



**COLORADO**  
Governor Jared Polis

June 13, 2024

To innovators, consumers, and all those interested in the AI space:

Colorado is proud to be on the forefront of innovation in the technology sector. As one of the leading economies in the country, our state is attracting and retaining leading companies that support thousands of well-paying local jobs, while protecting consumers from discrimination as they interact with new technologies.

We share a commitment to honor the right of all Coloradans to be free from discrimination. Discrimination on the basis of age, disability, race, religion and other classifications is illegal and wrong, and businesses that discriminate should be held accountable. We also recognize the extraordinary importance of maintaining Coloradans' trust that we will uphold this commitment, especially as burgeoning Artificial Intelligence (AI) technologies become more mature and sophisticated.

On May 17, 2024 Governor Polis signed into law SB24-205, which establishes a regulatory framework under which the State of Colorado will lower the risk of unwanted bias in certain AI-driven decision-making. The law will not go into effect until 2026 at the earliest. Recognizing the rapidly evolving and ubiquitous nature of AI in software used by businesses of all sizes across all sectors, we write today to provide additional clarity on how State and legislative leaders plan to collaborate with industry partners and other stakeholders on changes to this policy to ensure the final regulatory framework will protect consumers and support Colorado's leadership in the AI sector including through job growth, innovation and investment in Colorado's technology sector.

Starting today in the lead up to the 2025 legislative session and well before the February 2026 deadline for implementation of the law, at the Governor and legislative leadership's direction, state and legislative leaders will engage in a process to revise the new law, and minimize unintended consequences associated with its implementation. These conversations will complement the formal processes already established, including the convening of a legislatively-established task force that will consider issues and propose policy recommendations to the Colorado General Assembly's Joint Technology Committee related to Artificial Intelligence. Each of

these processes will allow for continued robust stakeholder feedback, ongoing education of state regulators and policymakers, and consideration of changes that will provide for a balanced regulatory scheme that prevents discrimination while supporting innovation in technology.

In the time since SB24-205 was signed into law, many of our home grown businesses have highlighted the risk that an overly broad definition of AI, coupled with proactive disclosure requirements, could inadvertently impose prohibitively high costs on them, resulting in barriers to growth and product development, job losses, and a diminished capacity to raise capital. To address these concerns, we will focus on improvements in a handful of specific areas as we begin the process of Colorado's new AI law before it takes effect:

- Refining the definition of artificial intelligence systems to the most high-risk systems in order to align the definition with federal measures and other frameworks established by states with substantial technology sectors;
- Focusing regulation on the developers of these high risk systems rather than those smaller companies that may deploy AI within third-party software that they use in the ordinary course of business;
- Shifting from a proactive disclosure regime to the traditional enforcement regime managed by the Attorney General investigating matters after the fact;
- Making clear that the consumer right of appeal refers to the ability of consumers to appeal to the Colorado Attorney General about matters they believe warrant investigation, related to any discrimination resulting from the use of Artificial Intelligence. Moreover, consumers also have the right to bring a matter to the attention of the Colorado Civil Rights Commission relating to alleged discrimination; and
- Considering other measures the state can take to become the most welcoming environment for technological innovation while preventing discrimination, especially for early-stage companies.

Finally, we agree that a state-by-state patchwork of regulation poses significant challenges to the cultivation of a strong technology sector. It is our intention that Colorado's action in this space signals to federal policymakers the interest among states in establishing a national regulatory framework for AI, rather than an intent to create one of 50 distinct regulatory frameworks. Similarly, we believe that harmony across any regulatory framework adopted by states would limit the burden associated with a multi-state compliance scheme that deters investment and hampers small technology firms. We will work to ensure that Colorado's laws are consistent with forthcoming regulation in other states and do not create unique burdens on Colorado

companies and consumers, and remain open to delays in the implementation of this law to ensure such harmonization.

We are confident that this collaboration will support a thriving technology sector in Colorado that puts consumers and innovation first, letting the world know that Colorado is open for business. We look forward to getting to work.

Sincerely,

A handwritten signature in blue ink that reads "Jared Polis". The signature is fluid and cursive, with the first name "Jared" being more prominent than the last name "Polis".

Jared Polis  
Governor

A handwritten signature in blue ink that reads "Phil J. Weiser". The signature is written in a cursive style, with the first name "Phil" and the last name "Weiser" being clearly legible.

Phil Weiser  
Attorney General

A handwritten signature in blue ink that reads "Robert Rodriguez". The signature is written in a cursive style, with the first name "Robert" and the last name "Rodriguez" being clearly legible.

Robert Rodriguez  
Senate Majority Leader