

SENATE COMMITTEE OF REFERENCE REPORT

	August 21, 2025
Chair of Committee	Date

Committee on Business, Labor, & Technology.

After consideration on the merits, the Committee recommends the following:

SB25B-004 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, page 2, strike line 10 and substitute:

2 "(1) (a) "ALGORITHMIC DECISION SYSTEM" MEANS ANY
3 TECHNOLOGY, INCLUDING SOFTWARE OR PROGRAMS DERIVED FROM
4 MACHINE LEARNING, STATISTICS, OTHER DATA-PROCESSING TECHNIQUES,
5 OR ARTIFICIAL INTELLIGENCE, THAT PROCESSES PERSONAL
6 CHARACTERISTICS AND USES THE OUTPUT TO ASSIST, INFORM, OR REPLACE
7 HUMAN DECISION-MAKING WITH RESPECT TO A DECISION DESCRIBED IN
8 SECTION 6-1-1704 (1). "ALGORITHMIC DECISION SYSTEM" INCLUDES A
9 TECHNOLOGY USED TO GENERATE A SCORE, RANKING, CLASSIFICATION, OR
10 PREDICTION ABOUT AN INDIVIDUAL THE HUMAN REVIEWER CONSIDERS
11 WHEN MAKING A DECISION DESCRIBED IN SECTION 6-1-1704 (1).".

12 Page 3, strike lines 1 through 7.

13 Page 4, after line 4 insert:

14 "(2) "ASSIST, INFORM, OR REPLACE HUMAN DECISION-MAKING"
15 MEANS TO USE INFORMATION AS A CONTRIBUTING FACTOR IN A DECISION
16 DESCRIBED IN SECTION 6-1-1704 (1).".

17 Renumber succeeding subsections accordingly.

18 Page 4, line 17, strike "SYSTEM." and substitute "SYSTEM IN A DECISION
19 DESCRIBED IN SECTION 6-1-1704 (1).".

20 Page 5, line 4, strike "(17);" and substitute "(17)(a), BUT WITHOUT
21 REGARD TO THE REQUIREMENTS OF SECTION 6-1-1303 (17)(b);".

1 Page 5, line 21, strike "**systems.**" and substitute "**systems - exemption.**".

2 Page 6, after line 10 insert:

3 "(2) THIS PART 17 DOES NOT APPLY TO A DEVELOPER IF THE
4 DEVELOPER:

5 (a) DISTRIBUTES ALL COMPONENTS OF AN ALGORITHMIC DECISION
6 SYSTEM DEVELOPED BY THE DEVELOPER PURSUANT TO TERMS ALLOWING
7 A RECIPIENT TO FREELY ACCESS, USE, STUDY, MODIFY, AND SHARE THE
8 COMPONENTS OR MODIFIED VERSIONS OF THE COMPONENTS; OR

9 (b) PARTICIPATES IN THE DEVELOPMENT OR DISTRIBUTION OF AN
10 ALGORITHMIC DECISION SYSTEM IN WHICH ALL COMPONENTS OF THE
11 ALGORITHMIC DECISION SYSTEM DEVELOPED BY THE DEVELOPER ARE
12 DISTRIBUTED PURSUANT TO TERMS ALLOWING A RECIPIENT TO FREELY
13 ACCESS, USE, STUDY, MODIFY, AND SHARE THE COMPONENTS OR MODIFIED
14 VERSIONS OF THE COMPONENTS."

15 Page 6, line 12, strike "**systems.**" and substitute "**systems - exemption -
16 definition.**".

17 Page 8, after line 7 insert:

18 "(3) (a) AS USED IN THIS SECTION, "FINANCIAL OR LENDING
19 SERVICE" MEANS A FINANCIAL OR LENDING SERVICE FOR CONSUMER OR
20 HOUSEHOLD PURPOSES WITH RESPECT TO THE OPENING OR CLOSING OF
21 BANKING, CREDIT UNION, CREDIT CARD, OR OTHER ACCOUNTS, OR THE
22 INTEREST RATES, PAYMENT SCHEDULES, MINIMUM PAYMENT AMOUNTS,
23 AND OTHER MATERIAL TERMS AND CONDITIONS OF SUCH ACCOUNTS, BUT
24 EXCLUDING:

25 (I) INDIVIDUAL BANKING OR CREDIT UNION ACCOUNT
26 TRANSACTIONS, INCLUDING ROUTINE CHECKING ACCOUNTS, SAVINGS
27 ACCOUNTS, AND DEBIT AND CREDIT CARD TRANSACTIONS;

28 (II) SECURITIES TRANSACTIONS AND ACCOUNTS, AS THE TERM
29 "SECURITY" IS DEFINED IN SECTION 11-51-201 (17);

30 (III) DERIVATIVES TRANSACTIONS AND ACCOUNTS, AS THE TERM
31 "DERIVATIVES TRANSACTION" IS DEFINED IN 17 CFR 270.18f-4, AS THAT
32 SECTION EXISTED ON JULY 1, 2025; AND

33 (IV) SERVICES PROVIDED TO AN INDIVIDUAL ACTING IN THEIR
34 CAPACITY AS AN "ACCREDITED INVESTOR", AS DEFINED IN 17 CFR
35 230.501, AS THAT SECTION EXISTED ON JULY 1, 2025.

36 (b) THIS SECTION DOES NOT APPLY TO A SYSTEM OR TOOL TO THE
37 EXTENT IT IS AN ANTI-FRAUD SYSTEM OR TOOL USED BY AN INSTITUTION
38 INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR
39 NATIONAL CREDIT UNION ADMINISTRATION IN ACCORDANCE WITH 15

1 U.S.C. SEC. 6801 TO PREVENT, DETECT, OR RESPOND TO UNLAWFUL AND
2 MALICIOUS CONDUCT OR TO COMPLY WITH FEDERAL OR STATE LAW FOR
3 CREDIT DECISIONS.

4 (c) A DEPLOYER THAT IS AN INSTITUTION INSURED BY THE
5 FEDERAL DEPOSIT INSURANCE CORPORATION OR NATIONAL CREDIT UNION
6 ADMINISTRATION SATISFIES THE REQUIREMENTS OF SUBSECTION (2)(b) OF
7 THIS SECTION BY PROVIDING AN INDIVIDUAL WITH:

8 (I) SEPARATE NOTICES FOR EACH DECISION; OR
9 (II) A COMBINED NOTICE PROVIDING THE REQUIRED INFORMATION
10 FOR EACH DECISION CONCERNING THE INDIVIDUAL WITHIN THE PRECEDING
11 THIRTY DAYS."

12 Page 8, after line 7 insert:

13 "(4) SUBSECTIONS (2)(b)(II) AND (2)(b)(III) OF THIS SECTION AND
14 SECTION 6-1-1705 DO NOT APPLY TO A DEPLOYER IF:

15 (a) THE DEPLOYER IS A PUBLIC ENTITY;
16 (b) THE INFORMATION SUBJECT TO THE DISCLOSURES REQUIRED BY
17 SUBSECTIONS (2)(b)(II) AND (2)(b)(III) OF THIS SECTION AND SECTION
18 6-1-1705 IS AVAILABLE THROUGH A REQUEST FOR RECORDS PURSUANT TO
19 THE "COLORADO OPEN RECORDS ACT", PART 2 OF ARTICLE 72 OF TITLE
20 24; AND

21 (c) THE DEPLOYER PROVIDES THE INDIVIDUAL WITH INSTRUCTIONS
22 ON HOW TO FILE A REQUEST FOR RECORDS PURSUANT TO THE "COLORADO
23 OPEN RECORDS ACT" WITH THE PUBLIC ENTITY REGARDING WHAT
24 PERSONAL CHARACTERISTICS ABOUT THE INDIVIDUAL WERE USED IN THE
25 DECISION."

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