTELLIGENCE SYSTEM, INCLUDING THE OVERSIGHT, USE, AND LEARNING
9	PROCESS ESTABLISHED BY THE DEPLOYER TO ADDRESS ISSUES ARISING
10	FROM THE DEPLOYMENT OF THE HIGH-RISK ARTIFICIAL INTELLIGENCE
11	<u>SYSTEM.</u>
12	(c) In addition to the information required under
13	SUBSECTION (3)(b) OF THIS SECTION, AN IMPACT ASSESSMENT COMPLETED
14	PURSUANT TO THIS SUBSECTION (3) FOLLOWING AN INTENTIONAL AND
15	SUBSTANTIAL MODIFICATION TO A HIGH-RISK ARTIFICIAL INTELLIGENCE
16	SYSTEM ON OR AFTER FEBRUARY 1, 2026, MUST INCLUDE A STATEMENT
17	DISCLOSING THE EXTENT TO WHICH THE HIGH-RISK ARTIFICIAL
18	INTELLIGENCE SYSTEM WAS USED IN A MANNER THAT WAS CONSISTENT
19	WITH, OR VARIED FROM, THE DEVELOPER'S INTENDED USES OF THE
20	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM.
21	(d) A SINGLE IMPACT ASSESSMENT MAY ADDRESS A COMPARABLE
22	SET OF HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEMS DEPLOYED BY A
23	<u>DEPLOYER.</u>
24	(e) If a deployer, or a third party contracted by the
25	DEPLOYER, COMPLETES AN IMPACT ASSESSMENT FOR THE PURPOSE OF
26	COMPLYING WITH ANOTHER APPLICABLE LAW OR REGULATION, THE
27	IMPACT ASSESSMENT SATISFIES THE REQUIREMENTS ESTABLISHED IN THIS

-17- 205

1	SUBSECTION (3) IF THE IMPACT ASSESSMENT IS REASONABLY SIMILAR IN
2	SCOPE AND EFFECT TO THE IMPACT ASSESSMENT THAT WOULD OTHERWISE
3	BE COMPLETED PURSUANT TO THIS SUBSECTION (3).
4	(f) A DEPLOYER SHALL MAINTAIN THE MOST RECENTLY
5	COMPLETED IMPACT ASSESSMENT FOR A HIGH-RISK ARTIFICIAL
6	INTELLIGENCE SYSTEM AS REQUIRED UNDER THIS SUBSECTION (3), ALL
7	RECORDS CONCERNING EACH IMPACT ASSESSMENT, AND ALL PRIOR IMPACT
8	ASSESSMENTS, IF ANY, FOR AT LEAST THREE YEARS FOLLOWING THE FINAL
9	DEPLOYMENT OF THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM.
10	(g) On or before February 1, 2026, and at least annually
11	THEREAFTER, A DEPLOYER, OR A THIRD PARTY CONTRACTED BY THE
12	DEPLOYER, MUST REVIEW THE DEPLOYMENT OF EACH HIGH-RISK
13	ARTIFICIAL INTELLIGENCE SYSTEM DEPLOYED BY THE DEPLOYER TO
14	ENSURE THAT THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM IS NOT
15	CAUSING ALGORITHMIC DISCRIMINATION.
16	(4) (a) On and after February 1, 2026, and no later than
17	THE TIME THAT A DEPLOYER DEPLOYS A HIGH-RISK ARTIFICIAL
18	INTELLIGENCE SYSTEM TO MAKE, OR BE A SUBSTANTIAL FACTOR IN
19	MAKING, A CONSEQUENTIAL DECISION CONCERNING A CONSUMER, THE
20	<u>DEPLOYER SHALL:</u>
21	(I) NOTIFY THE CONSUMER THAT THE DEPLOYER HAS DEPLOYED A
22	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM TO MAKE, OR BE A
23	SUBSTANTIAL FACTOR IN MAKING, A CONSEQUENTIAL DECISION BEFORE
24	THE DECISION IS MADE;
25	(II) PROVIDE TO THE CONSUMER A STATEMENT DISCLOSING THE
26	PURPOSE OF THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM AND THE
27	NATURE OF THE CONSEQUENTIAL DECISION; THE CONTACT INFORMATION

-18-

1	FOR THE DEPLOYER; A DESCRIPTION, IN PLAIN LANGUAGE, OF THE
2	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM; AND INSTRUCTIONS ON HOW
3	TO ACCESS THE STATEMENT REQUIRED BY SUBSECTION (5)(a) OF THIS
4	SECTION; AND
5	(III) PROVIDE TO THE CONSUMER INFORMATION, IF APPLICABLE.
6	REGARDING THE CONSUMER'S RIGHT TO OPT OUT OF THE PROCESSING OF
7	PERSONAL DATA CONCERNING THE CONSUMER FOR PURPOSES OF
8	PROFILING IN FURTHERANCE OF DECISIONS THAT PRODUCE LEGAL OR
9	SIMILARLY SIGNIFICANT EFFECTS CONCERNING THE CONSUMER UNDER
10	SECTION 6-1-1306 (1)(a)(I)(C).
11	(b) On and after February 1, 2026, a deployer that has
12	DEPLOYED A HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM TO MAKE, OR
13	BE A SUBSTANTIAL FACTOR IN MAKING, A CONSEQUENTIAL DECISION
14	CONCERNING A CONSUMER SHALL, IF THE CONSEQUENTIAL DECISION IS
15	ADVERSE TO THE CONSUMER, PROVIDE TO THE CONSUMER:
16	(I) A STATEMENT DISCLOSING THE PRINCIPAL REASON OR REASONS
17	FOR THE CONSEQUENTIAL DECISION, INCLUDING:
18	(A) The degree to which, and manner in which, the
19	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM CONTRIBUTED TO THE
20	CONSEQUENTIAL DECISION;
21	(B) THE TYPE OF DATA THAT WAS PROCESSED BY THE HIGH-RISK
22	ARTIFICIAL INTELLIGENCE SYSTEM IN MAKING THE CONSEQUENTIAL
23	DECISION; AND
24	(C) The source or sources of the data described in
25	SUBSECTION (4)(b)(I)(B) OF THIS SECTION;
26	(II) AN OPPORTUNITY TO CORRECT ANY INCORRECT PERSONAL
27	DATA THAT THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM PROCESSED

-19-

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

-20-

1	THE NOTICE, STATEMENT, CONTACT INFORMATION, AND DESCRIPTION.
2	(5) (a) On and after February 1, 2026, and except as
3	PROVIDED IN SUBSECTION (6) OF THIS SECTION, A DEPLOYER SHALL MAKE
4	AVAILABLE, IN A MANNER THAT IS CLEAR AND READILY AVAILABLE ON THE
5	DEPLOYER'S WEBSITE, A STATEMENT SUMMARIZING:
6	(I) THE TYPES OF HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEMS
7	THAT ARE CURRENTLY DEPLOYED BY THE DEPLOYER;
8	(II) HOW THE DEPLOYER MANAGES KNOWN OR REASONABLY
9	FORESEEABLE RISKS OF ALGORITHMIC DISCRIMINATION THAT MAY ARISE
10	FROM THE DEPLOYMENT OF EACH HIGH-RISK ARTIFICIAL INTELLIGENCE
11	SYSTEM DESCRIBED PURSUANT TO SUBSECTION (5)(a)(I) OF THIS SECTION;
12	<u>AND</u>
13	(III) IN DETAIL, THE NATURE, SOURCE, AND EXTENT OF THE
14	INFORMATION COLLECTED AND USED BY THE DEPLOYER.
15	(b) A DEPLOYER SHALL PERIODICALLY UPDATE THE STATEMENT
16	DESCRIBED IN SUBSECTION (5)(a) OF THIS SECTION.
17	(6) Subsections (2) and (3) of this section and this
18	SUBSECTION (6) DO NOT APPLY TO A DEPLOYER IF, AT THE TIME THE
19	DEPLOYER DEPLOYS A HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM AND
20	AT ALL TIMES WHILE THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM IS
21	<u>DEPLOYED:</u>
22	(a) The deployer:
23	(I) EMPLOYS FEWER THAN FIFTY FULL-TIME EQUIVALENT
24	EMPLOYEES; AND
25	(II) Does not use the deployer's own data to train the
26	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM;
27	(b) THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM:

-21- 205

1	(I) IS USED FOR THE INTENDED USES THAT ARE DISCLOSED TO THE
2	DEPLOYER AS REQUIRED BY SECTION 6-1-1602 (2)(a); AND
3	(II) CONTINUES LEARNING BASED ON DATA DERIVED FROM
4	SOURCES OTHER THAN THE DEPLOYER'S OWN DATA; AND
5	(c) THE DEPLOYER MAKES AVAILABLE TO CONSUMERS ANY IMPACT
6	ASSESSMENT THAT:
7	(I) THE DEVELOPER OF THE HIGH-RISK ARTIFICIAL INTELLIGENCE
8	SYSTEM HAS COMPLETED AND PROVIDED TO THE DEPLOYER; AND
9	(II) INCLUDES INFORMATION THAT IS SUBSTANTIALLY SIMILAR TO
10	THE INFORMATION IN THE IMPACT ASSESSMENT REQUIRED UNDER
11	SUBSECTION (3)(b) OF THIS SECTION.
12	(7) If a deployer deploys a high-risk artificial intelligence
13	SYSTEM ON OR AFTER FEBRUARY 1, 2026, AND SUBSEQUENTLY DISCOVERS
14	THAT THE HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM HAS CAUSED
15	ALGORITHMIC DISCRIMINATION, THE DEPLOYER, WITHOUT UNREASONABLE
16	DELAY, BUT NO LATER THAN NINETY DAYS AFTER THE DATE OF THE
17	DISCOVERY, SHALL SEND TO THE ATTORNEY GENERAL, IN A FORM AND
18	MANNER PRESCRIBED BY THE ATTORNEY GENERAL, A NOTICE DISCLOSING
19	THE DISCOVERY.
20	(8) NOTHING IN SUBSECTIONS (2) TO (5) AND (7) OF THIS SECTION
21	REQUIRES A DEPLOYER TO DISCLOSE A TRADE SECRET OR OTHER
22	CONFIDENTIAL OR PROPRIETARY INFORMATION.
23	(9) On and after February 1, 2026, the attorney general
24	MAY REQUIRE THAT A DEPLOYER, OR A THIRD PARTY CONTRACTED BY THE
25	DEPLOYER, DISCLOSE TO THE ATTORNEY GENERAL, IN A FORM AND
26	MANNER PRESCRIBED BY THE ATTORNEY GENERAL, THE RISK
27	MANAGEMENT POLICY IMPLEMENTED PURSUANT TO SUBSECTION (2) OF

-22- 205

1	THIS SECTION, THE IMPACT ASSESSMENT COMPLETED PURSUANT TO
2	SUBSECTION (3) OF THIS SECTION, OR THE RECORDS MAINTAINED
3	PURSUANT TO SUBSECTION (3)(f) OF THIS SECTION. THE ATTORNEY
4	GENERAL MAY EVALUATE THE RISK MANAGEMENT POLICY, IMPACT
5	ASSESSMENT, OR RECORDS TO ENSURE COMPLIANCE WITH THIS PART 16,
6	AND THE RISK MANAGEMENT POLICY, IMPACT ASSESSMENT, AND RECORDS
7	ARE NOT SUBJECT TO DISCLOSURE UNDER THE "COLORADO OPEN RECORDS
8	ACT", PART 2 OF ARTICLE 72 OF TITLE 24. IN A DISCLOSURE PURSUANT TO
9	THIS SUBSECTION (9), A DEPLOYER MAY DESIGNATE THE STATEMENT OR
10	DOCUMENTATION AS INCLUDING PROPRIETARY INFORMATION OR A TRADE
11	SECRET. TO THE EXTENT THAT ANY INFORMATION CONTAINED IN THE RISK
12	MANAGEMENT POLICY, IMPACT ASSESSMENT, OR RECORDS INCLUDE
13	INFORMATION SUBJECT TO ATTORNEY-CLIENT PRIVILEGE OR
14	WORK-PRODUCT PROTECTION, THE DISCLOSURE DOES NOT CONSTITUTE A
15	WAIVER OF THE PRIVILEGE OR PROTECTION.
16	6-1-1604. Disclosure of an artificial intelligence system to
17	consumer. (1) On and after February 1, 2026, and except as
18	PROVIDED IN SUBSECTION (2) OF THIS SECTION, A DEPLOYER OR OTHER
19	DEVELOPER THAT DEPLOYS, OFFERS, SELLS, LEASES, LICENSES, GIVES, OR
20	OTHERWISE MAKES AVAILABLE AN ARTIFICIAL INTELLIGENCE SYSTEM
21	THAT IS INTENDED TO INTERACT WITH CONSUMERS SHALL ENSURE THE
22	DISCLOSURE TO EACH CONSUMER WHO INTERACTS WITH THE ARTIFICIAL
23	INTELLIGENCE SYSTEM THAT THE CONSUMER IS INTERACTING WITH AN
24	ARTIFICIAL INTELLIGENCE SYSTEM.
25	(2) DISCLOSURE IS NOT REQUIRED UNDER SUBSECTION (1) OF THIS
26	SECTION UNDER CIRCUMSTANCES IN WHICH IT WOULD BE OBVIOUS TO A
27	REASONABLE PERSON THAT THE PERSON IS INTERACTING WITH A HIGH-RISK

-23-

1	ARTIFICIAL INTELLIGENCE SYSTEM.
2	6-1-1605. Compliance with other legal obligations
3	definitions. (1) Nothing in this part 16 restricts a developer's, A
4	DEPLOYER'S, OR OTHER PERSON'S ABILITY TO:
5	(a) COMPLY WITH FEDERAL, STATE, OR MUNICIPAL LAWS
6	ORDINANCES, OR REGULATIONS;
7	(b) COMPLY WITH A CIVIL, CRIMINAL, OR REGULATORY INQUIRY
8	INVESTIGATION, SUBPOENA, OR SUMMONS BY A FEDERAL, A STATE, A
9	MUNICIPAL, OR OTHER GOVERNMENTAL AUTHORITY;
10	(c) COOPERATE WITH A LAW ENFORCEMENT AGENCY CONCERNING
11	CONDUCT OR ACTIVITY THAT THE DEVELOPER, DEPLOYER, OR OTHER
12	PERSON REASONABLY AND IN GOOD FAITH BELIEVES MAY VIOLATE
13	FEDERAL, STATE, OR MUNICIPAL LAWS, ORDINANCES, OR REGULATIONS;
14	(d) Investigate, establish, exercise, prepare for, or defend
15	<u>LEGAL CLAIMS;</u>
16	(e) Take immediate steps to protect an interest that is
17	ESSENTIAL FOR THE LIFE OR PHYSICAL SAFETY OF A CONSUMER OF
18	ANOTHER INDIVIDUAL;
19	(f) BY ANY MEANS OTHER THAN THE USE OF FACIAL RECOGNITION
20	TECHNOLOGY, PREVENT, DETECT, PROTECT AGAINST, OR RESPOND TO
21	SECURITY INCIDENTS, IDENTITY THEFT, FRAUD, HARASSMENT, MALICIOUS
22	OR DECEPTIVE ACTIVITIES, OR ILLEGAL ACTIVITY; INVESTIGATE, REPORT
23	OR PROSECUTE THE PERSONS RESPONSIBLE FOR ANY SUCH ACTION; OF
24	PRESERVE THE INTEGRITY OR SECURITY OF SYSTEMS;
25	(g) Engage in public or peer-reviewed scientific of
26	STATISTICAL RESEARCH IN THE PUBLIC INTEREST THAT ADHERES TO ALI
27	OTHER APPLICABLE ETHICS AND PRIVACY LAWS AND IS CONDUCTED IN

-24- 205

1	ACCORDANCE WITH 45 CFR 46, AS AMENDED, OR RELEVANT
2	REQUIREMENTS ESTABLISHED BY THE FEDERAL FOOD AND DRUG
3	ADMINISTRATION;
4	(h) CONDUCT RESEARCH, TESTING, AND DEVELOPMENT ACTIVITIES
5	REGARDING AN ARTIFICIAL INTELLIGENCE SYSTEM OR MODEL, OTHER THAN
6	TESTING CONDUCTED UNDER REAL-WORLD CONDITIONS, BEFORE THE
7	ARTIFICIAL INTELLIGENCE SYSTEM OR MODEL IS PLACED ON THE MARKET,
8	DEPLOYED, OR PUT INTO SERVICE, AS APPLICABLE; OR
9	(i) Assist another developer, deployer, or other person
10	WITH ANY OF THE OBLIGATIONS IMPOSED UNDER THIS PART 16.
11	(2) THE OBLIGATIONS IMPOSED ON DEVELOPERS, DEPLOYERS, OR
12	OTHER PERSONS UNDER THIS PART 16 DO NOT RESTRICT A DEVELOPER'S, A
13	DEPLOYER'S, OR OTHER PERSON'S ABILITY TO:
14	(a) Effectuate a product recall; or
15	(b) IDENTIFY AND REPAIR TECHNICAL ERRORS THAT IMPAIR
16	EXISTING OR INTENDED FUNCTIONALITY.
17	(3) THE OBLIGATIONS IMPOSED ON DEVELOPERS, DEPLOYERS, OR
18	OTHER PERSONS UNDER THIS PART 16 DO NOT APPLY WHERE COMPLIANCE
19	WITH THIS PART 16 BY THE DEVELOPER, DEPLOYER, OR OTHER PERSON
20	WOULD VIOLATE AN EVIDENTIARY PRIVILEGE UNDER THE LAWS OF THIS
21	<u>STATE.</u>
22	(4) Nothing in this part 16 imposes any obligation on a
23	DEVELOPER, A DEPLOYER, OR OTHER PERSON THAT ADVERSELY AFFECTS
24	THE RIGHTS OR FREEDOMS OF A PERSON, INCLUDING THE RIGHTS OF A
25	PERSON TO FREEDOM OF SPEECH OR FREEDOM OF THE PRESS THAT ARE
26	GUARANTEED IN:
27	(a) The first amendment to the United States constitution;

-25- 205

1	<u>OR</u>
2	(b) SECTION 10 OF ARTICLE II OF THE STATE CONSTITUTION.
3	(5) Nothing in this part 16 applies to a developer, a
4	DEPLOYER, OR OTHER PERSON:
5	(a) Insofar as the developer, deployer, or other person
6	DEVELOPS, DEPLOYS, PUTS INTO SERVICE, OR INTENTIONALLY AND
7	SUBSTANTIALLY MODIFIES, AS APPLICABLE, A HIGH-RISK ARTIFICIAL
8	INTELLIGENCE SYSTEM:
9	(I) That has been approved, authorized, certified, cleared.
10	OR GRANTED BY A FEDERAL AGENCY, SUCH AS THE FEDERAL FOOD AND
11	DRUG ADMINISTRATION OR THE FEDERAL AVIATION ADMINISTRATION.
12	ACTING WITHIN THE SCOPE OF THE FEDERAL AGENCY'S AUTHORITY; OR
13	(II) IN COMPLIANCE WITH STANDARDS ESTABLISHED BY A FEDERAL
14	AGENCY, INCLUDING STANDARDS ESTABLISHED BY THE FEDERAL OFFICE
15	OF THE NATIONAL COORDINATOR FOR HEALTH INFORMATION
16	TECHNOLOGY;
17	(b) CONDUCTING RESEARCH TO SUPPORT AN APPLICATION FOR
18	APPROVAL OR CERTIFICATION FROM A FEDERAL AGENCY, INCLUDING THE
19	FEDERAL AVIATION ADMINISTRATION, THE FEDERAL COMMUNICATIONS
20	COMMISSION, OR THE FEDERAL FOOD AND DRUG ADMINISTRATION OR
21	RESEARCH TO SUPPORT AN APPLICATION OTHERWISE SUBJECT TO REVIEW
22	BY THE FEDERAL AGENCY;
23	(c) Performing work under, or in connection with, a
24	CONTRACT WITH THE UNITED STATES DEPARTMENT OF COMMERCE, THE
25	United States department of defense, or the national
26	AERONAUTICS AND SPACE ADMINISTRATION, UNLESS THE DEVELOPER.
27	DEPLOYER, OR OTHER PERSON IS PERFORMING THE WORK ON A HIGH-RISK

-26- 205

1	ARTIFICIAL INTELLIGENCE SYSTEM THAT IS USED TO MAKE, OR IS A
2	SUBSTANTIAL FACTOR IN MAKING, A DECISION CONCERNING EMPLOYMENT
3	OR HOUSING; OR
4	(d) That is a covered entity within the meaning of the
5	FEDERAL "HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
6	OF 1996", 42 U.S.C. SECS. 1320d TO 1320d-9, AND THE REGULATIONS
7	PROMULGATED UNDER THE FEDERAL ACT, AS BOTH MAY BE AMENDED
8	FROM TIME TO TIME, AND IS PROVIDING HEALTH-CARE RECOMMENDATIONS
9	<u>THAT:</u>
10	(I) ARE GENERATED BY AN ARTIFICIAL INTELLIGENCE SYSTEM;
11	(II) REQUIRE A HEALTH-CARE PROVIDER TO TAKE ACTION TO
12	IMPLEMENT THE RECOMMENDATIONS; AND
13	(III) ARE NOT CONSIDERED TO BE HIGH RISK.
14	(6) Nothing in this part 16 applies to any artificial
15	INTELLIGENCE SYSTEM THAT IS ACQUIRED BY OR FOR THE FEDERAL
16	GOVERNMENT OR ANY FEDERAL AGENCY OR DEPARTMENT, INCLUDING THE
17	United States department of commerce, the United States
18	DEPARTMENT OF DEFENSE, OR THE NATIONAL AERONAUTICS AND SPACE
19	ADMINISTRATION, UNLESS THE ARTIFICIAL INTELLIGENCE SYSTEM IS A
20	HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM THAT IS USED TO MAKE, OR
21	IS A SUBSTANTIAL FACTOR IN MAKING, A DECISION CONCERNING
22	EMPLOYMENT OR HOUSING.
23	(7) An insurer, as defined in section 10-1-102 (13), or
24	FRATERNAL BENEFIT SOCIETY, AS DEFINED IN SECTION 10-14-102, IS IN
25	FULL COMPLIANCE WITH THIS PART 16 IF THE INSURER OR FRATERNAL
26	BENEFIT SOCIETY HAS IMPLEMENTED AND MAINTAINS A WRITTEN
27	ARTIFICIAL INTELLIGENCE SYSTEMS PROGRAM IN ACCORDANCE WITH ALL

-27- 205

I	REQUIREMENTS ESTABLISHED BY THE COMMISSIONER OF INSURANCE AND
2	THE REQUIREMENTS ESTABLISHED BY THE COMMISSIONER OF INSURANCE
3	ARE SUBSTANTIALLY EQUIVALENT OR MORE STRINGENT THAN THE
4	REQUIREMENTS OF THIS PART 16.
5	(8) (a) A BANK, OUT-OF-STATE BANK, CREDIT UNION CHARTERED
6	BY THE STATE OF COLORADO, FEDERAL CREDIT UNION, OUT-OF-STATE
7	CREDIT UNION, OR ANY AFFILIATE OR SUBSIDIARY THEREOF, IS IN FULL
8	COMPLIANCE WITH THIS PART 16 IF THE BANK, OUT-OF-STATE BANK,
9	CREDIT UNION CHARTERED BY THE STATE OF COLORADO, FEDERAL CREDIT
10	UNION, OUT-OF-STATE CREDIT UNION, OR AFFILIATE OR SUBSIDIARY IS
11	SUBJECT TO EXAMINATION BY A STATE OR FEDERAL PRUDENTIAL
12	REGULATOR UNDER ANY PUBLISHED GUIDANCE OR REGULATIONS THAT
13	APPLY TO THE USE OF HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEMS AND
14	THE GUIDANCE OR REGULATIONS:
15	(I) IMPOSE REQUIREMENTS THAT ARE SUBSTANTIALLY EQUIVALENT
16	TO OR MORE STRINGENT THAN THE REQUIREMENTS IMPOSED IN THIS PART
17	<u>16; AND</u>
18	(II) AT A MINIMUM, REQUIRE THE BANK, OUT-OF-STATE BANK,
19	CREDIT UNION CHARTERED BY THE STATE OF COLORADO, FEDERAL CREDIT
20	UNION, OUT-OF-STATE CREDIT UNION, OR AFFILIATE OR SUBSIDIARY TO:
21	(A) REGULARLY AUDIT THE BANK'S, OUT-OF-STATE BANK'S,
22	CREDIT UNION CHARTERED BY THE STATE OF COLORADO'S, FEDERAL
23	CREDIT UNION'S, OUT-OF-STATE CREDIT UNION'S, OR AFFILIATE'S OR
24	SUBSIDIARY'S USE OF HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEMS FOR
25	COMPLIANCE WITH STATE AND FEDERAL ANTIDISCRIMINATION LAWS AND
26	REGULATIONS APPLICABLE TO THE BANK, OUT-OF-STATE BANK, CREDIT
27	UNION CHARTERED BY THE STATE OF COLORADO, FEDERAL CREDIT UNION,

-28- 205

1	OUT-OF-STATE CREDIT UNION, OR AFFILIATE OR SUBSIDIARY; AND
2	(B) MITIGATE ANY ALGORITHMIC DISCRIMINATION CAUSED BY THE
3	USE OF A HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM OR ANY RISK OF
4	ALGORITHMIC DISCRIMINATION THAT IS REASONABLY FORESEEABLE AS A
5	RESULT OF THE USE OF A HIGH-RISK ARTIFICIAL INTELLIGENCE SYSTEM.
6	(b) As used in this subsection (8):
7	(I) "AFFILIATE" HAS THE MEANING SET FORTH IN SECTION
8	<u>11-101-401 (3.5).</u>
9	(II) "BANK" HAS THE MEANING SET FORTH IN SECTION 11-101-403
10	<u>(5).</u>
11	(III) "CREDIT UNION" HAS THE MEANING SET FORTH IN SECTION
12	<u>11-30-101 (1)(a).</u>
13	(IV) "OUT-OF-STATE BANK" HAS THE MEANING SET FORTH IN
14	<u>SECTION 11-101-401 (50).</u>
15	(9) If a developer, a deployer, or other person engages in
16	AN ACTION PURSUANT TO AN EXEMPTION SET FORTH IN THIS SECTION, THI
17	DEVELOPER, DEPLOYER, OR OTHER PERSON BEARS THE BURDEN OF
18	DEMONSTRATING THAT THE ACTION QUALIFIES FOR THE EXEMPTION.
19	6-1-1606. Enforcement by attorney general
20	(1) NOTWITHSTANDING SECTION 6-1-103, THE ATTORNEY GENERAL HAS
21	EXCLUSIVE AUTHORITY TO ENFORCE THIS PART 16.
22	(2) EXCEPT AS PROVIDED IN SUBSECTION (3) OF THIS SECTION, A
23	VIOLATION OF THE REQUIREMENTS ESTABLISHED IN THIS PART 16
24	CONSTITUTES AN UNFAIR TRADE PRACTICE PURSUANT TO SECTION 6-1-105
25	<u>(1)(eeee).</u>
26	(3) IN ANY ACTION COMMENCED BY THE ATTORNEY GENERAL TO
27	ENFORCE THIS PART 16, IT IS AN AFFIRMATIVE DEFENSE THAT THI

-29-

1	<u>DEVELOPER, DEPLOYER, OR OTHER PERSON:</u>
2	(a) DISCOVERS A VIOLATION OF THIS PART 16 AS A RESULT OF:
3	(I) FEEDBACK THAT THE DEVELOPER, DEPLOYER, OR OTHER
4	PERSON ENCOURAGES DEPLOYERS OR USERS TO PROVIDE TO THE
5	DEVELOPER, DEPLOYER, OR OTHER PERSON;
6	(II) ADVERSARIAL TESTING OR RED TEAMING, AS THOSE TERMS
7	ARE DEFINED OR USED BY THE NATIONAL INSTITUTE OF STANDARDS AND
8	TECHNOLOGY; OR
9	(III) AN INTERNAL REVIEW PROCESS; AND
10	(b) Is otherwise in compliance with:
11	(I) THE LATEST VERSION OF THE "ARTIFICIAL INTELLIGENCE RISK
12	MANAGEMENT FRAMEWORK" PUBLISHED BY THE NATIONAL INSTITUTE OF
13	STANDARDS AND TECHNOLOGY IN THE UNITED STATES DEPARTMENT OF
14	COMMERCE AND STANDARD ISO/IEC 42001 OF THE INTERNATIONAL
15	ORGANIZATION FOR STANDARDIZATION;
16	(II) Another nationally or internationally recognized
17	RISK MANAGEMENT FRAMEWORK FOR ARTIFICIAL INTELLIGENCE SYSTEMS:
18	<u>OR</u>
19	(III) ANY RISK MANAGEMENT FRAMEWORK FOR ARTIFICIAL
20	INTELLIGENCE SYSTEMS THAT THE ATTORNEY GENERAL, IN THE ATTORNEY
21	GENERAL'S DISCRETION, MAY DESIGNATE AND, IF DESIGNATED, SHALL
22	PUBLICLY DISSEMINATE.
23	(4) A DEVELOPER, A DEPLOYER, OR OTHER PERSON BEARS THE
24	BURDEN OF DEMONSTRATING TO THE ATTORNEY GENERAL THAT THE
25	REQUIREMENTS ESTABLISHED IN SUBSECTION (3) OF THIS SECTION HAVE
26	BEEN SATISFIED.
27	(5) NOTHING IN THIS PART 16, INCLUDING THE ENFORCEMENT

-30-

1	AUTHORITY GRANTED TO THE ATTORNEY GENERAL UNDER THIS SECTION,
2	PREEMPTS OR OTHERWISE AFFECTS ANY RIGHT, CLAIM, REMEDY,
3	PRESUMPTION, OR DEFENSE AVAILABLE AT LAW OR IN EQUITY. A
4	REBUTTABLE PRESUMPTION OR AFFIRMATIVE DEFENSE ESTABLISHED
5	UNDER THIS PART 16 APPLIES ONLY TO AN ENFORCEMENT ACTION
6	BROUGHT BY THE ATTORNEY GENERAL PURSUANT TO THIS SECTION AND
7	DOES NOT APPLY TO ANY RIGHT, CLAIM, REMEDY, PRESUMPTION, OR
8	DEFENSE AVAILABLE AT LAW OR IN EQUITY.
9	(6) This part 16 does not provide the basis for, and is not
10	SUBJECT TO, A PRIVATE RIGHT OF ACTION FOR VIOLATIONS OF THIS PART
11	16 or any other law.
12	6-1-1607. Rules. (1) THE ATTORNEY GENERAL MAY PROMULGATE
13	RULES AS NECESSARY FOR THE PURPOSE OF IMPLEMENTING AND
14	ENFORCING THIS PART 16, INCLUDING:
15	(a) THE DOCUMENTATION AND REQUIREMENTS FOR DEVELOPERS
16	<u>PURSUANT TO SECTION 6-1-1602 (2);</u>
17	(b) THE CONTENTS OF AND REQUIREMENTS FOR THE NOTICES AND
18	DISCLOSURES REQUIRED BY SECTIONS 6-1-1602 (5) AND (7); 6-1-1603 (4),
19	(5), (7), AND (9); AND 6-1-1604;
20	(c) THE CONTENT AND REQUIREMENTS OF THE RISK MANAGEMENT
21	POLICY AND PROGRAM REQUIRED BY SECTION 6-1-1603 (2);
22	(d) The content and requirements of the impact
23	ASSESSMENTS REQUIRED BY SECTION 6-1-1603 (3);
24	(e) THE REQUIREMENTS FOR THE REBUTTABLE PRESUMPTIONS SET
25	FORTH IN SECTIONS 6-1-1602 AND 6-1-1603; AND
26	(f) The requirements for the affirmative defense set forth
27	IN SECTION 6-1-1606 (3), INCLUDING THE PROCESS BY WHICH THE

-31-

1	ATTORNEY GENERAL WILL RECOGNIZE ANY OTHER NATIONALLY OR
2	INTERNATIONALLY RECOGNIZED RISK MANAGEMENT FRAMEWORK FOR
3	ARTIFICIAL INTELLIGENCE SYSTEMS.
4	SECTION 2. In Colorado Revised Statutes, 6-1-105, add
5	(1)(eeee) as follows:
6	6-1-105. Unfair or deceptive trade practices. (1) A person
7	engages in a deceptive trade practice when, in the course of the person's
8	business, vocation, or occupation, the person:
9	(eeee) VIOLATES PART 16 OF THIS ARTICLE 1.
10	SECTION 3. Safety clause. The general assembly finds,
11	determines, and declares that this act is necessary for the immediate
12	preservation of the public peace, health, or safety or for appropriations for
13	the support and maintenance of the departments of the state and state
14	<u>institutions.</u>

-32- 205