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The Honorable Colorado General Assembly
The 74th General Assembly
Second Regular Session
State Capitol
200 E. Colfax Ave.
Denver, CO 80203

Dear Honorable Members of the Colorado General Assembly:

Today, with reservations, I signed Senate Bill 24-205, "Concerning Consumer Protections in Interactions with Artificial Intelligence Systems." This is an important conversation to have, and in signing this bill I hope that it furthers the conversation, especially at the national level.

Senate Bill 24-205 ("SB 24-205") imposes new regulations on developers and deployers of high risk artificial intelligence systems ("AI"), which the bill defines as any machine-based system that infers from data inputs how to generate outputs and does not go into effect until 2026. The bill specifically targets "high risk" AI systems that are involved in making consequential decisions, and imposes a duty on developers and deployers to avoid "algorithmic discrimination" in the use of such systems. Laws that seek to prevent discrimination generally focus on prohibiting intentional discriminatory conduct. Notably, this bill deviates from that practice by regulating the results of AI system use, regardless of intent, and I encourage the legislature to reexamine this concept as the law is finalized before it takes effect in 2026.

This law creates a complex compliance regime for all developers and deployers of AI doing business in Colorado, with narrow exceptions for small deployers. There are also significant, affirmative reporting requirements between developer and deployer, to the attorney general, and to consumers. These include direct notifications from deployers to all consumers using high-risk AI about how the AI was used in a consequential decision, the type of data that was processed by AI in making the consequential decision, and the source of such data. Deployers will also be required to provide consumers an opportunity to correct data input into AI and appeal an adverse consequential decision, which may necessitate human review.

This bill is among the first in the country to attempt to regulate the burgeoning artificial intelligence industry on such a scale. I appreciate the sponsors' interest in preventing discrimination and prioritizing consumer protection as Colorado leads in this space, and I encourage them to significantly improve on this before it takes effect. And while the guardrails,

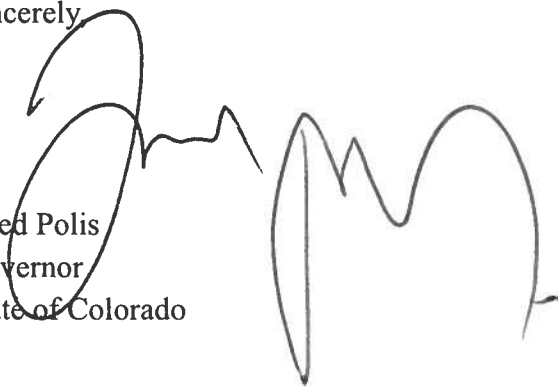
long timeline for implementation and limitations contained in the final version are adequate for me to sign this legislation today, I am concerned about the impact this law may have on an industry that is fueling critical technological advancements across our state for consumers and enterprises alike. Government regulation that is applied at the state level in a patchwork across the country can have the effect to hamper innovation and deter competition in an open market. To that end, the important work of protecting consumers from discrimination and other unintended consequences of nascent AI technologies is better considered and applied by the federal government to limit and preempt varied compliance burdens on innovators and ensure a level playing field across states along with ensuring access to life-saving and money-saving AI technologies for consumers.

Stakeholders, including industry leaders, must take the intervening two years before this measure takes effect to fine tune the provisions and ensure that the final product does not hamper development and expansion of new technologies in Colorado that can improve the lives of individuals across our state. It is critical that such discussions among stakeholders be based on a robust understanding of how the AI industry is developing, the impact of creating a separate anti-discrimination framework for AI systems only, and what our country is doing as a whole to adapt to this change in our society.

I appreciate the goals of the sponsors to begin an important and overdue conversation to protect consumers from misunderstood and even nefarious practices in a burgeoning industry and the bipartisan efforts to bring this bill to me. However, I want to be clear in my goal of ensuring Colorado remains home to innovative technologies and our consumers are able to fully access important AI-based products. Should the federal government not preempt this with a needed cohesive federal approach, I encourage the General Assembly to work closely with stakeholders to craft future legislation for my signature that will amend this bill to conform with evidence based findings and recommendations for the regulation of this industry.

Sincerely

Jared Polis
Governor
State of Colorado

A handwritten signature in black ink, appearing to be 'Jared Polis', written over the typed name. The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail.