

CHAPTER 3

CONSUMER AND COMMERCIAL TRANSACTIONS

SENATE BILL 25B-004

BY SENATOR(S) Rodriguez, Amabile, Baisley, Ball, Exum, Frizell, Gonzales J., Kirkmeyer, Marchman, Pelton B., Simpson, Snyder, Coleman;
also REPRESENTATIVE(S) Bacon, Bird, Carter, Duran, Espenozo, Gonzalez R., Lindstedt, Pugliese, Taggart, McCluskie.

AN ACT

CONCERNING MEASURES EFFECTIVE NO LATER THAN JUNE 30, 2026, TO INCREASE TRANSPARENCY
FOR ALGORITHMIC SYSTEMS.

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

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

6-1-1702. Developer duty to avoid algorithmic discrimination - required documentation. (1) On and after ~~February 1, 2026~~ JUNE 30, 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~~ JUNE 30, 2026, by the attorney general pursuant to section 6-1-1706, 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~~ ADOPTED by the attorney general pursuant to section 6-1-1707.

(2) On and after ~~February 1, 2026~~ JUNE 30, 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:

(3) (a) Except as provided in subsection (6) of this section, a developer that offers, sells, leases, licenses, gives, or otherwise makes available to a deployer or

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

other developer a high-risk artificial intelligence system on or after ~~February 1, 2026~~ JUNE 30, 2026, shall make available to the deployer or other developer, to the extent feasible, the documentation and information, through artifacts such as model cards, dataset cards, or other impact assessments, necessary for a deployer, or for a third party contracted by a deployer, to complete an impact assessment pursuant to section 6-1-1703 (3).

(4) (a) On and after ~~February 1, 2026~~ JUNE 30, 2026, a developer shall make available, in a manner that is clear and readily available on the developer's website or in a public use case inventory, a statement summarizing:

(5) On and after ~~February 1, 2026~~ JUNE 30, 2026, a developer of a high-risk artificial intelligence system shall disclose to the attorney general, in a form and manner prescribed by the attorney general, and to all known deployers or other developers of the high-risk artificial intelligence system, any known or reasonably foreseeable risks of algorithmic discrimination arising from the intended uses of the high-risk artificial intelligence system without unreasonable delay but no later than ninety days after the date on which:

(7) On and after ~~February 1, 2026~~ JUNE 30, 2026, the attorney general may require that a developer disclose to the attorney general, no later than ninety days after the request and in a form and manner prescribed by the attorney general, the statement or documentation described in subsection (2) of this section. The attorney general may evaluate such statement or documentation to ensure compliance with this part 17, and the statement or documentation is not subject to disclosure under the "Colorado Open Records Act", part 2 of article 72 of title 24. In a disclosure MADE pursuant to this subsection (7), a developer may designate the statement or documentation as including proprietary information or a trade secret. To the extent that any information contained in the statement or documentation includes information subject to attorney-client privilege or work-product protection, the disclosure does not constitute a waiver of the privilege or protection.

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

6-1-1703. Deployer duty to avoid algorithmic discrimination - risk management policy and program. (1) On and after ~~February 1, 2026~~ JUNE 30, 2026, a deployer of a high-risk artificial intelligence system shall use reasonable care to protect consumers from any known or reasonably foreseeable risks of algorithmic discrimination. In any enforcement action brought on or after ~~February 1, 2026~~ JUNE 30, 2026, by the attorney general pursuant to section 6-1-1706, there is a rebuttable presumption that a deployer of a high-risk artificial intelligence system used reasonable care as required under this section if the deployer complied with this section and any additional requirements or obligations as set forth in rules ~~promulgated~~ ADOPTED by the attorney general pursuant to section 6-1-1707.

(2) (a) On and after ~~February 1, 2026~~ JUNE 30, 2026, and except as provided in subsection (6) of this section, a deployer of a high-risk artificial intelligence system shall implement a risk management policy and program to govern the deployer's deployment of the high-risk artificial intelligence system. The risk management

policy and program must specify and incorporate the principles, processes, and personnel that the deployer uses to identify, document, and mitigate known or reasonably foreseeable risks of algorithmic discrimination. The risk management policy and program must be an iterative process planned, implemented, and regularly and systematically reviewed and updated over the life cycle of a high-risk artificial intelligence system, requiring regular, systematic review and updates. A risk management policy and program implemented and maintained pursuant to this subsection (2) must be reasonable considering:

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

(I) A deployer, or a third party contracted by the deployer, that deploys a high-risk artificial intelligence system on or after ~~February 1, 2026~~ JUNE 30, 2026, shall complete an impact assessment for the high-risk artificial intelligence system; and

(II) On and after ~~February 1, 2026~~ JUNE 30, 2026, a deployer, or a third party contracted by the deployer, shall complete an impact assessment for a deployed high-risk artificial intelligence system at least annually and within ninety days after any intentional and substantial modification to the high-risk artificial intelligence system is made available.

(c) In addition to the information required under subsection (3)(b) of this section, an impact assessment completed pursuant to this subsection (3) following an intentional and substantial modification to a high-risk artificial intelligence system on or after ~~February 1, 2026~~ JUNE 30, 2026, must include a statement disclosing the extent to which the high-risk artificial intelligence system was used in a manner that was consistent with, or varied from, the developer's intended uses of the high-risk artificial intelligence system.

(g) On or before ~~February 1, 2026~~ JUNE 30, 2026, and at least annually thereafter, a deployer, or a third party contracted by the deployer, must review the deployment of each high-risk artificial intelligence system deployed by the deployer to ensure that the high-risk artificial intelligence system is not causing algorithmic discrimination.

(4) (a) On and after ~~February 1, 2026~~ JUNE 30, 2026, and no later than the time that a deployer deploys a high-risk artificial intelligence system to make, or be a substantial factor in making, a consequential decision concerning a consumer, the deployer shall:

(b) On and after ~~February 1, 2026~~ JUNE 30, 2026, a deployer that has deployed a high-risk artificial intelligence system to make, or be a substantial factor in making, a consequential decision concerning a consumer shall, if the consequential decision is adverse to the consumer, provide to the consumer:

(5) (a) On and after ~~February 1, 2026~~ JUNE 30, 2026, and except as provided in subsection (6) of this section, a deployer shall make available, in a manner that is clear and readily available on the deployer's website, a statement summarizing:

(7) If a deployer deploys a high-risk artificial intelligence system on or after

~~February 1, 2026~~ JUNE 30, 2026, and subsequently discovers that the high-risk artificial intelligence system has caused algorithmic discrimination, the deployer, without unreasonable delay, but no later than ninety days after the date of the discovery, shall send to the attorney general, in a form and manner prescribed by the attorney general, a notice disclosing the discovery.

(9) On and after ~~February 1, 2026~~ JUNE 30, 2026, the attorney general may require that a deployer, or a third party contracted by the deployer, disclose to the attorney general, no later than ninety days after the request and in a form and manner prescribed by the attorney general, the risk management policy implemented pursuant to subsection (2) of this section, the impact assessment completed pursuant to subsection (3) of this section, or the records maintained pursuant to subsection (3)(f) of this section. The attorney general may evaluate the risk management policy, impact assessment, or records to ensure compliance with this part 17, and the risk management policy, impact assessment, and records are not subject to disclosure under the "Colorado Open Records Act", part 2 of article 72 of title 24. In a disclosure MADE pursuant to this subsection (9), a deployer may designate the statement or documentation as including proprietary information or a trade secret. To the extent that any information contained in the risk management policy, impact assessment, or records includes information subject to attorney-client privilege or work-product protection, the disclosure does not constitute a waiver of the privilege or protection.

SECTION 3. In Colorado Revised Statutes, 6-1-1704, **amend** (1) as follows:

6-1-1704. Disclosure of an artificial intelligence system to consumer. (1) On and after ~~February 1, 2026~~ JUNE 30, 2026, and except as provided in subsection (2) of this section, a deployer or other developer that deploys, offers, sells, leases, licenses, gives, or otherwise makes available an artificial intelligence system that is intended to interact with consumers shall ensure the disclosure to each consumer who interacts with the artificial intelligence system that the consumer is interacting with an artificial intelligence system.

SECTION 4. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: August 28, 2025