



May 24, 2024

The Honorable Jared Polis
Governor of the State of Colorado
200 E. Colfax Avenue
Room 136
Denver, Colorado 80203

Re: SB24-205, Industry Concerns

Dear Governor Polis:

On behalf of the undersigned organizations representing thousands of companies in Colorado, we write to express our appreciation of and recognition of your concerns expressed in your signing statement for SB24-205, legislation focused on artificial intelligence (AI). Our organizations sought to provide our industry perspectives and expertise to improve the bill, yet, the overwhelming majority of our concerns remain unaddressed. As a result, we share your concern that this bill will impact industry that is fueling critical technological advancements for Colorado,

harming Colorado businesses large and small, AI startups, and the future growth of the Colorado economy.

We recognize and appreciate the leadership of the sponsors to take up an issue on the cutting edge of policy. We also recognize and appreciate that the sponsors made some improvements to the bill through their efforts to pass it. However, this bill is not ready for implementation and we agree with your call that the two years before implementation are used to ensure that the final law does not hinder the development of and expansion of new technologies, and the growth of the tech economy in Colorado, as a result. Our organizations agree with your call for further discussion with stakeholders on how to craft sound AI policy in Colorado. Our organizations would appreciate the opportunity to discuss this issue in an interim Task Force, such as the one created in HB24-1468, in order to be able to share our expertise on AI with legislators and ensure that our concerns are understood and discussed. Our organizations bring diverse perspectives on AI policy and must have our concerns considered going forward through a stakeholder process that allows us to continue to work with policymakers.

Stakeholder involvement over the next two years is critical, because the legislative process to pass SB24-205 was rushed and did not allow adequate stakeholder input as the bill went through the General Assembly in less than four weeks. Key decisions about the bill were dependent on Connecticut's SB 2, similar AI legislation that ended up failing to pass before the state's legislature adjourned sine die on May 8, 2024. While this effort to move two bills in two states in the same form was done in a valiant attempt to avoid imposing a patchwork of state-level regulations on a burgeoning technology and industry, it created a confusing and unprecedented process whereby Colorado stakeholders often had to look to what amendments were being adopted in Connecticut to get a preview of changes that would come to SB24-205 a week to two weeks later. Despite this unprecedented process, the undersigned organizations repeatedly shared their concerns¹ with the Senate and House sponsors and members of the Colorado General Assembly in an attempt to help draft legislation that would not disincentivize investment in the Colorado economy. An outstanding number of our concerns remain unfortunately unaddressed, and a delayed implementation date will not minimize the risks this bill poses to Colorado businesses. This concern is underscored by the Attorney General's broad rulemaking authority which creates even more uncertainty for businesses.

If these concerns outlined by industry stakeholders are left unaddressed, it will be to the detriment of the Colorado economy that we have worked together to grow, including the work done by your Administration to attract tech companies and talent to the Centennial State. AI technologies developed in Colorado are already providing opportunities for companies to innovate and solve problems for their customers and consumers, and many small businesses testified to that effect in Committee proceedings. The untested regulatory framework in SB24-205 therefore creates a vast amount of new risk for existing Colorado businesses across a range of sectors in addition to high tech, including financial services, healthcare, insurance and real estate development, to name just a few. As we previously cautioned in Committee proceedings, we remain concerned that this bill creates unacceptable risk for businesses that may be considering locating or investing in our state. Additionally, employment and labor, anti-discrimination, and character defamation laws already provide robust protections to Coloradans that are not dependent on whether a specific technology is utilized.

¹ The undersigned organizations are including at the end of this letter a list of some of the documents and amendment feedback that were shared with legislators regarding SB24-205 to provide your office with a more comprehensive overview of the industry dialogue we sought to have and the outstanding concerns that remain on the bill as passed.

We stress that SB24-205 creates regulatory risk that puts Colorado at a unique disadvantage, since the Connecticut legislature did not pass SB 2. In an interview two weeks ago, Connecticut Governor Ned Lamont urged caution against the passage of SB 2 because "...you don't begin to know what the potential is for AI, so it's pretty tough to regulate something that you're just beginning to get some feel for... you shouldn't have one state doing it. You should have us do this as a collective."²

AI policy is an ongoing national policy discussion that affects a wide range of stakeholders that must be engaged in the process in order to develop reasonable policy. We ask that this discussion continues and support the leadership of your Administration in this continuing effort, together with the legislative leaders on this issue in the General Assembly.

Thank you for reviewing the concerns we have shared in this letter and that we shared with the Colorado General Assembly over the weeks of legislative deliberation on SB24-205. We are concerned that without addressing our concerns in partnership with the legislature, as you outlined in your bill signing statement, the result will be to make Colorado an outlier for AI policy in the United States. We look forward to continuing the discussion on the development of reasonable AI policy with Colorado policymakers leading on this issue in your Administration and the Colorado General Assembly, and working on amendments to significantly improve SB24-205. We thank your Administration for continuing to work to make Colorado a leader in the development of innovative technologies.

Respectfully,

ACT | The App Association

AFSA | American Financial Services
Association

AI Salon

ANA | Association of National Advertisers

ATA Action

Card Coalition

CCIA | Computer and Communications

Industry Association

CHA | Colorado Hospital Association

Chamber of Progress

ETA | Electronic Transactions Association

FTA | Financial Technology Association

RMAIIG | Rocky Mountain AI Interest Group

SPSC | State Privacy and Security Coalition

TechNet

The Payments Coalition

ViaWest Group

Sample of Industry communications on SB24-205 throughout the legislative process:

1. [ACT, Policy Principles for State Lawmakers in the Era of Artificial Intelligence](#)
2. [RMAIIG, Letter to Senate Majority Leader Robert Rodriguez, April 2024](#)
3. [TechNet Letter to House Sponsors Rep.s Titone and Rutinel, May 4, 2024](#)
4. [TechNet Letter to Senate Majority Leader Robert Rodriguez, April 2024](#)

² Dixon, K. Proposed bill on artificial intelligence regulation in CT dies after Gov. Ned Lamont threatens veto. *The Register Citizen*. 07 May 2024. <https://www.registercitizen.com/politics/article/if-bill-ai-survives-ct-house-vote-lamont-19444053.php>

5. [Colorado Hospital Association, Letter to SB24-205 bill sponsors, May 4, 2024](#)
6. [Chamber of Progress written testimony, S. Committee on Judiciary, April 2024](#)
7. [Chamber of Progress, Kouri Marshall verbal testimony, S. Committee on Judiciary, April 2024](#)
8. [Colorado Politics, Colorado small businesses express worry about bill seeking to combat 'algorithmic discrimination' in AI systems, April 25, 2024](#)
9. [The Colorado Sun, As new laws are proposed, Colorado companies share how they use AI to make business better, May 6, 2024](#)
10. [Denver 7, Colorado lawmakers consider bill to regulate artificial intelligence, April 24, 2024](#)
11. [Colorado Sun, Colorado bill to regulate generative artificial intelligence clears its first hurdle at the Capitol, April 25, 2024](#)