

# Colorado Artificial Intelligence Act (SB 24-205) Cheat Sheet



Takes effect on  
**June 30th,  
2026**

## APPLICABILITY

The law applies to **developers** and **deployers** of AI systems.

- A **developer** is any person doing business in Colorado who intentionally and substantially modifies an AI system.
- A **deployer** is any person doing business in Colorado who uses high-risk AI systems.

**Developers** and **deployers** must use reasonable care to protect consumers from any known or reasonably foreseeable risks of algorithmic discrimination.

There is a rebuttable presumption of reasonable care (i.e., considered fact unless proven otherwise) if the **developer/deployer** is in compliance with the law.

## KEY DEFINITIONS

**Algorithmic Discrimination** is defined as unlawful differential treatment or impact that disfavors an individual or group of individuals on the basis or their actual or perceived:

- Age
- Color
- Disability
- Ethnicity
- Genetic information
- English proficiency
- National origin
- Race
- Religion
- Reproductive health
- Sex
- Veteran status, or
- Other classifications protected under CO state or federal law.

**High-Risk AI Systems** are those that are used to make or are a substantial factor in making consequential decisions, such as those that could affect:

- Employment or employment opportunity
- Education enrollment or opportunity
- Financial or lending services
- Essential government services
- Healthcare services
- Housing
- Insurance
- Legal services

An **intentional and substantial modification** means a deliberate change made to an AI system that results in any new reasonably foreseeable risk of discrimination.

An **impact assessment** must be completed by either the deployer or a third party contracted by the deployer.

## IMPACT ASSESSMENT REQUIREMENTS (DEPLOYERS ONLY)

Must include:

1. A statement disclosing the purpose, intended use cases, and context and benefits of the AI system.
2. An analysis of whether the AI system poses any known or reasonably foreseeable risks of discrimination and any steps that have been taken to mitigate risks if discrimination is present.
3. A description of the categories of data the AI system uses as inputs and outputs.
4. If applicable, a description of the categories of data used to customize the AI system.
5. Any metrics used to evaluate the performance and known limitations of the AI system.
6. A description of any transparency measures taken concerning the AI system, and
7. A description of post-deployment monitoring and safeguards of the AI system.



Impact assessments must be completed at least annually and within 90 days of any intentional and substantial modification to the AI system.

Impact assessments that are completed to comply with another law or regulation can satisfy the requirements if the impact assessment is reasonably similar in scope and effect.

## NOTICE REQUIREMENTS

The **deployer** must:

1. Notify the consumer that the deployer has deployed an AI assessment that is going to make or be a substantial factor in making a decision,
2. Include a statement disclosing the purpose of the AI system, the contact information of the deployer, and a description of the AI system, and
3. Provide information to the consumer on the right to opt out of the processing of their personal data for the purpose of making decisions.

If the decision was adverse to the consumer (i.e., a Colorado resident), the **deployer** must provide:

1. A statement on the reasons for the decision,
2. Information on the extent to which the AI system contributed to the decision,
3. The type of data used, and
4. The sources of data used.

Consumers must also be given an opportunity to correct any incorrect personal information and an opportunity to appeal the adverse decision.

If the **deployer** discovers that an AI system has caused discrimination, they must notify the attorney general within 90 days. **Developers** are subject to the same requirement and must also notify any known deployers of their AI system.

**Developers** and **deployers** of AI systems that are intended to interact with consumers must disclose to each consumer who interacts with the AI system that they are interacting with an AI system, unless it is obvious to a reasonable person that the consumer is interacting with an AI system.

## PUBLISHING REQUIREMENTS

The **developer** must make information available to a deployer or third party contracted by the deployer to complete an impact assessment. This may include model cards, dataset cards, or other impact assessments.

Developers that are also deployers do not have to provide this documentation unless they also provide their AI systems to deployers.

The **developer** must include a clear and readily available statement on their website that summarizes:

1. The types of AI systems that the developer has developed or intentionally and substantially modified and currently makes available to a deployer or other developer, and
2. How the developer manages known or reasonably foreseeable risks of discrimination that may arise from use of the AI system.

The **developer** must update the statement as often as necessary to maintain its accuracy and within 90 days of making an intentional and substantial modification to the AI system. The attorney general can require that a developer disclose within 90 days any documentation necessary to comply with the law.

The **deployer** must make available in a clear and readily available manner on their website a statement that summarizes:

1. The types of AI systems used by the deployer,
2. How the deployer manages known or reasonably foreseeable risks, and
3. The detail, nature, and source of information collected and used by the deployer.

The attorney general can require that a **deployer** or **third party of the deployer** disclose within 90 days the risk management policy, impact assessment, or records maintained to comply with the law.

## OTHER REQUIREMENTS

**Deployers** must have a risk management policy that specifies the principles, processes, and personnel that the deployer uses to identify, document, and mitigate known or reasonably foreseeable risks of discrimination. The policy be regularly reviewed and updated over the life cycle of the AI system.

The risk management policy and program must be reasonable considering the standards set forth in the National Institute of Standards and Technology (NIST) Artificial Intelligence Risk Management Framework<sup>1</sup> or other framework recognized nationally and/or by the state attorney general.

1. NIST (2023). <https://nvlpubs.nist.gov/nistpubs/ai/nist.ai.100-1.pdf>.

## EXEMPTIONS

The **deployer** will be exempt from requirements if the deployer:

- Employs fewer than 50 full-time equivalent employees,
- Does not use their own data to train the AI system,
- Uses the AI system for its intended uses disclosed by the developer, and
- Makes certain information related to impact assessments available to consumers.

The law does not apply to developers and deployers that have been authorized by a federal agency or other federal government uses such as conducting research or performing work under a contract for certain government agencies<sup>2</sup> or to certain industries subject to other compliance obligations (e.g., insurance, finance).

*2. Performing work under a contract with a federal agency is not an exception when the AI system is used to make housing or employment decisions.*

## ENFORCEMENT

There is no private right of action under the law. Exclusive enforcement is left to the state attorney general's office.

If the attorney general commences an action, it is an affirmative defense (i.e., the developer or deployer can avoid liability) if they discover and cure a violation as a result of 1) encouraging user feedback, 2) red teaming, and 3) an internal review process, as long as they are otherwise in compliance with the NIST AI Risk Management Framework<sup>3</sup> or other framework recognized nationally and/or by the state attorney general.

*3. NIST (2023). <https://nvlpubs.nist.gov/nistpubs/ai/nist.ai.100-1.pdf>.*



Stay tuned to the **[DCI Consulting Blog](#)** and the **[DCI website](#)** for updates on state, local, and federal AI laws and regulations, and reach out to **[contracts@dciconsult.com](mailto:contracts@dciconsult.com)** to find out how DCI can help your organization maintain compliance.