

HB 1263 • Colorado

Conversational Artificial Intelligence Service Operator Requirements

Unknown

Risk: Medium

Sector-Specific

Effective: Jan 01, 2027 | Last Action (May 28, 2026): Signed by the Speaker of the House

Summary

The bill mandates requirements for operators of conversational AI services, including consumer disclosures, prohibiting rewards for minors, and separate violations for each output.

Business Impact

If you operate a conversational AI service in Colorado, you must comply with new requirements for minor users by January 1, 2027, or face \$1,000 fines per violation.

Key Provisions

- Operators must provide consumer disclosures.
- Operators are prohibited from incentivizing minor users with rewards.
- Operators must prevent the service from producing sexually explicit content.
- Operators must provide privacy management tools for minors and their guardians.
- Operators must implement protocols for addressing suicidal ideation or self-harm.
- Operators must prevent the service from producing statements that simulate emotional dependence specifically for minor users.
- Operators cannot imply AI output is equivalent to professional services.
- Violations are enforceable by the attorney general under the Colorado Consumer Protection Act with penalties ranging from \$1,000 to \$5,000 per violation, with each output constituting a separate violation.

Compliance Checklist

- Provide disclosures for minor users | Who: Operators of conversational AI services | Penalty: \$1,000 per violation
- Implement measures to prevent inappropriate content | Who: Operators of conversational AI services | Penalty: \$1,000 per violation

- Offer privacy management tools for minors | Who: Operators of conversational AI services | Penalty: \$1,000 per violation
- Annually report compliance protocols to the attorney general | Who: Operators of conversational AI services | Penalty: \$1,000 per violation

Industries Affected

Technology

Consumer Protection

Topics

AI CSAM

AI Transparency

Comprehensive AI

AI Privacy

User-Facing AI

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Official Source

<https://leg.colorado.gov/bills/HB26-1263>

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