

First Extraordinary Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 25B-0004.01 Sarah Lozano x3858

HOUSE BILL 25B-1009

HOUSE SPONSORSHIP

Weinberg,

SENATE SPONSORSHIP

(None),

House Committees
Business Affairs & Labor

Senate Committees

A BILL FOR AN ACT

101 CONCERNING 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>.)

In 2024, the general assembly enacted Senate Bill 24-205, which created consumer protections in interactions with artificial intelligence systems (provisions).

The provisions include a definition of "consequential decision", which definition determines the types of artificial intelligence systems that are considered high-risk artificial intelligence systems for the purpose of the provisions and, therefore, regulated under current law. The bill narrows the definition of "consequential decision" to only include

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
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.

decisions related to employment or public safety.

The bill also:

- Changes the effective date of the provisions from February 1, 2026, to August 1, 2027;
- Exempts businesses with fewer than 250 employees from the provisions;
- Exempts businesses with less than \$5 million in annual revenue from the provisions; and
- Exempts local governments with fewer than 100,000 residents from the provisions.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 6-1-1701, **amend** (3);
3 **repeal** (8); and **add** (10.5) as follows:

4 **6-1-1701. Definitions.** As used in this part 17, unless the context
5 otherwise requires:

6 (3) "Consequential decision" means a decision that has a material
7 legal or similarly significant effect on ~~the provision or denial to any~~
8 ~~consumer of, or the cost or terms of:~~ EMPLOYMENT DECISIONS OR PUBLIC
9 SAFETY.

10 ~~(a) Education enrollment or an education opportunity;~~

11 ~~(b) Employment or an employment opportunity;~~

12 ~~(c) A financial or lending service;~~

13 ~~(d) An essential government service;~~

14 ~~(e) Health-care services;~~

15 ~~(f) Housing;~~

16 ~~(g) Insurance; or~~

17 ~~(h) A legal service.~~

18 ~~(8) "Health-care services" has the same meaning as provided in 42~~

19 ~~U.S.C. sec. 234 (d)(2).~~

20 (10.5) "LOCAL GOVERNMENT" MEANS A HOME RULE OR

1 STATUTORY MUNICIPALITY, COUNTY, OR SPECIAL DISTRICT.

2 **SECTION 2.** In Colorado Revised Statutes, 6-1-1702, **amend** (1),
3 (2) introductory portion, (3)(a), (4)(a) introductory portion, (5)
4 introductory portion, and (7) as follows:

5 **6-1-1702. Developer duty to avoid algorithmic discrimination**
6 **- required documentation.** (1) On and after ~~February 1, 2026~~ AUGUST
7 1, 2027, a developer of a high-risk artificial intelligence system shall use
8 reasonable care to protect consumers from any known or reasonably
9 foreseeable risks of algorithmic discrimination arising from the intended
10 and contracted uses of the high-risk artificial intelligence system. In any
11 enforcement action brought on or after ~~February 1, 2026~~ AUGUST 1, 2027,
12 by the attorney general pursuant to section 6-1-1706, there is a rebuttable
13 presumption that a developer used reasonable care as required under this
14 section if the developer complied with this section and any additional
15 requirements or obligations as set forth in rules ~~promulgated~~ ADOPTED by
16 the attorney general pursuant to section 6-1-1707.

17 (2) On and after ~~February 1, 2026~~ AUGUST 1, 2027, and except as
18 provided in subsection (6) of this section, a developer of a high-risk
19 artificial intelligence system shall make available to the deployer or other
20 developer of the high-risk artificial intelligence system:

21 (3) (a) Except as provided in subsection (6) of this section, a
22 developer that offers, sells, leases, licenses, gives, or otherwise makes
23 available to a deployer or other developer a high-risk artificial
24 intelligence system on or after ~~February 1, 2026~~ AUGUST 1, 2027, shall
25 make available to the deployer or other developer, to the extent feasible,
26 the documentation and information, through artifacts such as model cards,
27 dataset cards, or other impact assessments, necessary for a deployer, or

1 for a third party contracted by a deployer, to complete an impact
2 assessment pursuant to section 6-1-1703 (3).

3 (4) (a) On and after ~~February 1, 2026~~ AUGUST 1, 2027, a
4 developer shall make available, in a manner that is clear and readily
5 available on the developer's website or in a public use case inventory, a
6 statement summarizing:

7 (5) On and after ~~February 1, 2026~~ AUGUST 1, 2027, a developer
8 of a high-risk artificial intelligence system shall disclose to the attorney
9 general, in a form and manner prescribed by the attorney general, and to
10 all known deployers or other developers of the high-risk artificial
11 intelligence system, any known or reasonably foreseeable risks of
12 algorithmic discrimination arising from the intended uses of the high-risk
13 artificial intelligence system without unreasonable delay but no later than
14 ninety days after the date on which:

15 (7) On and after ~~February 1, 2026~~ AUGUST 1, 2027, the attorney
16 general may require that a developer disclose to the attorney general, no
17 later than ninety days after the request and in a form and manner
18 prescribed by the attorney general, the statement or documentation
19 described in subsection (2) of this section. The attorney general may
20 evaluate such statement or documentation to ensure compliance with this
21 part 17, and the statement or documentation is not subject to disclosure
22 under the "Colorado Open Records Act", part 2 of article 72 of title 24.
23 In a disclosure pursuant to this subsection (7), a developer may designate
24 the statement or documentation as including proprietary information or
25 a trade secret. To the extent that any information contained in the
26 statement or documentation includes information subject to
27 attorney-client privilege or work-product protection, the disclosure does

1 not constitute a waiver of the privilege or protection.

2 **SECTION 3.** In Colorado Revised Statutes, 6-1-1703, **amend** (1),
3 (2)(a) introductory portion, (3)(a), (3)(c), (3)(g), (4)(a) introductory
4 portion, (4)(b) introductory portion, (5)(a) introductory portion, (7), and
5 (9) as follows:

6 **6-1-1703. Deployer duty to avoid algorithmic discrimination**
7 **- risk management policy and program.** (1) On and after ~~February 1,~~
8 ~~2026~~ AUGUST 1, 2027, a deployer of a high-risk artificial intelligence
9 system shall use reasonable care to protect consumers from any known or
10 reasonably foreseeable risks of algorithmic discrimination. In any
11 enforcement action brought on or after ~~February 1, 2026~~ AUGUST 1, 2027,
12 by the attorney general pursuant to section 6-1-1706, there is a rebuttable
13 presumption that a deployer of a high-risk artificial intelligence system
14 used reasonable care as required under this section if the deployer
15 complied with this section and any additional requirements or obligations
16 as set forth in rules ~~promulgated~~ ADOPTED by the attorney general
17 pursuant to section 6-1-1707.

18 (2) (a) On and after ~~February 1, 2026~~ AUGUST 1, 2027, and except
19 as provided in subsection (6) of this section, a deployer of a high-risk
20 artificial intelligence system shall implement a risk management policy
21 and program to govern the deployer's deployment of the high-risk
22 artificial intelligence system. The risk management policy and program
23 must specify and incorporate the principles, processes, and personnel that
24 the deployer uses to identify, document, and mitigate known or
25 reasonably foreseeable risks of algorithmic discrimination. The risk
26 management policy and program must be an iterative process planned,
27 implemented, and regularly and systematically reviewed and updated over

1 the life cycle of a high-risk artificial intelligence system, requiring
2 regular, systematic review and updates. A risk management policy and
3 program implemented and maintained pursuant to this subsection (2) must
4 be reasonable considering:

5 (3) (a) Except as provided in subsections (3)(d), (3)(e), and (6) of
6 this section:

7 (I) A deployer, or a third party contracted by the deployer, that
8 deploys a high-risk artificial intelligence system on or after ~~February 1,~~
9 ~~2026~~ AUGUST 1, 2027, shall complete an impact assessment for the
10 high-risk artificial intelligence system; and

11 (II) On and after ~~February 1, 2026~~ AUGUST 1, 2027, a deployer,
12 or a third party contracted by the deployer, shall complete an impact
13 assessment for a deployed high-risk artificial intelligence system at least
14 annually and within ninety days after any intentional and substantial
15 modification to the high-risk artificial intelligence system is made
16 available.

17 (c) In addition to the information required under subsection (3)(b)
18 of this section, an impact assessment completed pursuant to this
19 subsection (3) following an intentional and substantial modification to a
20 high-risk artificial intelligence system on or after ~~February 1, 2026~~
21 AUGUST 1, 2027, must include a statement disclosing the extent to which
22 the high-risk artificial intelligence system was used in a manner that was
23 consistent with, or varied from, the developer's intended uses of the
24 high-risk artificial intelligence system.

25 (g) On or before ~~February 1, 2026~~ AUGUST 1, 2027, and at least
26 annually thereafter, a deployer, or a third party contracted by the deployer,
27 must review the deployment of each high-risk artificial intelligence

1 system deployed by the deployer to ensure that the high-risk artificial
2 intelligence system is not causing algorithmic discrimination.

3 (4) (a) On and after ~~February 1, 2026~~ AUGUST 1, 2027, and no
4 later than the time that a deployer deploys a high-risk artificial
5 intelligence system to make, or be a substantial factor in making, a
6 consequential decision concerning a consumer, the deployer shall:

7 (b) On and after ~~February 1, 2026~~ AUGUST 1, 2027, a deployer
8 that has deployed a high-risk artificial intelligence system to make, or be
9 a substantial factor in making, a consequential decision concerning a
10 consumer shall, if the consequential decision is adverse to the consumer,
11 provide to the consumer:

12 (5) (a) On and after ~~February 1, 2026~~ AUGUST 1, 2027, and except
13 as provided in subsection (6) of this section, a deployer shall make
14 available, in a manner that is clear and readily available on the deployer's
15 website, a statement summarizing:

16 (7) If a deployer deploys a high-risk artificial intelligence system
17 on or after ~~February 1, 2026~~ AUGUST 1, 2027, and subsequently discovers
18 that the high-risk artificial intelligence system has caused algorithmic
19 discrimination, the deployer, without unreasonable delay, but no later than
20 ninety days after the date of the discovery, shall send to the attorney
21 general, in a form and manner prescribed by the attorney general, a notice
22 disclosing the discovery.

23 (9) On and after ~~February 1, 2026~~ AUGUST 1, 2027, the attorney
24 general may require that a deployer, or a third party contracted by the
25 deployer, disclose to the attorney general, no later than ninety days after
26 the request and in a form and manner prescribed by the attorney general,
27 the risk management policy implemented pursuant to subsection (2) of

1 this section, the impact assessment completed pursuant to subsection (3)
2 of this section, or the records maintained pursuant to subsection (3)(f) of
3 this section. The attorney general may evaluate the risk management
4 policy, impact assessment, or records to ensure compliance with this part
5 17, and the risk management policy, impact assessment, and records are
6 not subject to disclosure under the "Colorado Open Records Act", part 2
7 of article 72 of title 24. In a disclosure pursuant to this subsection (9), a
8 deployer may designate the statement or documentation as including
9 proprietary information or a trade secret. To the extent that any
10 information contained in the risk management policy, impact assessment,
11 or records includes information subject to attorney-client privilege or
12 work-product protection, the disclosure does not constitute a waiver of
13 the privilege or protection.

14 **SECTION 4.** In Colorado Revised Statutes, 6-1-1704, **amend** (1)
15 as follows:

16 **6-1-1704. Disclosure of an artificial intelligence system to**
17 **consumer.** (1) On and after ~~February 1, 2026~~ AUGUST 1, 2027, and
18 except as provided in subsection (2) of this section, a deployer or other
19 developer that deploys, offers, sells, leases, licenses, gives, or otherwise
20 makes available an artificial intelligence system that is intended to
21 interact with consumers shall ensure the disclosure to each consumer who
22 interacts with the artificial intelligence system that the consumer is
23 interacting with an artificial intelligence system.

24 **SECTION 5.** In Colorado Revised Statutes, 6-1-1705, **add** (10)
25 as follows:

26 **6-1-1705. Compliance with other legal obligations -**
27 **exemptions - definitions - rules.** (10) NOTWITHSTANDING ANY

1 PROVISION OF THIS PART 17 TO THE CONTRARY, THIS PART 17 DOES NOT
2 APPLY TO A PERSON THAT IS:

3 (a) A LOCAL GOVERNMENT WITH A TOTAL POPULATION OF FEWER
4 THAN ONE HUNDRED THOUSAND RESIDENTS; OR

5 (b) A BUSINESS WITH:

6 (I) FEWER THAN TWO HUNDRED FIFTY EMPLOYEES; OR

7 (II) LESS THAN FIVE MILLION DOLLARS IN ANNUAL REVENUE IN THE
8 PREVIOUS CALENDAR YEAR.

9 **SECTION 6. Act subject to petition - effective date.** This act
10 takes effect at 12:01 a.m. on the day following the expiration of the
11 ninety-day period after final adjournment of the general assembly; except
12 that, if a referendum petition is filed pursuant to section 1 (3) of article V
13 of the state constitution against this act or an item, section, or part of this
14 act within such period, then the act, item, section, or part will not take
15 effect unless approved by the people at the general election to be held in
16 November 2026 and, in such case, will take effect on the date of the
17 official declaration of the vote thereon by the governor.