



May 7, 2024

The Honorable Jared Polis
Governor
State of Colorado
Office of the Governor
State Capitol Building
200 E. Colfax Avenue
Denver, CO 80203

Re: Senate Bill 205

Dear Governor Polis:

The U.S. Chamber of Commerce urges you to veto Senate Bill 205 should it come before you. This bill was rushed through the legislature without an adequate assessment of its impact on businesses and consumers in Colorado and beyond. We believe SB 205 could adversely impact important and useful existing uses of Artificial Intelligence (AI) tools and stifle positive future innovation. The Chamber is committed to working with you and the legislature on issues of AI and the appropriate level of regulation of this technology.

Guardrails are important when gaps exist in existing laws and regulations, including in areas like AI. However, no comprehensive analysis to determine regulatory gaps was undertaken before SB 205 was introduced, and little attention was focused in this area as the bill proceeded through the legislative process. We believe Colorado should undertake a detailed and rigorous review of the implications of proposed Artificial Intelligence (AI) regulations on Colorado businesses and consumers before legislation is enacted.

Existing AI tools – including machine learning and spam filter technologies – have been long deployed. New AI innovations are forecast to be foundational to America’s economic growth. PWC estimates that AI will contribute \$15.7 trillion to the global economy by 2030.¹

AI is expected to be especially beneficial for small businesses. Nearly one-quarter of U.S. small businesses already leverage AI to increase their profitability, and 39% are expected to use AI tools within the next year.²

However, if enacted, SB 205 could prevent small business from using AI tools intended to allow them to compete against larger counterparts. Small businesses are concerned about increased litigation and compliance costs stemming from navigating a patchwork of state AI,

¹ PricewaterhouseCoopers, “Global Artificial Intelligence Study: Exploring the AI Revolution” available at <https://www.pwc.com/gx/en/issues/data-and-analytics/publications/artificial-intelligence-study.html>

² U.S. Chamber Technology Engagement Center, “Impact of technology on small businesses report” (September of 2023) available at <https://www.uschamber.com/assets/documents/The-Impact-of-Technology-on-Small-Business-Report-2023-Edition.pdf>

data privacy and technology laws.³ A significant number of small companies are already forgoing AI adoption because of “concerns about legal or compliance issues.”⁴

Existing laws and regulations already cover many AI activities. The Chamber’s Commission on Artificial Intelligence Competitiveness, Inclusion, and Innovation⁵ report demonstrates that a risk-based gap filling approach that should be the basis for new policies around AI that address issues involved and provide for future innovations. Where gaps exist, policymakers should seek to ensure that new policies are tailored to the risk and don’t unnecessarily hamper innovation. The failure to follow such an approach will forestall the ability of consumers and the broader American economy to reap the benefits of AI.

Given the significant complexities associated with AI, and the scope of SB 205, we believe that a thorough review of the risk and rewards is needed. We look forward to working with you and the legislature on this important issue.

Sincerely,

A handwritten signature in black ink that reads "Michael Richards". The signature is written in a cursive, slightly slanted style.

Michael Richards
Senior Director
Chamber Technology Engagement Center
U.S. Chamber of Commerce

cc: House Speaker Julie McCluskie
Senate President Steven Fenberg

³ *Id.*

⁴ *Id.*

⁵U.S. Chamber Technology Engagement Center, “Commission on Artificial Intelligence Competitiveness, Inclusion and Innovation,”(March 2023) available at <https://www.uschamber.com/technology/artificial-intelligence-commission-report>