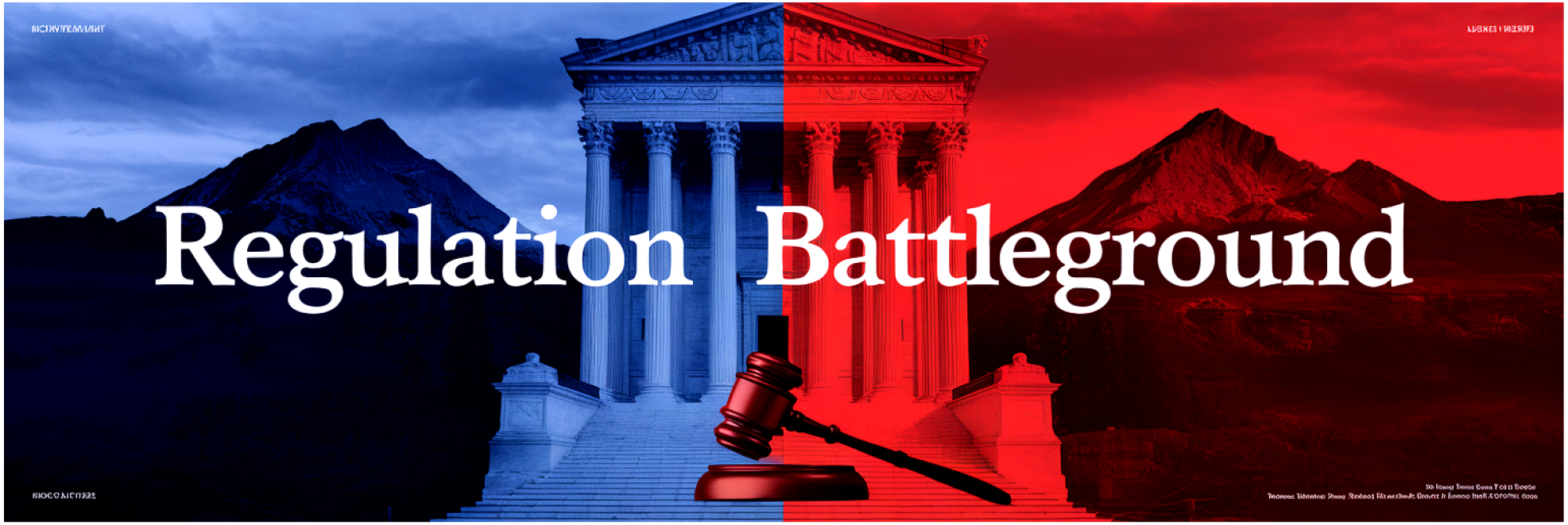


Technology Policy & Regulation

This comprehensive report examines the unprecedented constitutional confrontation between Colorado and the Trump administration over the Colorado AI Act, America's first comprehensive state-level AI accountability law. With just five months until implementation, the federal government has deployed an aggressive multi-pronged strategy including litigation threats, withholding $420.6 million in rural broadband funding, and establishing a dedicated DOJ task force to challenge state AI regulations. The report analyzes the complete legislative framework of Colorado's law, the constitutional and legal dimensions of federal preemption attempts, stakeholder positions across government and industry, economic impacts including compliance costs and funding leverage, and potential resolution pathways. Readers will gain deep insight into the fundamental tensions in American federalism over emerging technology governance, understand the specific requirements and implications of the Colorado AI Act, learn about the legal precedents and constitutional doctrines at play, and discover how this conflict will likely establish precedents affecting AI regulation nationwide. This matters because the outcome will determine not only how AI systems are regulated in America but also whether states retain meaningful authority to protect consumers from algorithmic discrimination and other AI-related harms in the absence of federal legislation.

## THE TAKEAWAY

**#1** Colorado's AI Act, set to take effect June 30, 2026, establishes the nation's first comprehensive framework requiring developers and deployers of high-risk AI systems to prevent algorithmic discrimination in consequential decisions affecting employment, housing, healthcare, lending, education, and insurance.

**#2** The Trump administration has launched an unprecedented federal campaign to block the law through Executive Order 14,179, establishing a DOJ AI Litigation Task Force, threatening to withhold $420.6 million in rural broadband funding, and calling for federal legislation to preempt state AI regulations entirely.

**#3** The constitutional conflict centers on fundamental federalism questions: the executive order cannot directly preempt state law

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without congressional action, but the administration is deploying litigation threats based on the dormant Commerce Clause and conditional spending doctrines to pressure Colorado into abandoning or weakening its law.

#4 Colorado officials, led by Attorney General Phil Weiser, have taken a defiant stance, declaring federal funding threats 'unlawful and unconstitutional' and promising to defend the law in court, while Governor Jared Polis has convened an AI Policy Working Group to explore potential compromise amendments.

#5 The technology industry opposes the law, arguing that state-by-state AI regulation creates an untenable compliance burden and that companies cannot train 50 different AI models to meet varying state requirements, threatening to relocate operations if the law proceeds unchanged.

#6 Consumer protection advocates support the law as essential accountability for AI systems that increasingly make life-altering decisions, noting that without regulation, algorithmic discrimination in employment, housing, and other critical domains will continue unchecked, with the unemployment rate for new entrants hitting 13.4% in 2025 partly due to AI displacement.

#7 The threatened loss of $420.6 million in BEAD funding would devastate rural Colorado communities, affecting plans to connect approximately 96,000 Coloradans to high-speed internet, with counties like Garfield having invested years and millions in infrastructure that federal funding would complete.

#8 Legal experts express skepticism about the administration's authority to block state AI laws through executive action alone, noting that dormant Commerce Clause challenges face high bars after recent Supreme Court precedent, and that conditional spending threats may be unconstitutionally coercive given the magnitude of funding at stake.

#9 Potential resolution pathways include negotiated compromise through amendments focusing liability on large AI developers rather than deployers, protracted litigation over constitutional authority that could take years to resolve, federal legislation establishing uniform national standards (though over 150 AI bills failed to pass in the previous Congress), or state defiance with multi-state coordination if other jurisdictions join Colorado in implementing similar laws.

#10 The conflict's outcome will establish critical precedents affecting not only AI regulation nationwide but also the broader question of state authority over emerging technologies, determining whether states can serve as 'laboratories of democracy' for technology governance or whether federal primacy will effectively centralize regulation even absent congressional legislation.

January 8, 2026 40 minute read Print

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Colorado stands at the epicenter of an unprecedented constitutional confrontation over artificial intelligence regulation. With just five months remaining until the Colorado AI Act takes effect on June 30, 2026, the state faces mounting pressure from the Trump administration to abandon or substantially weaken what is widely recognized as the nation's first comprehensive AI accountability law. The federal government has deployed an aggressive multi-pronged strategy: establishing a Department of Justice litigation task force specifically tasked with challenging state AI laws, threatening to withhold $420.6 million in rural broadband funding, and signaling plans for sweeping federal legislation that would preempt state-level AI regulation entirely.[9][6]

The conflict crystallizes fundamental tensions in American federalism—the balance of power between state and federal governments—while raising critical questions about who should regulate one of the most transformative technologies of the 21st century. At stake are not merely abstract legal principles, but concrete impacts on Colorado communities, technology companies, and the future trajectory of AI governance

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nationwide. The Trump administration frames state AI regulation as an existential threat to American technological competitiveness, arguing that "United States AI companies must be free to innovate without cumbersome regulation" and that state-by-state requirements create an untenable "patchwork of 50 different regulatory regimes."[9] Colorado officials, by contrast, view their law as essential consumer protection, with Attorney General Phil Weiser declaring that "attempts by the federal government to coerce policy change through intimidation and the illegal withholding of funds are unlawful and unconstitutional."[12]

The Colorado State Capitol, where lawmakers debate the future of AI regulation.

This standoff has attracted national attention as other states watch closely to determine whether Colorado's pioneering approach will survive federal opposition or be dismantled before implementation. The outcome will likely establish precedents affecting not only AI regulation but the broader question of how emerging technologies are governed in the American federal system.

## The Colorado AI Act: Legislative Framework and Requirements

**KEY POINTS**

Colorado's groundbreaking legislation establishes the first comprehensive state-level framework for regulating high-risk AI systems, focusing on preventing algorithmic discrimination while imposing extensive documentation and transparency obligations on developers and deployers.

### Core Provisions and Scope

Colorado's capitol where the AI Act was signed into law in May 2024.

The Colorado Artificial Intelligence Act (Senate Bill 24-205), signed into law on May 17, 2024, by Governor Jared Polis, represents a landmark attempt to regulate AI systems that make "consequential decisions" affecting Colorado residents.[6] The law specifically targets AI applications used in critical domains including "employment, housing, healthcare, lending, education, and insurance decisions."[6] As the Center for Democracy & Technology explains, "AI decision systems play a growing role in deciding whether you get a job, an apartment, a mortgage, or health care, as well as how much you earn and how much you pay for a product or service."[15]

The Act's central requirement mandates that "a developer of a high-risk artificial intelligence system shall use reasonable care to protect consumers from any known or reasonably foreseeable risks of algorithmic discrimination."[13] This "reasonable care" standard creates a rebuttable presumption of compliance if developers and deployers follow specific guidelines and risk management frameworks.[14] The law defines algorithmic discrimination broadly as "any condition in which an artificial intelligence system materially increases the risk of an unlawful differential treatment or impact that disfavors an individual or group of individuals on the basis of their actual or perceived age, color, disability, ethnicity, genetic information, limited proficiency in the English language, national origin, race, religion, reproductive health, sex, veteran status, or other classification protected under the laws of this state."[13]

### Documentation and Transparency Mandates

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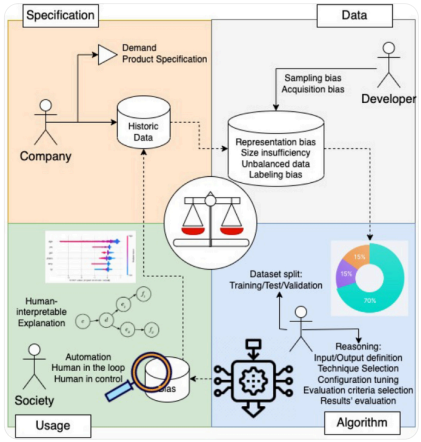


How bias enters AI systems throughout the development process.

The Colorado AI Act imposes what critics describe as a "headache-inducing laundry list of documentation and record-keeping requirements on developers and deployers."[1] Developers must "make available, in a manner that is clear and readily available for public inspection, a statement summarizing the types of high-risk artificial intelligence systems that the developer has developed or intentionally and substantially modified and currently makes available to a deployer."[13] This public disclosure requirement extends to known or foreseeable risks of algorithmic discrimination, which must be disclosed within 90 days of discovery.[14]

Additionally, the law requires that "a person doing business in this state, including a deployer or other developer, that deploys or makes available an artificial intelligence system that is intended to interact with consumers must ensure disclosure to each consumer who interacts with the artificial intelligence system that the consumer is interacting with an artificial intelligence system."[14] For AI systems generating synthetic digital content, developers must "ensure that the outputs of the artificial intelligence system are marked in a machine-readable format, detectable as synthetic digital content, and marked in a manner that is clear to consumers."[13]

> "The law does not require companies to disclose source code, training data, or intellectual property."

Importantly, as the Center for Democracy & Technology emphasizes, "The law does not require companies to disclose source code, training data, or intellectual property."[15] This distinction addresses some industry concerns about protecting trade secrets while still mandating transparency about system purposes, risks, and decision-making processes.

## Impact Assessments and Risk Management

Companies deploying high-risk AI systems must conduct annual impact assessments analyzing potential risks of algorithmic discrimination.[15] These assessments represent a proactive approach to identifying and mitigating bias before harm occurs. The law provides an affirmative defense for entities that comply with "a nationally or internationally recognized risk management framework for artificial intelligence systems" and take specified measures to discover and correct violations.[14] The legislation specifically references frameworks like ISO 42001 and the NIST AI Risk Management Framework as recognized models for responsible AI governance.[16]

## Enforcement Mechanism and Cure Period

Attorney General Phil Weiser has exclusive authority to enforce the AI Act.

The Colorado AI Act grants "the attorney general rule-making authority to implement, and exclusive authority to enforce, the requirements of the act."[14] Notably, the law does not create a private right of action, meaning only the Attorney General and district attorneys can bring enforcement actions.[13] Violations are treated as deceptive trade practices under the Colorado Consumer Protection Act, with potential civil penalties up to $20,000 per violation.[16]

A unique feature of the enforcement framework is the 60-day cure period established for the law's first year. "During the period from July 1, 2025, through June 30, 2026, the Attorney General or a District Attorney, prior to initiating any action for a violation, shall issue a notice of violation to the developer or deployer if the opportunity to cure is warranted."[13] This grace period reflects legislative recognition of the challenges companies face in achieving compliance with novel requirements.

### Implementation Timeline and Recent Modifications

Originally scheduled to take effect on February 1, 2026, the law's implementation was delayed to June 30, 2026, following a special legislative session in August 2025.[5] This postponement occurred after "tech lobbyists pushed for changes" and lawmakers sought "more time to find common ground on how to regulate the industry without stifling businesses in the state."[5] The delay also provided space for ongoing negotiations through a governor-appointed AI Policy Working Group, which includes representatives from the Colorado Technology Association, tech companies, and consumer groups.[24]

Despite this delay and ongoing discussions about potential amendments, the core structure of the law remains intact. Representative Brianna Titone, a co-sponsor of the original bill, is working on a "repeal and replace" bill that would "simplify the process of addressing inaccurate AI data by putting the liability on developers of large-scale systems, like Google and Open AI, and not the smaller companies deploying them."[8] However, as of January 2026, no consensus has emerged on substantive changes, leaving the June 30 implementation date as the operative deadline.

## Federal Response: Executive Orders and Litigation Strategy

**KEY POINTS**

The Trump administration has launched an unprecedented executive branch campaign to block state AI regulations through litigation threats, funding leverage, and administrative pressure, despite lacking direct constitutional authority to preempt state laws.

### The December 11 Executive Order

President Trump signs the executive order targeting state AI laws.

On December 11, 2025, President Trump signed Executive Order 14,179, titled "Ensuring a National Policy Framework for Artificial Intelligence," which "signals a significant escalation in efforts to establish federal primacy over state-level AI regulation in the United States."[10] The order explicitly identifies Colorado's law as problematic, stating that "a new Colorado law banning 'algorithmic discrimination' may even force AI models to produce false results in order to avoid a 'differential treatment or impact' on protected groups."[9] This characterization reflects the administration's view that anti-discrimination requirements could compel what it describes as "ideological bias" in AI systems.[10]

The executive order articulates a clear policy position: "It is the policy of the United States to sustain and enhance the United States' global AI dominance through a minimally burdensome national policy framework for AI."[3] The administration argues that "State-by-State regulation by definition creates a patchwork of 50 different regulatory regimes that makes compliance more challenging, particularly for start-ups."[9] This framing positions state AI regulation as an impediment to American competitiveness against China in the global AI race.

### The AI Litigation Task Force

Section 3 of the executive order "directs the Attorney General to establish an AI Litigation Task Force within 30 days."[10] According to the order, the task force's "sole responsibility shall be to challenge State AI laws inconsistent with the policy set forth in section 2 of this order."[9] The task force can bring challenges on multiple grounds, including that state laws "unconstitutionally regulate interstate commerce, are preempted by existing Federal regulations, or are otherwise unlawful in the Attorney General's judgment."[3]

> "An executive order is not a congressionally enacted

As legal analysts at AI Certs note, "Within Section 3, the Attorney General must stand up the Federal Taskforce by 10 January 2026."[11] This compressed timeline—just 30 days from the

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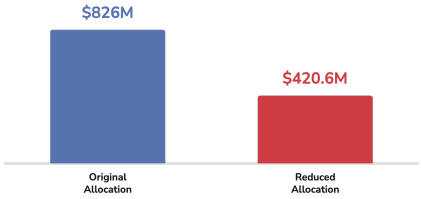
statute or 'law.'"

executive order's signing—underscores the administration's urgency in confronting state AI regulations. The task force represents an unusual deployment of federal litigation authority, with a dedicated team focused exclusively on challenging state technology laws.

However, as multiple legal experts emphasize, the executive order's power is limited. "An executive order is not a congressionally enacted statute or 'law.' While Congress undoubtedly has the authority to preempt some state AI laws by passing legislation, the President generally cannot unilaterally preempt state laws by presidential fiat (nor does the EO purport to do so)."[1] Instead, "what an executive order can do is to publicly announce the policy goals of the executive branch of the federal government, and announce directives from the President to executive branch officials and agencies."[1]

## Funding Leverage: The BEAD Program Threat




BEAD Program Funding for Colorado (in millions)

Perhaps the most immediately impactful element of the federal strategy involves threatening Colorado's access to rural broadband funding. Section 5 of the executive order "introduces a mechanism for leveraging federal funding to discourage state AI regulation."[10] Specifically, "Subsection (a) indicates that Commerce will attempt to withhold non-deployment Broadband Equity Access and Deployment (BEAD) funding 'to the maximum extent allowed by federal law' from states with AI laws listed pursuant to § 4 of the EO."[1]

The BEAD program, established through the 2021 Bipartisan Infrastructure Law, represents "the largest broadband investment in American history."[27] Colorado was originally allocated $826 million under the program, though this was subsequently reduced to $420.6 million following Trump administration policy changes in June 2025.[25] [27] The remaining $420.6 million is now at risk if Colorado proceeds with its AI law.

Rural broadband expansion depends on federal BEAD funding.

This funding is critical for rural Colorado communities. As Senators Hickenlooper and Bennet noted in a December 2025 statement, "In Colorado, 10 percent of locations are unserved or underserved, and 190,850 households lack access to the internet."[27] The BEAD funds are "expected to connect approximately 96,000 Coloradans to high-speed internet."[27] The potential loss of this funding creates a stark choice for Colorado policymakers: maintain the AI law and sacrifice rural internet expansion, or abandon consumer protection measures to secure federal dollars.

Legal experts question whether this funding threat is constitutionally permissible. As the AI Certs analysis notes, "The Supreme Court has historically limited federal power to attach new conditions to already-accepted funds."[11] The conditional spending doctrine, established in cases like South Dakota v. Dole, requires that funding conditions be clearly stated, related to the federal interest, and not so coercive as to constitute compulsion rather than genuine choice. Whether linking broadband funding to AI regulation meets these standards remains an open legal question.

## Multi-Agency Coordination

The executive order directs multiple federal agencies beyond DOJ to coordinate responses to state AI regulations. "The December 11 EO spans 17 sections and asserts a national interest in unified AI policy. It directs the Justice Department, Commerce, FTC, and FCC to coordinate responses to restrictive state measures."[11] This whole-of-government approach amplifies federal pressure on states, with each agency bringing distinct authorities and enforcement mechanisms.

The Commerce Department, for instance, must "publish a state law evaluation by 11 March 2026."[11] This evaluation will identify which state AI laws the administration considers

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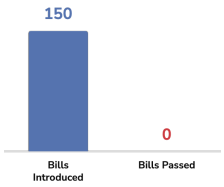
"onerous" and inconsistent with federal policy, potentially subjecting those states to funding restrictions or other consequences. The FTC is directed to provide guidance on unfair and deceptive practices related to AI, potentially creating federal standards that could conflict with state requirements.[32]

### Legislative Recommendations




Congressional AI Legislation (118th Congress)

Beyond immediate executive action, the order calls for longer-term legislative solutions. Section 6 directs relevant officials to "provide legislative recommendations to the Congress to establish a uniform Federal AI policy framework that would pre-empt conflicting State laws."[18] This signals the administration's ultimate goal: congressional legislation that would formally preempt state AI regulations, providing the legal authority that an executive order alone cannot achieve.

However, federal AI legislation has proven elusive. "In the 118th Congress, more than 150 bills on artificial intelligence regulation were introduced, according to the Brennan Center for Justice. Not one passed."[12] As of January 2026, over 120 AI bills have been introduced in the current Congress, "all still pending."[12] This legislative gridlock partly explains the administration's reliance on executive action and litigation threats—absent congressional action, the executive branch has limited tools to directly preempt state laws.

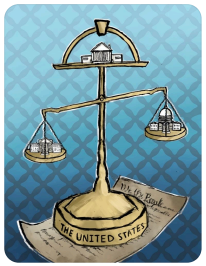
## Legal and Constitutional Framework

**KEY POINTS**

The federal-state conflict over AI regulation raises fundamental constitutional questions about preemption, conditional spending, and the dormant Commerce Clause, with legal experts expressing skepticism about the administration's authority to block state laws through executive action alone.

### The Limits of Executive Preemption

The constitutional doctrine of preemption derives from the Supremacy Clause, which establishes that federal law supersedes conflicting state law. However, as legal analysts at Steptoe & Johnson emphasize, "The Critical Distinction: Preemption requires federal law. An executive order, while powerful, is an instruction to the executive branch; it is not a statute passed by Congress. Therefore, an executive order alone cannot preempt state legislation."[32]




The constitutional balance between federal and state authority.

Preemption typically falls into three categories: express preemption (where Congress explicitly states its intent to preempt state law), field preemption (where federal regulation is so comprehensive that it occupies the entire field), and conflict preemption (where state law directly conflicts with federal requirements).[32] None of these categories applies cleanly to the current situation. There is no federal AI statute that expressly preempts state laws, no comprehensive federal regulatory scheme occupying the field of AI governance, and no direct conflict between federal requirements and Colorado's law—because there are no federal AI requirements.

As Colorado Attorney General Phil Weiser stated, "Without congressional action, there is no free-standing authority for the president to challenge state AI laws or punish states for adopting laws he doesn't like."[5] This constitutional reality shapes the administration's strategy: rather than claiming direct preemptive effect, the executive order establishes mechanisms to challenge state laws in court and create administrative pressure for their repeal or modification.

### Dormant Commerce Clause Challenges

One legal avenue the administration plans to pursue involves the dormant Commerce Clause doctrine. This constitutional principle, derived from Congress's power to regulate interstate

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commerce, prohibits states from enacting laws that unduly burden or discriminate against interstate commerce. The executive order directs the litigation task force to challenge state AI laws that "unconstitutionally regulate interstate commerce."[3]

> "AI training is an incredibly resource intensive process that cannot be done on a state-by-state basis."

Harvard Law School analysis suggests this approach may have merit in certain circumstances. "State AI laws like California's SB 53, New York's RAISE Act, and Colorado's AI Act are potentially vulnerable to legal challenges under the dormant Commerce Clause due to their substantial burden on interstate commerce."[4] The analysis emphasizes that "AI training is an incredibly resource intensive process" that "cannot be done on a state-by-state basis; neither OpenAI nor any other lab has the resources to train 50 models tailored to the specifications of each state."[4]

This argument rests on the premise that AI development is inherently national (or global) in scope, and that state-specific requirements would force companies to either comply with the most restrictive state's standards nationwide or exit markets entirely. As the Harvard analysis notes, "The handful of leading models–ChatGPT, Gemini, Claude, and Grok–directly support some of the most popular apps ever created. But many other software tools also rely on these powerful models to drive their AI functions. Any changes made to core models due to AI training bills will affect the quality and functionality of many downstream AI tools."[4]

However, dormant Commerce Clause challenges face significant obstacles. The Supreme Court has recently shown reluctance to invalidate state laws under this doctrine, particularly when those laws address legitimate local concerns. In National Pork Producers Council v. Ross, the Court upheld California's animal welfare standards despite their extraterritorial effects, establishing a high bar for invalidating state regulations.[1] Moreover, as Yale Journal on Regulation notes, "Dormant commerce clause challenges are typically brought by private entities suffering economic losses, not by the federal government directly."[31] The unusual posture of the federal government bringing such challenges may face procedural hurdles.

### Conditional Spending Doctrine

The threat to withhold BEAD funding raises distinct constitutional questions under the conditional spending doctrine. The Supreme Court established in South Dakota v. Dole that Congress may attach conditions to federal funds, but with important limitations: the conditions must be clearly stated, reasonably related to the federal interest, and not so coercive as to constitute compulsion.[11]

The administration's approach appears vulnerable on multiple grounds. First, the BEAD program was authorized and funded by Congress for the specific purpose of expanding broadband access, with no mention of AI regulation as a relevant consideration. Conditioning these funds on states' AI policies may fail the "reasonably related" test. Second, the sheer magnitude of the funding at stake—$420.6 million for Colorado alone—combined with the critical need for rural internet access, could be deemed unconstitutionally coercive.

The Supreme Court addressed similar issues in NFIB v. Sebelius, where it struck down the Affordable Care Act's Medicaid expansion as unconstitutionally coercive because it threatened states with loss of all existing Medicaid funding if they didn't expand the program. While the Colorado situation differs (the threatened funding is new, not existing), the principle that conditional spending cannot cross the line into coercion remains relevant. As AI Certs notes, "The Supreme Court has historically limited federal power to attach new conditions to already-accepted funds."[11]

### First Amendment Considerations

The administration has suggested that state AI disclosure requirements may violate the First Amendment by compelling speech. The executive order authorizes challenges to state laws that "compel developers or deployers to disclose or report information in a manner that would violate the First Amendment."[34] This argument frames transparency mandates as unconstitutional forced disclosure of proprietary information or compelled expression.

However, this First Amendment theory faces substantial obstacles. Courts have long recognized that commercial disclosure requirements—such as nutritional labeling, financial disclosures, and product warnings—are subject to less stringent First Amendment scrutiny than restrictions on speech. The Colorado AI Act's transparency requirements appear analogous to these established disclosure regimes. Moreover, as the Center for Democracy & Technology emphasizes, "The law does not require companies to disclose source code, training data, or intellectual property,"[15] suggesting the requirements are narrowly tailored to legitimate consumer protection interests rather than compelling disclosure of core expressive content.

### Federal Agency Authority Limitations

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The executive order's directive to federal agencies like the FCC to preempt state AI laws faces its own legal obstacles. As legal analysis from LawAI explains, "The fundamental obstacle to FCC preemption of state AI laws is that the Communications Act authorizes the FCC to regulate telecommunications services, and AI is not a telecommunications service."[1] Federal agencies can only exercise authority granted by Congress, and existing statutes do not clearly authorize agencies to regulate AI systems broadly, let alone to preempt state AI regulations.

This limitation applies across federal agencies. The FTC's authority extends to unfair and deceptive trade practices, but this does not obviously encompass the power to preempt state consumer protection laws addressing AI discrimination. The Commerce Department's authority over broadband deployment does not naturally extend to conditioning that funding on states' AI regulatory choices. Each agency action contemplated by the executive order would likely face legal challenges based on exceeding statutory authority.

## Stakeholder Positions and Political Dynamics

**KEY POINTS**

The conflict has mobilized diverse stakeholders across government, industry, and civil society, with Colorado officials determined to defend state authority while facing pressure from both the federal government and elements of the state's tech sector.

### Colorado State Government: Divided but Defiant

Governor Polis balances tech industry concerns with consumer protection.

Colorado's response to federal pressure reveals internal tensions while maintaining a unified front on defending state authority. Governor Jared Polis occupies a complicated position: he signed the AI Act into law but expressed significant reservations in his signing statement, acknowledging the law's "potential impact on innovation and competitiveness." Polis "initially supported a federal moratorium and still backs a national framework," yet has also expressed "encouragement that Colorado can get it right with a new bill in 2026."[7]

This ambivalence reflects Polis's background as a tech entrepreneur and his concerns about Colorado's competitiveness in attracting technology companies. As The Colorado Sun reports, "Many local tech leaders opposed the law immediately after it passed in 2024 because of the 'what-if' scenarios that could stifle innovation."[8] Polis's creation of an AI Policy Working Group signals his preference for finding compromise rather than confrontation, seeking amendments that could address federal concerns while preserving core consumer protections.

Attorney General Phil Weiser, by contrast, has taken an uncompromising stance on defending state authority. In a November 25 letter to Congressional leaders, Weiser warned that "attempts by the federal government to coerce policy change through intimidation and the illegal withholding of funds are unlawful and unconstitutional."[12] He has repeatedly emphasized that "without congressional action, there is no free-standing authority for the president to challenge state AI laws,"[5] and has threatened to "turn to the courts to defend the rule of law and protect the people of Colorado."[12]

The state legislature remains committed to the law's core purposes. Representative Brianna Titone, a co-sponsor of the original bill, "said Trump doesn't have the authority to do the work of Congress."[8] She is working on amendments that would "simplify the process of addressing inaccurate AI data by putting the liability on developers of large-scale systems, like Google and Open AI, and not the smaller companies deploying them."[8] This approach suggests legislative willingness to refine implementation details while maintaining the fundamental framework of accountability for algorithmic discrimination.

### Technology Industry: Seeking Uniformity

The technology industry has consistently opposed the Colorado AI Act, though with varying degrees of intensity and different specific concerns. Industry associations and major tech companies argue that state-by-state regulation creates an untenable compliance burden. As Ryan Saunders of the Colorado Technology

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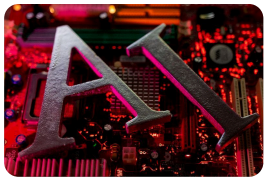


Tech companies warn of compliance challenges under state-by-state regulation.

Association described, he received "calls from businesses developing or using AI, including some of the biggest tech companies in the country, threatening to leave the state if the bill wasn't altered."[24]

The industry's concerns focus on several key issues. First, the breadth and ambiguity of key definitions—particularly "consequential decisions" and "algorithmic discrimination"—create uncertainty about compliance obligations. Second, the documentation and disclosure requirements are viewed as potentially exposing proprietary information or creating excessive administrative burdens. Third, the liability framework, particularly before amendments clarifying the "reasonable care" standard, raised concerns about unpredictable legal exposure.

However, the industry position is not monolithic. Some companies, particularly those already subject to similar requirements under EU regulations, may view Colorado's law as less burdensome than the federal government portrays. The law's explicit recognition of internationally recognized frameworks like ISO 42001 provides a compliance pathway for companies already investing in responsible AI governance.[16] Moreover, the law's focus on high-risk systems in consequential domains means many AI applications fall outside its scope entirely.

The industry's preferred outcome appears to be federal legislation establishing uniform national standards, as reflected in the executive order's call for "a minimally burdensome national standard — not 50 discordant State ones."[9] This preference for federal preemption aligns with the administration's position, though the industry likely seeks more substantive federal standards than the "minimally burdensome" framework the administration envisions.

### Civil Society and Consumer Advocates: Defending State Action

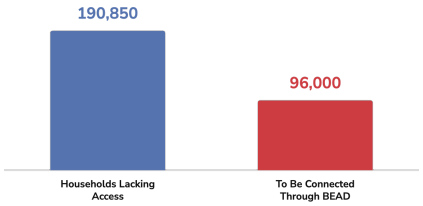
Consumer protection organizations and civil liberties groups have largely supported Colorado's law while advocating for strengthening its provisions. The Center for Democracy & Technology, while viewing the law as "a good first step," argues that "policymakers should also strengthen the law and further protect Coloradans by: building on existing civil rights protections by prohibiting the sale or sale of discriminatory AI decision systems; expanding the law's transparency provisions; strengthening impact assessment provisions; eliminating loopholes; and strengthening enforcement."[15]

These organizations emphasize that AI systems increasingly make critical decisions affecting people's lives, often without transparency or accountability. As CDT explains, "Without proactive disclosure, most consumers don't even know when, how, or why companies use AI to make key decisions about them."[15] They argue that the law addresses a genuine gap in consumer protection, noting that "laws often require companies to be more transparent when processes normally done by humans are automated or digitized."[15]

> "Without proactive disclosure, most consumers don't even know when, how, or why companies use AI to make key decisions about them."

Civil society groups view the federal government's intervention as inappropriate federal overreach. They emphasize that states have traditionally served as "laboratories of democracy" in consumer protection, with state laws often preceding and informing federal standards. The aggressive federal response to Colorado's law, in this view, represents an attempt to prevent states from addressing emerging harms before federal action materializes—if it ever does.

### Rural and Broadband Stakeholders: Caught in the Crossfire




Colorado Broadband Access Impact (households)

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Rural Colorado communities and broadband advocates find themselves in an uncomfortable position, with their critical infrastructure needs weaponized in a regulatory dispute over AI. The $420.6 million in BEAD funding at risk would "connect approximately 96,000 Coloradans to high-speed internet,"[27] addressing a digital divide that the COVID-19 pandemic starkly exposed.

Rural broadband expansion is critical for Colorado communities.

Garfield County's experience illustrates the stakes. The county "has worked for more than six years to expand broadband access, investing $5 million in the construction of network infrastructure."[28] County officials note that "prior to the NTIA's recent restructuring, 100% of our 4,000 unserved and underserved addresses were slated for grant-funded, symmetrical gigabit service."[28] The potential loss of federal funding would devastate these carefully developed plans.

However, rural stakeholders have limited leverage in this dispute. They are not parties to the AI regulation debate and have no direct influence over whether Colorado maintains or modifies its AI law. Their infrastructure needs are being used as leverage in a conflict over consumer protection policy in which they have no stake. This dynamic has generated frustration, with some rural advocates viewing the funding threat as holding their communities hostage to unrelated policy disputes.

## Federal Government: Unified Executive Branch Position

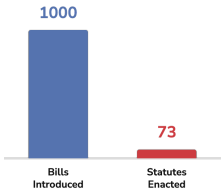
The Trump administration has presented a unified position across executive branch agencies, framing state AI regulation as a threat to American competitiveness and national security. The administration's rhetoric emphasizes the global AI race with China, arguing that "we remain in the earliest days of this technological revolution and are in a race with adversaries for supremacy within it."[5] This national security framing attempts to elevate the issue beyond ordinary federal-state regulatory disputes.

The administration's position reflects several policy commitments: prioritizing innovation and economic growth over precautionary regulation, preferring industry self-regulation to government mandates, and asserting federal primacy over emerging technology governance. As the executive order states, the policy is "to sustain and enhance the United States' global AI dominance through a minimally burdensome national policy framework for AI."[9]

However, the administration's position has not been uniformly embraced across the political spectrum. A bipartisan coalition of 36 state attorneys general previously pushed back against federal attempts to block state AI laws,[6] suggesting that concerns about federal overreach transcend partisan lines. Even some Republican governors, like Florida's Ron DeSantis, have "signaled that President Trump's EO on AI will not deter Florida from advancing its own AI policies, particularly in areas such as child safety and consumer protection."[3]

## Other States: Watching and Waiting

Colorado's experience has significant implications for other states considering AI regulation. Over 1,000 AI bills were introduced in state legislatures in 2025, with 73 new AI statutes enacted across 27 states.[11] Many of these laws address specific domains like child safety or government procurement, but several states have considered comprehensive AI accountability frameworks similar to Colorado's.




AI Legislation in States (2025)

California, in particular, has been actively debating AI regulation, with multiple bills addressing different aspects of AI governance. The fate of Colorado's law will likely influence California's legislative trajectory and that of other states. If Colorado successfully implements its law despite federal opposition, it could embolden other states to proceed with their own regulations. Conversely, if Colorado is forced to substantially weaken or abandon its law, other states may hesitate to enact similar measures.

The multi-state dimension adds complexity to the federal government's strategy. While the administration can focus litigation and pressure on Colorado as the first mover, a coordinated response from multiple states would present a more formidable challenge. The executive order's mechanisms—litigation task force, funding conditions, agency coordination—would become increasingly strained if deployed against numerous states simultaneously.

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## Economic Impacts and Compliance Challenges

**KEY POINTS**

The conflict creates significant economic uncertainty for Colorado businesses and threatens critical rural infrastructure funding, while raising broader questions about the costs and benefits of AI regulation.

### Compliance Costs and Business Impacts

AI development requires significant resources and expertise.

The Colorado AI Act imposes compliance costs that vary dramatically depending on company size, existing practices, and the nature of AI systems deployed. For large technology companies already subject to EU AI Act requirements or investing in responsible AI frameworks, Colorado's law may represent an incremental rather than transformative burden. These companies often have dedicated legal and compliance teams, established documentation practices, and resources to conduct impact assessments.

For smaller businesses and startups, however, the compliance challenges are more acute. As the administration's executive order argues, state-by-state regulation "makes compliance more challenging, particularly for start-ups."[9] A Colorado AI Task Force report identified several implementation challenges, including that "smaller businesses may face challenges" and "questions remain about enforcement scope."[16] The documentation requirements, impact assessments, and risk management obligations all require expertise and resources that smaller entities may struggle to provide.

The law's definition of "high-risk" systems and "consequential decisions" creates uncertainty about which business processes fall within scope. As Fisher Phillips notes, "One key area of ongoing discussion is the definition of 'consequential decisions,' which determines which AI-driven business processes fall under the law's purview." This ambiguity makes it difficult for businesses to assess their compliance obligations and associated costs.

Some businesses have threatened to relocate or reduce operations in Colorado if the law proceeds unchanged. Ryan Saunders of the Colorado Technology Association reported receiving calls from "some of the biggest tech companies in the country, threatening to leave the state if the bill wasn't altered."[24] Whether these threats would materialize remains uncertain, as relocating operations involves substantial costs and disruption, and companies may face similar regulations in other states.

### The $420.6 Million Question

Rural communities depend on federal funding for broadband infrastructure.

The threatened loss of BEAD funding represents the most immediate and quantifiable economic impact of the federal-state conflict. The $420.6 million at stake would fund broadband expansion to approximately 96,000 Coloradans in unserved or underserved areas.[27] The economic value of this infrastructure extends beyond the direct funding amount, as broadband access enables remote work, education, healthcare, and economic development in rural communities.

The funding reduction from the originally allocated $826 million to $420.6 million already represents a significant loss for Colorado.[25] Further reduction or elimination of this funding would devastate rural broadband expansion plans. Garfield County's experience illustrates the

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ripple effects: after investing $5 million in network infrastructure over six years, the county faces potential loss of federal funding that would complete the last-mile connections.[28]

The economic calculus for Colorado policymakers involves weighing the benefits of the AI Act—consumer protection, reduced discrimination, increased transparency—against the concrete loss of rural broadband funding. This trade-off is complicated by uncertainty about whether the funding threat is legally sustainable and whether the federal government would actually follow through on withholding funds.

### Labor Market Effects

The broader context of AI's impact on Colorado's labor market adds urgency to the regulatory debate. As The Colorado Sun reports, "The unemployment rate for new entrants hit a nine-year high of 13.4% in 2025, with AI being widely blamed for job market difficulties."[24] This statistic reflects growing concerns about AI's displacement effects, particularly for entry-level workers and those seeking to change careers.

**13.4%**
**Unemployment Rate for New Entrants (2025)**

The AI Act's focus on employment decisions—requiring transparency and non-discrimination in hiring, promotion, and termination decisions made by AI systems—directly addresses these labor market concerns. Proponents argue that without regulation, AI systems may perpetuate or amplify existing biases, making it even harder for disadvantaged groups to access employment opportunities. The law's requirement that individuals rejected through AI-driven decisions receive "the 'principal reasons' for the decision, the degree to which and manner in which AI played a role in that decision, and what personal data was processed in making the decision"[15] provides workers with information to challenge potentially discriminatory outcomes.

### Comparative Economic Analysis

Comparing Colorado's approach to other jurisdictions provides context for assessing economic impacts. The EU AI Act, which establishes comprehensive requirements for high-risk AI systems, has not prevented European companies from competing in global AI markets, though it has imposed compliance costs and influenced product development decisions. The EU's experience suggests that well-designed regulation need not be incompatible with innovation, though the optimal balance remains contested.

The absence of comprehensive federal AI regulation in the United States creates a regulatory arbitrage situation where companies can potentially avoid state requirements by limiting operations in regulated states or structuring their business models to fall outside regulatory scope. This dynamic may reduce the effectiveness of state-level regulation while creating competitive distortions between companies subject to different regulatory regimes.

## Resolution Pathways and Future Scenarios

**KEY POINTS**

With the June 30, 2026 deadline approaching, multiple resolution pathways exist, ranging from negotiated compromise to protracted litigation, each with distinct implications for AI governance and federalism.

### Negotiated Compromise

The most likely near-term outcome involves negotiated amendments to the Colorado AI Act that address some federal concerns while preserving core consumer protections. Governor Polis's AI Policy Working Group represents the institutional framework for such negotiations, bringing together state officials, industry representatives, and consumer advocates.[7] Representative Titone's work on a "repeal and replace" bill focusing liability on large-scale AI developers rather than deployers[8] illustrates one potential compromise direction.

A negotiated settlement might involve several elements: narrowing the definition of "algorithmic discrimination" to align more closely with existing anti-discrimination law, clarifying that the law does not require disclosure of proprietary algorithms or training data, providing more explicit safe harbors for companies following recognized risk management frameworks, and potentially limiting enforcement during an extended transition period.

However, significant obstacles to compromise remain. As The Colorado Sun reports, "key disagreements over who should be held liable when AI systems discriminate remain unresolved."[22] Industry stakeholders seek maximum liability protection and minimal

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disclosure requirements, while consumer advocates resist weakening the law's accountability mechanisms. The federal government's aggressive posture may actually complicate compromise by emboldening opponents of any state regulation.

## Litigation Scenarios

If compromise fails, litigation appears inevitable. The AI Litigation Task Force established by the executive order is specifically tasked with challenging state AI laws,[9] and Colorado's Attorney General has promised to defend the law in court.[12] Potential litigation could proceed on multiple fronts.

> "The leverage applied through federal grants will be the key political mechanism for driving state-level change."

Dormant Commerce Clause challenges would argue that Colorado's law impermissibly burdens interstate commerce by forcing companies to alter AI systems used nationally to comply with Colorado's requirements. The success of such challenges depends on whether courts view AI development as inherently unitary (supporting the federal position) or whether companies can reasonably implement state-specific compliance measures (supporting Colorado's position). Recent Supreme Court precedent in National Pork Producers Council v. Ross suggests courts may be reluctant to invalidate state laws addressing legitimate local concerns, even when those laws have extraterritorial effects.[1]

Preemption challenges face the fundamental obstacle that there is no federal AI statute to serve as the basis for preemption. The federal government might argue that existing sector-specific regulations (financial services, healthcare, etc.) already address AI-related concerns and therefore preempt state action, but this argument would require demonstrating that federal regulators have comprehensively addressed AI risks—a difficult showing given the limited federal AI regulation to date.

Conditional spending challenges to the BEAD funding threat could be brought by Colorado or affected rural communities, arguing that the funding condition is not reasonably related to the program's purpose and is unconstitutionally coercive. Such litigation could proceed independently of challenges to the AI Act itself, potentially forcing the federal government to either abandon the funding threat or defend it in court.

The timeline for litigation resolution extends well beyond the June 30, 2026 implementation date. As legal analysts note, "The leverage applied through federal grants will be the key political mechanism for driving state-level change,"[32] but litigation over that leverage could take years to resolve. In the interim, Colorado would face the choice of implementing the law while litigation proceeds or delaying implementation pending judicial resolution.

## Federal Legislative Preemption

The administration's ultimate goal appears to be federal legislation establishing uniform national AI standards that would preempt conflicting state laws. The executive order directs officials to "provide legislative recommendations to the Congress to establish a uniform Federal AI policy framework that would pre-empt conflicting State laws."[18] Such legislation could resolve the current conflict by establishing clear federal standards that supersede state requirements.

However, federal AI legislation faces significant obstacles. Despite over 150 AI bills introduced in the 118th Congress, "not one passed."[12] The 119th Congress has seen similar legislative activity with similarly limited results. Partisan divisions, industry lobbying, and disagreement over appropriate regulatory approaches have prevented consensus on federal AI legislation.

Moreover, the substance of any federal legislation matters enormously. A "minimally burdensome" federal framework that preempts state action without establishing meaningful protections would represent a victory for industry but a defeat for consumer advocates. Conversely, comprehensive federal legislation incorporating elements of state approaches like Colorado's could provide the regulatory clarity industry seeks while preserving consumer protections. The political dynamics suggest that any federal legislation would involve significant compromise, potentially satisfying neither side fully.

## State Defiance and Multi-State Coordination

Colorado could choose to implement its law on June 30, 2026, regardless of federal threats, forcing the administration to follow through on litigation and funding restrictions. This defiance strategy would test the federal government's resolve and legal theories while demonstrating state commitment to consumer protection. Attorney General Weiser's statements suggest willingness to pursue this path: "If the administration proceeds to adopt this draft order, we will again turn to the courts to defend the rule of law and protect the people of Colorado."[12]

A defiance strategy gains strength if other states join Colorado in implementing similar laws. Florida Governor Ron DeSantis has already signaled that "President Trump's EO on AI will not deter Florida from advancing its own AI policies."[3] If multiple states proceed with AI

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Attorney General Weiser has vowed to defend Colorado's law in court.

regulation despite federal opposition, the administration's litigation and pressure strategies become more difficult to sustain. A coordinated multi-state approach could also support legal challenges to federal actions, with states filing amicus briefs or joining litigation as co-parties.

However, defiance carries risks. If Colorado loses in court, it could establish precedents limiting state authority over AI regulation nationwide. The loss of BEAD funding would have real consequences for rural communities. And prolonged uncertainty about regulatory requirements creates difficulties for businesses attempting to plan compliance strategies.

### Delay and Reassessment

Colorado could choose to delay implementation beyond June 30, 2026, providing additional time for negotiation, federal legislative developments, or litigation resolution. The legislature has already delayed implementation once, from February to June 2026,[5] and could do so again. This approach would reduce immediate pressure while maintaining the law's framework as a negotiating position.

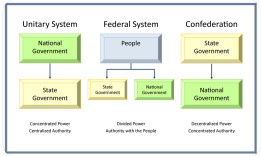
However, repeated delays risk undermining the law's credibility and creating perception that Colorado is retreating under federal pressure. Consumer advocates who supported the law may view further delays as capitulation. Moreover, delay does not resolve the underlying conflict—the federal government's opposition to state AI regulation would persist regardless of implementation timing.

## Broader Implications for AI Governance and Federalism

**KEY POINTS**

The Colorado conflict represents a critical test case for how emerging technologies will be governed in the American federal system, with implications extending far beyond AI regulation to fundamental questions about state authority and innovation policy.

### Precedent for Technology Regulation




The federal system balances power between national and state governments.

The resolution of this conflict will establish important precedents for state authority over emerging technologies. If Colorado successfully implements its AI law despite federal opposition, it would demonstrate that states retain meaningful authority to regulate novel technologies even when the federal government prefers a hands-off approach. This outcome would encourage other states to pursue their own regulatory initiatives, potentially creating the "patchwork" of state laws that industry and the federal government warn against.

Conversely, if federal pressure forces Colorado to abandon or substantially weaken its law, it would signal that states have limited practical ability to regulate technologies that the federal government views as strategically important. This outcome would shift the locus of technology governance decisively toward the federal level, even in the absence of federal legislation establishing substantive standards.

The conflict also raises questions about the appropriate balance between innovation and regulation. The administration's framing emphasizes that "United States AI companies must be free to innovate without cumbersome regulation,"[9] reflecting a view that regulation inherently impedes technological progress. Colorado's approach, by contrast, reflects the view that regulation can channel innovation in socially beneficial directions by preventing harms like discrimination while allowing beneficial applications to proceed.

### Federalism and the Laboratories of Democracy

Justice Brandeis's famous description of states as "laboratories of democracy" rests on the premise that states can experiment with different policy approaches, with successful innovations informing national policy and unsuccessful experiments remaining localized. Colorado's AI Act represents exactly this kind of state-level experimentation—an attempt to address emerging risks through novel regulatory mechanisms.

> "States have served as laboratories of democracy, experimenting with novel regulatory approaches that can later inform national policy."

The federal government's aggressive intervention disrupts this laboratory function. By threatening litigation and funding restrictions before Colorado has even implemented its law, the administration prevents the state from conducting the experiment and generating evidence about the law's effects. As the New York Law Journal notes, "Historically, states have served as laboratories of democracy, experimenting with novel regulatory approaches that can later inform national policy."[30]

This dynamic has implications beyond AI. If the federal government can effectively prevent state experimentation with technology regulation through executive action alone, the laboratories of democracy function becomes significantly constrained. States would have limited ability to address emerging risks until the federal government acts—and if the federal government prefers minimal regulation, states would be unable to provide greater protections even when their citizens demand them.

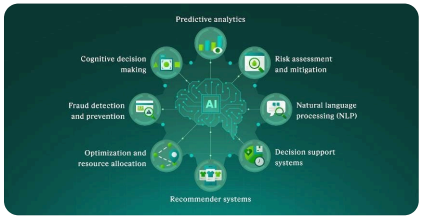
## International Competitiveness and Regulatory Divergence

The administration justifies its opposition to state AI regulation partly on competitiveness grounds, arguing that regulatory burdens disadvantage American companies in the global AI race. However, this argument overlooks that many American companies already navigate complex international regulatory environments, including the EU AI Act, which imposes requirements similar to or more extensive than Colorado's law.

As William Fry's analysis notes, "For multinational organisations, the order underscores the divergence between the US regulatory trajectory and that of other major jurisdictions, most notably the European Union."[10] While the EU establishes comprehensive risk-based regulation, the U.S. approach under the current administration emphasizes minimal federal regulation combined with efforts to prevent state-level requirements. This divergence creates its own compliance challenges for companies operating globally.

Moreover, the competitiveness argument assumes that regulation necessarily impedes innovation, when evidence suggests more complex relationships. Regulation can drive innovation by creating markets for compliance solutions, establishing trust that enables broader adoption, and preventing harms that could trigger public backlash against technology. The EU's experience with GDPR illustrates how regulation can coexist with continued technological development, though debates about optimal regulatory approaches continue.

## The Future of AI Governance




AI systems increasingly make consequential decisions across multiple domains.

The Colorado conflict occurs against a backdrop of rapid AI advancement and growing public concern about AI risks. The unemployment rate for new entrants hitting a nine-year high of 13.4% in 2025, "with AI being widely blamed for job market difficulties,"[24] reflects broader anxieties about AI's societal impacts. The question of who should regulate AI—federal government, states, industry self-regulation, or some combination—remains unresolved.

The absence of federal AI legislation creates a governance vacuum that states like Colorado are attempting to fill. However, the administration's response suggests that this vacuum may be intentional—a preference for minimal regulation rather than a temporary gap pending federal action. This raises fundamental questions about whether the U.S. will develop comprehensive AI governance frameworks or maintain a largely unregulated approach.

International developments add pressure for the U.S. to clarify its AI governance approach. The EU AI Act, set to be fully implemented in coming years, establishes comprehensive

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requirements that will affect American companies operating in European markets. Other countries are developing their own AI governance frameworks. The U.S. risks being left behind in shaping global AI governance norms if internal federal-state conflicts prevent coherent policy development.

## Conclusion

The Trump administration's executive order has escalated federal-state tensions.

As Colorado approaches the June 30, 2026 implementation deadline for its AI Act, the state stands at a crossroads with national implications. The conflict pits state authority to protect consumers against federal assertions of primacy over emerging technology governance, with neither side showing signs of backing down. Attorney General Weiser has promised to defend the law in court, while the Trump administration has established dedicated mechanisms to challenge state AI regulations and threatened to withhold hundreds of millions in rural broadband funding.

The legal landscape favors neither side decisively. The federal government lacks direct authority to preempt state laws through executive action alone, but possesses multiple tools to create pressure for state capitulation. Colorado has constitutional authority to regulate within its borders, but faces practical constraints from the threat of litigation, funding loss, and potential business exodus. The resolution will likely involve some combination of negotiated compromise, litigation, and political maneuvering, with outcomes that remain genuinely uncertain.

What is clear is that this conflict transcends the specifics of AI regulation to address fundamental questions about American federalism, technology governance, and the balance between innovation and consumer protection. The precedents established will influence not only how AI is regulated but how emerging technologies more broadly are governed in the American federal system. As states watch Colorado's experience, they are assessing their own appetite for technology regulation in the face of potential federal opposition.

For Colorado stakeholders—from state officials to rural communities to technology companies—the coming months will require difficult choices. The state must decide whether to implement its law as scheduled, seek compromise amendments, or delay further. Rural communities must weigh their infrastructure needs against the state's consumer protection goals. Technology companies must prepare for potential compliance obligations while hoping for resolution that provides regulatory clarity. And Colorado citizens must consider whether their state's pioneering approach to AI accountability is worth the potential costs in federal funding and business climate.

The stakes extend beyond Colorado's borders. In an era of rapid technological change, the question of who governs emerging technologies—and how—will shape not only economic competitiveness but fundamental questions about fairness, transparency, and accountability in an increasingly AI-mediated world. Colorado's experience will provide critical lessons about whether state-level innovation in technology regulation can survive federal opposition, or whether technology governance will be effectively centralized at the federal level regardless of congressional action. The answer will emerge in the coming months as this unprecedented federal-state confrontation over AI regulation unfolds. ■

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LAWAI
Legal Obstacles to Implementation of the AI Executive Order
JANUARY 26, 2026

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*"What an executive order can do is to publicly announce the policy goals of the executive branch of the federal government, and announce directives from the President to executive branch officials and agencies."*

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JANUARY 26, 2026

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Academic Journal [2]

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When Might State AI Laws Run Afoul of Pike?
This article applies the Pike balancing test to three prominent state AI laws: California's SB 53, New York's RAISE Act, and the Colorado AI Act

Academic Journal [4]

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State News Outlet [5]

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DENVER POST
Colorado leaders vow to keep pursuing AI regulations despite President Trump's threats against states
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WHEN IN YOUR STATE
Colorado's AI Law Bans Discrimination. The White House Calls It Unconstitutional
Colorado Attorney General Phil Weiser has not announced a response ... State lawmakers return to Denver on January 8, 2026, with the AI law ...
JANUARY 2026

News Blog [6]

*"Governor Jared Polis signed Senate Bill 24-205 on May 17, 2024, making Colorado the first state to pass a comprehensive AI accountability law."*

WHEN IN YOUR STATE
Colorado's AI Law Bans Discrimination. The White House Calls It Unconstitutional
Colorado Attorney General Phil Weiser has not announced a response ... State lawmakers return to Denver on January 8, 2026, with the AI law ...
JANUARY 2026

News Blog [6]

*"The Colorado AI Act applies to AI systems that affect employment, housing, healthcare, lending, education, and insurance decisions."*

WHEN IN YOUR STATE
Colorado's AI Law Bans Discrimination. The White House Calls It Unconstitutional
Colorado Attorney General Phil Weiser has not announced a response ... State lawmakers return to Denver on January 8, 2026, with the AI law ...
JANUARY 2026

News Blog [6]

*"Developers must disclose how their systems were trained, what risks exist, and how they manage potential discrimination."*

WHEN IN YOUR STATE
Colorado's AI Law Bans Discrimination. The White House Calls It Unconstitutional
Colorado Attorney General Phil Weiser has not announced a response ... State lawmakers return to Denver on January 8, 2026, with the AI law ...
JANUARY 2026

News Blog [6]

*"The law was supposed to take effect February 1, 2026. After tech lobbyists pushed for changes during a special legislative session in August 2025, Colorado lawmakers passed a bill moving the date to June 30, 2026."*

WHEN IN YOUR STATE
Colorado's AI Law Bans Discrimination. The White House Calls It Unconstitutional
Colorado Attorney General Phil Weiser has not announced a response ... State lawmakers return to Denver on January 8, 2026, with the AI law ...
JANUARY 2026

News Blog [6]

*"The executive order directs the Commerce Department to issue guidance making states with 'onerous' AI laws ineligible for remaining funds under the Broadband Equity, Access and Deployment program."*

WHEN IN YOUR STATE
**Colorado's AI Law Bans Discrimination. The White House Calls It Unconstitutional**
Colorado Attorney General Phil Weiser has not announced a response ... State lawmakers return to Denver on January 8, 2026, with the AI law ...
JANUARY 2026

News Blog [6]

*"Legal experts are skeptical. The Supreme Court has consistently held that only Congress can preempt state law under the Constitution."*

WHEN IN YOUR STATE
**Colorado's AI Law Bans Discrimination. The White House Calls It Unconstitutional**
Colorado Attorney General Phil Weiser has not announced a response ... State lawmakers return to Denver on January 8, 2026, with the AI law ...
JANUARY 2026

News [7]

*"Colorado is moving ahead with its own law to regulate artificial intelligence, despite President Trump's executive order demanding a moratorium on state action."*

AXIOS
**Colorado bucks Trump's AI order**
State of play: Signed into law in 2024, Colorado's regulations require disclosures and limits when AI is used in 'high risk' situations that ...
DECEMBER 17, 2025

News [7]

*"Signed into law in 2024, Colorado's regulations require disclosures and limits when AI is used in 'high risk' situations that could lead to discrimination. The implementation date is delayed to June 30, 2026."*

AXIOS
**Colorado bucks Trump's AI order**
State of play: Signed into law in 2024, Colorado's regulations require disclosures and limits when AI is used in 'high risk' situations that ...
DECEMBER 17, 2025

News [7]

*"Colorado Gov. Jared Polis initially supported a federal moratorium and still backs a national framework. But in a statement to Axios he expressed encouragement that Colorado can get it right with a new bill in 2026."*

AXIOS
**Colorado bucks Trump's AI order**
State of play: Signed into law in 2024, Colorado's regulations require disclosures and limits when AI is used in 'high risk' situations that ...
DECEMBER 17, 2025

News [7]

*"Attorney General Phil Weiser, who is threatening to sue the Trump administration to defend state law, likewise favors a fix rather than a repeal. 'It would be a mistake ... to block states from adopting protective measures on ... a range of other actions that harm consumers,' Weiser said in a statement."*

AXIOS
**Colorado bucks Trump's AI order**
State of play: Signed into law in 2024, Colorado's regulations require disclosures and limits when AI is used in 'high risk' situations that ...
DECEMBER 17, 2025

News [7]

*"A task force of industry leaders convened by Polis is working on a compromise amendment to the current law ahead of the next legislative session, which starts in January."*

AXIOS
**Colorado bucks Trump's AI order**
State of play: Signed into law in 2024, Colorado's regulations require disclosures and limits when AI is used in 'high risk' situations that ...
DECEMBER 17, 2025

Local News Outlet [8]

*"The year 2026 will be pivotal for artificial intelligence in Colorado. A state law to protect consumers from potential discrimination by AI systems goes into effect June 30, delayed from the original Feb. 1 start date to give lawmakers another chance to change Senate Bill 205."*

THE COLORADO SUN
**14 things that will make headlines in Colorado in 2026**
The year 2026 will be pivotal for artificial intelligence in Colorado. A state law to protect consumers from potential discrimination by AI ...
JANUARY 4, 2026

Local News Outlet [8]

*"Many local tech leaders opposed the law immediately after it passed in 2024 because of the 'what-if' scenarios that could stifle innovation. Elected officials, including Gov. Jared Polis, also wanted to change the law, which requires AI developers and companies that deploy the AI to disclose the foreseeable risks of discrimination on consumers."*

THE COLORADO SUN
**14 things that will make headlines in Colorado in 2026**
The year 2026 will be pivotal for artificial intelligence in Colorado. A state law to protect consumers from potential discrimination by AI ...
JANUARY 4, 2026

Local News Outlet [8]

*"Then on Dec. 11, President Donald Trump issued an executive order to block states from adopting their own AI regulations, which 'makes compliance more challenging, especially for startups.' Trump criticized Colorado's law banning algorithmic discrimination because it could 'force AI models to produce false results' to avoid discrimination."*

THE COLORADO SUN
**14 things that will make headlines in Colorado in 2026**
The year 2026 will be pivotal for artificial intelligence in Colorado. A state law to protect consumers from potential discrimination by AI ...
JANUARY 4, 2026

Local News Outlet [8]

*"Rep. Brianna Titone, a Democrat from Arvada who cosponsored the original bill, said Trump doesn't have the authority to do the work of Congress. She's also working on a new 'repeal and replace' bill to simplify the process of addressing inaccurate AI data by putting the liability on developers of large-scale systems, like Google and Open AI, and not the smaller companies deploying them."*

THE COLORADO SUN
**14 things that will make headlines in Colorado in 2026**
The year 2026 will be pivotal for artificial intelligence in Colorado. A state law to protect consumers from potential discrimination by AI ...
JANUARY 4, 2026

Government Official Document [9]

*"To win, United States AI companies must be free to innovate without cumbersome regulation. But excessive State regulation thwarts this imperative. First, State-by-State regulation by definition creates a patchwork of 50 different regulatory regimes that makes compliance more challenging, particularly for start-ups."*

WHITE HOUSE
**Ensuring a National Policy Framework for Artificial Intelligence**
Executive order addressing state-level AI regulations
DECEMBER 11, 2025

Government Official Document [9]

*"For example, a new Colorado law banning 'algorithmic discrimination' may even force AI models to produce false results in order to avoid a 'differential treatment or impact' on protected groups."*

WHITE HOUSE
**Ensuring a National Policy Framework for Artificial Intelligence**
Executive order addressing state-level AI regulations
DECEMBER 11, 2025

Government Official Document [9]

*"My Administration must act with the Congress to ensure that there is a minimally burdensome national standard — not 50 discordant State ones. The resulting framework must forbid State laws that conflict with the policy set forth in this order."*

WHITE HOUSE
**Ensuring a National Policy Framework for Artificial Intelligence**
Executive order addressing state-level AI regulations
DECEMBER 11, 2025

Government Official Document [9]

*"Within 30 days of the date of this order, the Attorney General shall establish an AI Litigation Task Force (Task Force) whose sole responsibility shall be to challenge State AI laws inconsistent with the policy set forth in section 2 of this order"*

WHITE HOUSE
**Ensuring a National Policy Framework for Artificial Intelligence**
Executive order addressing state-level AI regulations
DECEMBER 11, 2025

Government Official Document [9]

*"States with onerous AI laws identified pursuant to section 4 of this order are ineligible for non-deployment funds, to the maximum extent allowed by Federal law."*

WHITE HOUSE
**Ensuring a National Policy Framework for Artificial Intelligence**
Executive order addressing state-level AI regulations
DECEMBER 11, 2025

Legal Blog/Insights [10]

*"On 11 December 2025, President Trump signed an executive order entitled 'Ensuring a National Policy Framework for Artificial Intelligence', which signals a significant escalation in efforts to establish federal primacy over state-level AI regulation in the United States."*

WILLIAM FRY
**Trump Administration Issues Executive Order on Federal AI Policy Framework and State Law Pre-emption**
JANUARY 7, 2026

Legal Blog/Insights [10]

*"The order builds upon Executive Order 14179 of 23 January 2025 ('Removing Barriers to American Leadership in Artificial Intelligence'), which revoked the Biden Administration's October 2023 AI Executive Order."*

WILLIAM FRY
**Trump Administration Issues Executive Order on Federal AI Policy Framework and State Law Pre-emption**
JANUARY 7, 2026

Legal Blog/Insights [10]

*"The Administration asserts that certain state laws compel AI developers to embed what the order characterises as 'ideological bias' within their models. The order explicitly identifies Colorado's algorithmic discrimination legislation as an example, suggesting that such laws may require AI systems to produce results that the Administration considers inaccurate in order to avoid differential treatment or impact on protected groups."*

WILLIAM FRY
**Trump Administration Issues Executive Order on Federal AI Policy Framework and State Law Pre-emption**
JANUARY 7, 2026

Legal Blog/Insights [10]

*"Section 3 of the order directs the Attorney General to establish an AI Litigation Task Force within 30 days. The Task Force's mandate is to challenge state AI laws that the Administration considers inconsistent with the policy of maintaining US AI dominance through minimal regulatory burden."*

WILLIAM FRY
**Trump Administration Issues Executive Order on Federal AI Policy Framework and State Law Pre-emption**
JANUARY 7, 2026

Legal Blog/Insights [10]

*"Section 5 introduces a mechanism for leveraging federal funding to discourage state AI regulation. Within 90 days, the Assistant Secretary of Commerce for Communications and Information must issue a Policy Notice specifying conditions under which states may be eligible for remaining funding under the Broadband Equity Access and Deployment (BEAD) Programme."*

WILLIAM FRY
**Trump Administration Issues Executive Order on Federal AI Policy Framework and State Law Pre-emption**
JANUARY 7, 2026

Legal Blog/Insights [10]

*"For multinational organisations, the order underscores the divergence between the US regulatory trajectory and that of other major jurisdictions, most notably the European Union. While the EU AI Act establishes a comprehensive risk-based regulatory framework with substantial compliance obligations, the present Order signals the US Administration's preference for minimal federal regulation combined with active efforts to prevent state-level requirements from filling the regulatory gap."*

WILLIAM FRY
**Trump Administration Issues Executive Order on Federal AI Policy Framework and State Law Pre-emption**
JANUARY 7, 2026

Technology News Blog [11]

*"First, the December 11 EO spans 17 sections and asserts a national interest in unified AI policy. It directs the Justice Department, Commerce, FTC, and FCC to coordinate responses to restrictive state measures. Additionally, the text singles out Colorado's algorithmic discrimination rules as an example of burdensome regulation."*

AI CERTS
**Federal Taskforce Targets State AI Laws in New Litigation Push**
Within Section 3, the Attorney General must stand up the Federal Taskforce by 10 January 2026. ... Therefore, any claw-back threats invite swift ...
JANUARY 2026

Technology News Blog [11]

*"Within Section 3, the Attorney General must stand up the Federal Taskforce by 10 January 2026. Subsequently, Commerce must publish a state law evaluation by 11 March 2026. Therefore, agencies face compressed timelines and potential staffing challenges."*

AI CERTS
**Federal Taskforce Targets State AI Laws in New Litigation Push**
Within Section 3, the Attorney General must stand up the Federal Taskforce by 10 January 2026. ... Therefore, any claw-back threats invite swift ...
JANUARY 2026

Technology News Blog [11]

*"DOJ briefs will likely foreground Dormant Commerce Clause and statutory Preemption claims. Moreover, the department may argue that mandatory local disclosures compel speech, violating the First Amendment. Additionally, it could assert that inconsistent state safety testing mandates burden interstate commerce."*

AI CERTS
**Federal Taskforce Targets State AI Laws in New Litigation Push**
Within Section 3, the Attorney General must stand up the Federal Taskforce by 10 January 2026. ... Therefore, any claw-back threats invite swift ...
JANUARY 2026

Technology News Blog [11]

*"The BEAD program grants the White House a powerful carrot—and stick. Furthermore, the EO instructs Commerce to condition remaining grants on AI policy alignment. Consequently, states face a dilemma: defend local safeguards or secure broadband dollars."*

AI CERTS
**Federal Taskforce Targets State AI Laws in New Litigation Push**
Within Section 3, the Attorney General must stand up the Federal Taskforce by 10 January 2026. ... Therefore, any claw-back threats invite swift ...
JANUARY 2026

State News Outlet [12]

*"Colorado is believed to be the first state in the nation to enact a law addressing algorithmic discrimination. That law, modified in the August 2025 special session, now has an implementation date of June 30, 2026."*

COLORADO POLITICS
**Trump targets Colorado AI law with executive order, setting stage for legal fight**
Trump reiterated that threat on Thursday, threatening to pull broadband funding from states that did not comply with the executive order.
DECEMBER 12, 2025

State News Outlet [12]

*"Trump cited the need to maintain U.S. AI supremacy over China. That's despite the president, just three days ago, allowing Nvidia to sell certain H200 products, more powerful than the company's H200 chips, to China, a move seen as boosting China's AI capabilities."*

COLORADO POLITICS
**Trump targets Colorado AI law with executive order, setting stage for legal fight**
Trump reiterated that threat on Thursday, threatening to pull broadband funding from states that did not comply with the executive order.
DECEMBER 12, 2025

State News Outlet [12]

*"Trump signed an executive order on Thursday to block states from enforcing their own AI laws. Trump also announced the creation of a legal task force to challenge state AI laws that the order said are inconsistent with a federal policy that dictates a 'minimally burdensome national policy framework for AI.'"*

COLORADO POLITICS
**Trump targets Colorado AI law with executive order, setting stage for legal fight**
Trump reiterated that threat on Thursday, threatening to pull broadband funding from states that did not comply with the executive order.
DECEMBER 12, 2025

State News Outlet [12]

*"In the 118th Congress, more than 150 bills on artificial intelligence regulation were introduced, according to the Brennan Center for Justice. Not one passed. As of Sept. 25, more than 120 have been introduced in the 119th Congress, all still pending."*

COLORADO POLITICS
**Trump targets Colorado AI law with executive order, setting stage for legal fight**
Trump reiterated that threat on Thursday, threatening to pull broadband funding from states that did not comply with the executive order.
DECEMBER 12, 2025

State News Outlet [12]

*"Attorney General Phil Weiser sent a letter to Congressional leaders on Nov. 25 regarding a Congressional moratorium on state regulation of artificial intelligence. '[A]ttempts by the federal government to coerce policy change through intimidation and the illegal withholding of funds are unlawful and unconstitutional,' Weiser wrote. 'If the administration proceeds to adopt this draft order, we will again turn to the courts to defend the rule of law and protect the people of Colorado.'"*

COLORADO POLITICS
**Trump targets Colorado AI law with executive order, setting stage for legal fight**
Trump reiterated that threat on Thursday, threatening to pull broadband funding from states that did not comply with the executive order.
DECEMBER 12, 2025

Government Legislative Document [13]

*"A developer of a high-risk artificial intelligence system shall use reasonable care to protect consumers from any known or reasonably foreseeable risks of algorithmic discrimination."*

COLORADO GENERAL ASSEMBLY
**Senate Bill 24-205 - Artificial Intelligence Consumer Protections**
A bill concerning consumer protections in interactions with artificial intelligence systems
JANUARY 2024

Government Legislative Document [13]

*"Algorithmic discrimination means any condition in which an artificial intelligence system materially increases the risk of an unlawful differential treatment or impact that disfavors an individual or group of individuals on the basis of their actual or perceived age, color, disability, ethnicity, genetic information, limited proficiency in the English language, national origin, race, religion, reproductive health, sex, veteran status, or other classification protected under the laws of this state."*

COLORADO GENERAL ASSEMBLY
**Senate Bill 24-205 - Artificial Intelligence Consumer Protections**
A bill concerning consumer protections in interactions with artificial intelligence systems
JANUARY 2024

Government Legislative Document [13]

*"A developer shall make available, in a manner that is clear and readily available for public inspection, a statement summarizing the types of high-risk artificial intelligence systems that the developer has developed or intentionally and substantially modified and currently makes available to a deployer."*

COLORADO GENERAL ASSEMBLY
**Senate Bill 24-205 - Artificial Intelligence Consumer Protections**
A bill concerning consumer protections in interactions with artificial intelligence systems
JANUARY 2024

Government Legislative Document [13]

*"The developer of an artificial intelligence system that generates or manipulates synthetic digital content shall ensure that the outputs of the artificial intelligence system are marked in a machine-readable format, detectable as synthetic digital content, and marked in a manner that is clear to consumers."*

COLORADO GENERAL ASSEMBLY
**Senate Bill 24-205 - Artificial Intelligence Consumer Protections**
A bill concerning consumer protections in interactions with artificial intelligence systems
JANUARY 2024

Government Legislative Document [13]

*"During the period from July 1, 2025, through June 30, 2026, the Attorney General or a District Attorney, prior to initiating any action for a violation, shall issue a notice of violation to the developer or deployer if the opportunity to cure is warranted."*

COLORADO GENERAL ASSEMBLY
**Senate Bill 24-205 - Artificial Intelligence Consumer Protections**
A bill concerning consumer protections in interactions with artificial intelligence systems
JANUARY 2024

Government Legislative Website [14]

*"On and after February 1, 2026, the act requires a developer of a high-risk artificial intelligence system (high-risk system) to use reasonable care to protect consumers from any known or reasonably foreseeable risks of algorithmic discrimination in the high-risk system."*

COLORADO GENERAL ASSEMBLY
**SB24-205 Consumer Protections for Artificial Intelligence**
The act requires a developer of a high-risk artificial intelligence system (high-risk system) to use reasonable care to protect consumers.
MAY 17, 2024

Government Legislative Website [14]

*"A person doing business in this state, including a deployer or other developer, that deploys or makes available an artificial intelligence system that is intended to interact with consumers must ensure disclosure to each consumer who interacts with the artificial intelligence system that the consumer is interacting with an artificial intelligence system."*

COLORADO GENERAL ASSEMBLY
**SB24-205 Consumer Protections for Artificial Intelligence**
The act requires a developer of a high-risk artificial intelligence system (high-risk system) to use reasonable care to protect consumers.
MAY 17, 2024

Government Legislative Website [14]

*"The act provides an affirmative defense for a developer, deployer, or other person if: (1) The developer, deployer, or other person involved in a potential violation is in compliance with a nationally or internationally recognized risk management framework for artificial intelligence systems that the act or the attorney general designates; and (2) The developer, deployer, or other person takes specified measures to discover and correct violations of the act."*

COLORADO GENERAL ASSEMBLY
**SB24-205 Consumer Protections for Artificial Intelligence**
The act requires a developer of a high-risk artificial intelligence system (high-risk system) to use reasonable care to protect consumers.
MAY 17, 2024

Government Legislative Website [14]

*"The act grants the attorney general rule-making authority to implement, and exclusive authority to enforce, the requirements of the act. A person who violates the act engages in a deceptive trade practice pursuant to the 'Colorado Consumer Protection Act'."*

COLORADO GENERAL ASSEMBLY
**SB24-205 Consumer Protections for Artificial Intelligence**
The act requires a developer of a high-risk artificial intelligence system (high-risk system) to use reasonable care to protect consumers.
MAY 17, 2024

Think Tank [15]

*"AI decision systems play a growing role in deciding whether you get a job, an apartment, a mortgage, or health care, as well as how much you earn and how much you pay for a product or service. The AI tools used in these circumstances have the potential to increase efficiency by processing much more information much faster than a human can."*

CENTER FOR DEMOCRACY & TECHNOLOGY (CDT)
**FAQ on Colorado's Consumer Artificial Intelligence Act (SB 24-205)**
A detailed explanation of the Colorado AI Act, its requirements, protections, and potential improvements

Think Tank [15]

*"Without proactive disclosure, most consumers don't even know when, how, or why companies use AI to make key decisions about them, and thus wouldn't even know which companies they might want to request information from."*

CENTER FOR DEMOCRACY & TECHNOLOGY (CDT)
**FAQ on Colorado's Consumer Artificial Intelligence Act (SB 24-205)**
A detailed explanation of the Colorado AI Act, its requirements, protections, and potential improvements

Think Tank [15]

*"Companies would have to tell consumers or workers rejected through an AI-driven decision the 'principal reasons' for the decision, the degree to which and manner in which AI played a role in that decision, and what personal data was processed in making the decision"*

CENTER FOR DEMOCRACY & TECHNOLOGY (CDT)
**FAQ on Colorado's Consumer Artificial Intelligence Act (SB 24-205)**
A detailed explanation of the Colorado AI Act, its requirements, protections, and potential improvements

Think Tank [15]

*"Laws often require companies to be more transparent when processes normally done by humans are automated or digitized. A biased AI video interview platform can reject more candidates in an hour than a biased human recruiter can in a year."*

CENTER FOR DEMOCRACY & TECHNOLOGY (CDT)
**FAQ on Colorado's Consumer Artificial Intelligence Act (SB 24-205)**
A detailed explanation of the Colorado AI Act, its requirements, protections, and potential improvements

Think Tank [15]

*"Policymakers should also strengthen the law and further protect Coloradans by: building on existing civil rights protections by prohibiting the sale or sale of discriminatory AI decision systems; expanding the law's transparency provisions; strengthening impact assessment provisions; eliminating loopholes; and strengthening enforcement"*

CENTER FOR DEMOCRACY & TECHNOLOGY (CDT)
**FAQ on Colorado's Consumer Artificial Intelligence Act (SB 24-205)**
A detailed explanation of the Colorado AI Act, its requirements, protections, and potential improvements

Professional Services Blog [16]

*"Colorado is leading the charge of U.S. AI policy with the Consumer Protections for Artificial Intelligence (SB24-205) law. This law, commonly referred to as the Colorado AI Act (CO AI Act), is the first enacted comprehensive state law regulating high-risk AI systems."*

SCHELLMAN
**What You Need to Know About the Colorado AI Act**
Comprehensive overview of Colorado's groundbreaking AI regulation
SEPTEMBER 25, 2025

Professional Services Blog [16]

*"The Act's core focus is preventing algorithmic discrimination, defined as unlawful differential treatment based on protected characteristics (e.g., age, race, sex, disability). Consumers are defined as Colorado residents, and duties are assigned to both developers and deployers conducting business within the State of Colorado."*

SCHELLMAN
**What You Need to Know About the Colorado AI Act**
Comprehensive overview of Colorado's groundbreaking AI regulation
SEPTEMBER 25, 2025

Professional Services Blog [16]

*"Both developers and deployers must use reasonable care to prevent algorithmic discrimination. Both must publish accessible statements about the high-risk AI systems they build or use, along with measures to manage risks."*

SCHELLMAN
**What You Need to Know About the Colorado AI Act**
Comprehensive overview of Colorado's groundbreaking AI regulation
SEPTEMBER 25, 2025

Professional Services Blog [16]

*"According to a report released by the cross-sector task force appointed to evaluate the Colorado AI Act, several implementation challenges have been identified: Key terms are not precisely defined, there are overlaps in requirements, smaller businesses may face challenges, and questions remain about enforcement scope."*

SCHELLMAN
**What You Need to Know About the Colorado AI Act**
Comprehensive overview of Colorado's groundbreaking AI regulation
SEPTEMBER 25, 2025

Healthcare Technology News [18]

*"First, State-by-State regulation by definition creates a patchwork of 50 different regulatory regimes that makes compliance more challenging, particularly for start-ups"*

MOBIHEALTHNEWS
**Trump creates AI Task Force to oversee and challenge state regulation**
The executive order says it revokes attempts to paralyze the AI industry and establishes an AI Litigation Task Force to challenge state AI laws inconsistent with national policy.
DECEMBER 12, 2025

Healthcare Technology News [18]

*"The executive order directs Attorney General Pam Bondi to form an 'AI Litigation Task Force' within 30 days of the date of the order, which will challenge state AI laws that are inconsistent with national policy, including those that 'unconstitutionally regulate interstate commerce, are preempted by existing Federal regulations, or are otherwise unlawful in the Attorney General's judgment'"*

MOBIHEALTHNEWS
**Trump creates AI Task Force to oversee and challenge state regulation**
The executive order says it revokes attempts to paralyze the AI industry and establishes an AI Litigation Task Force to challenge state AI laws inconsistent with national policy.
DECEMBER 12, 2025

Healthcare Technology News [18]

*"The order says U.S. states complying with national policy may be eligible for additional funding, and those with onerous AI laws will be ineligible for funds under the Broadband Equity Access and Deployment (BEAD) Program to the maximum extent allowed by federal law"*

MOBIHEALTHNEWS
**Trump creates AI Task Force to oversee and challenge state regulation**
The executive order says it revokes attempts to paralyze the AI industry and establishes an AI Litigation Task Force to challenge state AI laws inconsistent with national policy.
DECEMBER 12, 2025

Healthcare Technology News [18]

*"The White House also calls for legislative recommendations to Congress to establish a uniform federal AI policy framework that would pre-empt conflicting state laws"*

MOBIHEALTHNEWS
**Trump creates AI Task Force to oversee and challenge state regulation**
The executive order says it revokes attempts to paralyze the AI industry and establishes an AI Litigation Task Force to challenge state AI laws inconsistent with national policy.
DECEMBER 12, 2025

Policy Blog [19]

*"President Trump believes AI will play a critical role in how Americans of all ages learn new skills, consume information, and navigate their daily lives—and that the United States is in a race for global technology dominance in AI development."*

BENTON INSTITUTE FOR BROADBAND & SOCIETY
**Trump Executive Orders Shape Federal AI Regulation and Override State Actions**
Analysis of Trump administration's executive orders on AI regulation and state law preemption
DECEMBER 12, 2025

Policy Blog [19]

*"The Executive Order establishes several tools to challenge and restrict state AI laws: An AI Litigation Task Force, state law evaluation, funding restrictions, federal preemption standards, and a call for legislative framework to establish uniform federal AI policy."*

BENTON INSTITUTE FOR BROADBAND & SOCIETY
**Trump Executive Orders Shape Federal AI Regulation and Override State Actions**
Analysis of Trump administration's executive orders on AI regulation and state law preemption
DECEMBER 12, 2025

Policy Blog [19]

*"The White House argues this approach is necessary for American competitiveness in AI development. According to the Administration's fact sheet, state legislatures have introduced over 1,000 AI bills [note: few have been enacted], creating what it calls an inconsistent and costly compliance regime."*

BENTON INSTITUTE FOR BROADBAND & SOCIETY
**Trump Executive Orders Shape Federal AI Regulation and Override State Actions**
Analysis of Trump administration's executive orders on AI regulation and state law preemption
DECEMBER 12, 2025

Policy Blog [19]

*"The Genesis Mission will build an 'American Science and Security Platform' operated by the Department of Energy, integrating supercomputers, AI modeling tools, and federal scientific datasets, enabling AI agents to automate research workflows and test hypotheses."*

BENTON INSTITUTE FOR BROADBAND & SOCIETY
**Trump Executive Orders Shape Federal AI Regulation and Override State Actions**
Analysis of Trump administration's executive orders on AI regulation and state law preemption
DECEMBER 12, 2025

Policy Blog [19]

*"President Trump's AI policy represents a distinctive approach: the U.S. government will be an active participant in advancing AI technology while adopting light federal regulation focused on content standards for government-purchased AI, combined with aggressive federal preemption of state regulation."*

BENTON INSTITUTE FOR BROADBAND & SOCIETY
**Trump Executive Orders Shape Federal AI Regulation and Override State Actions**
Analysis of Trump administration's executive orders on AI regulation and state law preemption
DECEMBER 12, 2025

Legal Blog [20]

*"On November 25, 2025, reports revealed a draft Executive Order prepared by the White House titled 'Eliminating State Law Obstruction of National AI Policy.' The draft order seeks to preempt state AI laws in favor of a uniform national framework and would create an AI Litigation Task Force responsible for challenging state statutes deemed inconsistent with federal priorities."*

ERVIN COHEN & JESSUP LLP
**Federal Strategy to Preempt State-Based AI Laws**
January 6, 2026. Federal Strategy to Preempt State-Based AI Laws ... safety evaluations and documentation for AI systems as enforcement authority continues to expand. The draft Executive Order aligns ...
JANUARY 6, 2026

Legal Blog [20]

*"The draft order directs the Department of Justice, Commerce Department, Federal Communications Commission and Federal Trade Commission to evaluate and challenge state AI laws that may interfere with federal authority or burden interstate commerce. It also directs federal agencies to explore withholding certain funding streams from states with AI statutes the executive branch deems too restrictive."*

ERVIN COHEN & JESSUP LLP
**Federal Strategy to Preempt State-Based AI Laws**
January 6, 2026. Federal Strategy to Preempt State-Based AI Laws ... safety evaluations and documentation for AI systems as enforcement authority continues to expand. The draft Executive Order aligns ...
JANUARY 6, 2026

Legal Blog [20]

*"If federal preemption advances, businesses may face shifting obligations as federal agencies evaluate and potentially override state laws. Therefore, companies operating nationally should track both state requirements and federal proposals."*

ERVIN COHEN & JESSUP LLP
**Federal Strategy to Preempt State-Based AI Laws**
January 6, 2026. Federal Strategy to Preempt State-Based AI Laws ... safety evaluations and documentation for AI systems as enforcement authority continues to expand. The draft Executive Order aligns ...
JANUARY 6, 2026

Legal Blog [20]

*"The draft Executive Order aligns with ongoing congressional efforts to embed AI preemption provisions into federal legislation, including attempts to incorporate preemption into the Fiscal Year 2026 National Defense Authorization Act."*

ERVIN COHEN & JESSUP LLP
**Federal Strategy to Preempt State-Based AI Laws**
January 6, 2026. Federal Strategy to Preempt State-Based AI Laws ... safety evaluations and documentation for AI systems as enforcement authority continues to expand. The draft Executive Order aligns ...
JANUARY 6, 2026

Business News [22]

*"Colorado's artificial intelligence working group is making headway on revising the state's controversial AI law, but key disagreements over who should be held liable when AI systems discriminate remain unresolved as the 2026 legislative session approaches."*

DENVER BUSINESS JOURNAL
**Governor-led group works to amend Colorado AI law**
Colorado's AI group is progressing on Senate Bill 24-205 amendments, but liability disputes persist as the 2026 session nears in January.
DECEMBER 29, 2025

Legal Blog [23]

*"On April 28, 2025, Colorado Senator Robert Rodriguez and Representative Brianna Titone introduced SB 318, which makes significant amendments to the Colorado AI Act (SB 205). The bill is currently pending in the Senate. The Colorado legislature closes Wednesday, May 7."*

BYTE BACK LAW
**Analyzing the Colorado AI Act Proposed Amendments**
Keypoint: The Colorado legislature is considering significant amendments to the nation's first algorithmic discrimination law.
APRIL 28, 2025

Legal Blog [23]

*"Under the prior version, algorithmic discrimination was defined as any condition in which the use of an AI system results in unlawful differential treatment or impact that disfavors an individual or group of individuals based on a protected classification such as race or gender. The proposed definition defines the term as the use of an AI system that results in a violation of any applicable local, state or federal anti-discrimination law, such as the Colorado Anti-Discrimination Act. This is a narrower definition than under the existing law."*

BYTE BACK LAW
**Analyzing the Colorado AI Act Proposed Amendments**
Keypoint: The Colorado legislature is considering significant amendments to the nation's first algorithmic discrimination law.
APRIL 28, 2025

Local News Outlet [24]

*"Senate Bill 205 was the first state law in the nation regulating artificial intelligence in any 'consequential decision' making, defined as a decision that has material, legal or similarly significant effect on a consumer's education and employment, as well as access to loans, health care and insurance."*

COLORADO SUN
**Colorado is feeling the effects of AI as regulation deadlock continues**
In 2024, the legislature passed Senate Bill 205, which aims to protect consumers by mandating disclaimers when AI is used to make decisions on ...
DECEMBER 29, 2025

Local News Outlet [24]

*"Automated decision-making systems are trained to produce outcomes based on input data. That data may contain biases that reflect historical societal inequities, which critics say lead the model to produce unfair outcomes."*

COLORADO SUN
**Colorado is feeling the effects of AI as regulation deadlock continues**
In 2024, the legislature passed Senate Bill 205, which aims to protect consumers by mandating disclaimers when AI is used to make decisions on ...
DECEMBER 29, 2025

Local News Outlet [24]

*"Saunders, who has been a key negotiator with lawmakers, described getting calls from businesses developing or using AI, including some of the biggest tech companies in the country, threatening to leave the state if the bill wasn't altered."*

COLORADO SUN
**Colorado is feeling the effects of AI as regulation deadlock continues**
In 2024, the legislature passed Senate Bill 205, which aims to protect consumers by mandating disclaimers when AI is used to make decisions on ...
DECEMBER 29, 2025

Local News Outlet [24]

*"After lawmakers and industry failed to reach a deal during the August special session, Polis created an AI policy working group to try to break the impasse. It includes the Colorado Technology Association, tech companies and local consumer groups."*

COLORADO SUN
**Colorado is feeling the effects of AI as regulation deadlock continues**
In 2024, the legislature passed Senate Bill 205, which aims to protect consumers by mandating disclaimers when AI is used to make decisions on ...
DECEMBER 29, 2025

Local News Outlet [24]

*"The order specifically cited Colorado, stating that the law 'banning "algorithmic discrimination" may even force AI models to produce false results in order to avoid a "differential treatment or impact" on protected groups.'"*

COLORADO SUN
**Colorado is feeling the effects of AI as regulation deadlock continues**
In 2024, the legislature passed Senate Bill 205, which aims to protect consumers by mandating disclaimers when AI is used to make decisions on ...
DECEMBER 29, 2025

Local News Outlet [25]

*"Colorado Broadband Office officials said Tuesday that the federal government approved the state's reworked $420.6 million Broadband Equity, Access and Deployment Program plan, about half the original amount awarded two years ago to get fast internet to every unserved or underserved household. An estimated 96,000 Coloradans are expected to benefit."*

THE COLORADO SUN
**Colorado awarded $420.6M by federal government**
Colorado awarded $420.6M by federal government — nearly half of original grant — for fast rural internet service.
DECEMBER 2, 2025

Local News Outlet [25]

*"The state's final proposal, submitted to the National Telecommunications and Information Administration in September, had to be redone after the rules changed under the Trump administration in June. States could no longer prioritize fiber internet over wireless or satellite technology. They also had to pick the lowest-priced service if it met minimum speeds."*

THE COLORADO SUN
**Colorado awarded $420.6M by federal government**
Colorado awarded $420.6M by federal government — nearly half of original grant — for fast rural internet service.
DECEMBER 2, 2025

Local News Outlet [25]

*"Fiber installations will get up to $13,000 per location in BEAD subsidies, with tribal locations averaging $13,355 per location."*

THE COLORADO SUN
**Colorado awarded $420.6M by federal government**
Colorado awarded $420.6M by federal government — nearly half of original grant — for fast rural internet service.
DECEMBER 2, 2025

Local News Outlet [25]

*"The BEAD program originated from the federal infrastructure bill passed in 2021. It aimed to address the mayhem caused by the COVID pandemic that limited in-person work, school and health care. Students with inadequate bandwidth at home struggled to log in for classroom video conferencing."*

THE COLORADO SUN
**Colorado awarded $420.6M by federal government**
Colorado awarded $420.6M by federal government — nearly half of original grant — for fast rural internet service.
DECEMBER 2, 2025

Social Media Discussion Forum [26]

*"The Bipartisan Infrastructure Law itself, passed by Congress, laid out a deliberate, multi-phase process for states before they could access construction funds. We're talking about ~14 steps focused on planning, mapping, local coordination, and challenge processes. This structure was a direct reaction to past criticisms of federal broadband programs potentially wasting money and missing the mark."*

REDDIT R/RURAL_INTERNET
**Rural fiber internet expansion is at risk as Trump administration holds funds**
More coverage on the future of BEAD
APRIL 3, 2025

Social Media Discussion Forum [26]

*"Rural folks should be livid. There is enough money to get most of them fiber, but the new administration is trying to force that money to go to satellite instead, for no other reason than Musk wants it. So instead of getting gigabit fiber for $70/month rural folks have the privilege of paying $120/month for service that is five times slower (or worse)."*

REDDIT R/RURAL_INTERNET
**Rural fiber internet expansion is at risk as Trump administration holds funds**
More coverage on the future of BEAD
APRIL 3, 2025

Social Media Discussion Forum [26]

*"The long timeline was always the plan, with planning requirements built in to make sure the job actually got done this time unlike previous programs. The administration is trying to gaslight us into thinking this wasn't the case, so they can claim BEAD 'failed' and perform the theft outlined above."*

REDDIT R/RURAL_INTERNET
**Rural fiber internet expansion is at risk as Trump administration holds funds**
More coverage on the future of BEAD
APRIL 3, 2025

Social Media Discussion Forum [26]

*"Democrats are fucking idiots to not see this coming. Designing a program with such a long runway without contingency planning for losing the next election was incredibly shortsighted."*

REDDIT R/RURAL_INTERNET
**Rural fiber internet expansion is at risk as Trump administration holds funds**
More coverage on the future of BEAD
APRIL 3, 2025

Government Press Release [27]

*"The Bipartisan Infrastructure Law's Broadband Equity, Access, and Deployment (BEAD) program is the largest broadband investment in American history, and provides funding to build essential infrastructure and connect communities to high-speed internet."*

SENATOR JOHN HICKENLOOPER'S OFFICIAL SENATE WEBSITE
**Hickenlooper, Bennet Welcome $420 Million in Bipartisan Infrastructure Law Funding to Deliver Internet Across Colorado**
96,000 Coloradans are expected to get connected. Trump admin's last-minute overhaul of BEAD funding resulted in millions less for Colorado.
DECEMBER 3, 2025

Government Press Release [27]

*"However, the Trump administration delayed and overhauled the BEAD program, leaving millions of dollars on the table. Hickenlooper and Bennet recently led the Colorado Democratic delegation in a letter to the NTIA Administrator, supporting Colorado's application to retain its full allocation."*

SENATOR JOHN HICKENLOOPER'S OFFICIAL SENATE WEBSITE
**Hickenlooper, Bennet Welcome $420 Million in Bipartisan Infrastructure Law Funding to Deliver Internet Across Colorado**
96,000 Coloradans are expected to get connected. Trump admin's last-minute overhaul of BEAD funding resulted in millions less for Colorado.
DECEMBER 3, 2025

Government Press Release [27]

*"The BEAD program provides $42.45 billion to expand high-speed internet access by funding planning, infrastructure deployment, and adoption programs in all 50 states and territories. The program prioritizes unserved and underserved locations that have no or very slow internet access."*

SENATOR JOHN HICKENLOOPER'S OFFICIAL SENATE WEBSITE
**Hickenlooper, Bennet Welcome $420 Million in Bipartisan Infrastructure Law Funding to Deliver Internet Across Colorado**
96,000 Coloradans are expected to get connected. Trump admin's last-minute overhaul of BEAD funding resulted in millions less for Colorado.
DECEMBER 3, 2025

Government Press Release [27]

*"In Colorado, 10 percent of locations are unserved or underserved, and 190,850 households lack access to the internet."*

SENATOR JOHN HICKENLOOPER'S OFFICIAL SENATE WEBSITE
**Hickenlooper, Bennet Welcome $420 Million in Bipartisan Infrastructure Law Funding to Deliver Internet Across Colorado**
96,000 Coloradans are expected to get connected. Trump admin's last-minute overhaul of BEAD funding resulted in millions less for Colorado.
DECEMBER 3, 2025

Local News [28]

*"On June 6, the U.S. Department of Commerce and NTIA announced a restructuring of the BEAD program. The revised framework removes several non-statutory requirements from the original program, shifts focus away from fiber-optic infrastructure, and nullifies existing grant applications."*

ASPEN TIMES
**Garfield County fights BEAD grant changes that threaten local broadband expansion**
Garfield County fights BEAD grant changes that threaten local broadband expansion
JUNE 22, 2025

Local News [28]

*"The new scoring criteria prioritize the lowest-cost technology providers — a move that will largely favor 'a lower technology, most likely satellite services,' Diane Kruse, CEO of NEO Connect, told commissioners."*

ASPEN TIMES
**Garfield County fights BEAD grant changes that threaten local broadband expansion**
Garfield County fights BEAD grant changes that threaten local broadband expansion
JUNE 22, 2025

Local News [28]

*"Prior to the NTIA's recent restructuring, 100% of our 4,000 unserved and underserved addresses were slated for grant-funded, symmetrical gigabit service — extending high-capacity broadband to all residents, businesses, and institutions across the county."*

ASPEN TIMES
**Garfield County fights BEAD grant changes that threaten local broadband expansion**
Garfield County fights BEAD grant changes that threaten local broadband expansion
JUNE 22, 2025

Local News [28]

*"Garfield County has worked for more than six years to expand broadband access, investing $5 million in the construction of network infrastructure to connect local networks with major carriers and service providers, or 'last mile' service, according to a Wednesday news release from the county."*

ASPEN TIMES
**Garfield County fights BEAD grant changes that threaten local broadband expansion**
Garfield County fights BEAD grant changes that threaten local broadband expansion
JUNE 22, 2025

Advocacy Organization [29]

*"Although entitled 'Eliminating State Law Obstruction of National AI Policy,' the EO does not directly preempt or invalidate any state AI law or purport to establish a federal standard that would have immediate preemptive effect."*

PUBLIC CITIZEN
**Legal Analysis of Leaked Draft AI Preemption Executive Order**
The order would implement a strategy to limit, challenge, and potentially preempt the authority of states to regulate artificial intelligence.

Advocacy Organization [29]

*"Section 3 of the draft EO directs the Department of Justice (DOJ) to establish a 'task force' within 30 days 'whose sole responsibility shall be to challenge State AI laws.'"*

PUBLIC CITIZEN
**Legal Analysis of Leaked Draft AI Preemption Executive Order**
The order would implement a strategy to limit, challenge, and potentially preempt the authority of states to regulate artificial intelligence.

Advocacy Organization [29]

*"The EO expresses a preference for a 'minimally burdensome, uniform national policy framework for AI' rather than state-based regulation. It identifies two state laws as problematic: California's 'complex and burdensome disclosure and reporting law' and Colorado's 'algorithmic discrimination' law."*

PUBLIC CITIZEN
**Legal Analysis of Leaked Draft AI Preemption Executive Order**
The order would implement a strategy to limit, challenge, and potentially preempt the authority of states to regulate artificial intelligence.

Advocacy Organization [29]

*"Section 5 directs the Commerce Department to issue a 'policy notice' that specifies 'the conditions under which States may be eligible for remaining funding under the Broadband Equity Access and Deployment (BEAD) Program'"*

PUBLIC CITIZEN
**Legal Analysis of Leaked Draft AI Preemption Executive Order**
The order would implement a strategy to limit, challenge, and potentially preempt the authority of states to regulate artificial intelligence.

Advocacy Organization [29]

*"Section 6 directs the FCC to initiate a rulemaking to adopt federal reporting and disclosure standards for AI models, with the expectation that the FCC's rules would preempt state disclosure and reporting laws."*

PUBLIC CITIZEN
**Legal Analysis of Leaked Draft AI Preemption Executive Order**
The order would implement a strategy to limit, challenge, and potentially preempt the authority of states to regulate artificial intelligence.

Legal Journal [30]

*"Historically, states have served as laboratories of democracy, experimenting with novel regulatory approaches that can later inform national policy."*

NEW YORK LAW JOURNAL
**Algorithmic Supremacy: Constitutional Limits on Preemption in the Age of Executive AI Policy**
The federal government's authority to override state segregation laws primarily rested on the Supremacy Clause (Article VI, Clause 2) combined with other constitutional provisions.
DECEMBER 12, 2025

Legal Journal [30]

*"The administration's efforts to restrict state regulation of AI are just beginning."*

NEW YORK LAW JOURNAL
**Algorithmic Supremacy: Constitutional Limits on Preemption in the Age of Executive AI Policy**
The federal government's authority to override state segregation laws primarily rested on the Supremacy Clause (Article VI, Clause 2) combined with other constitutional provisions.
DECEMBER 12, 2025

Legal Journal [30]

*"This article will explore the Tenth Amendment implications of a move toward a national AI governance policy and consider the consequences of federal limitations on states' ability to regulate AI."*

NEW YORK LAW JOURNAL
**Algorithmic Supremacy: Constitutional Limits on Preemption in the Age of Executive AI Policy**
The federal government's authority to override state segregation laws primarily rested on the Supremacy Clause (Article VI, Clause 2) combined with other constitutional provisions.
DECEMBER 12, 2025

Academic Journal [31]

*"The Administration has reportedly decided to cease work on the executive order, but could resurrect it if a recent legislative initiative pursuing the same goal fails."*

YALE JOURNAL ON REGULATION
**Eliminating State Law 'Obstruction' of National Artificial Intelligence Policy**
Analysis of potential federal executive action to preempt state AI regulations

Academic Journal [31]

*"It asserts that the American AI sector 'must be free to innovate without cumbersome regulation.' However, it notes, state legislators have introduced over 1000 bills that threaten to undermine the 'innovative culture' essential to winning the race against China for AI preeminence."*

YALE JOURNAL ON REGULATION
**Eliminating State Law 'Obstruction' of National Artificial Intelligence Policy**
Analysis of potential federal executive action to preempt state AI regulations

Academic Journal [31]

*"The executive order complains that this mass of state legislative activity has produced a nation-wide regulatory patchwork that compels AI companies to comply with the most restrictive state's regulation, i.e., the regulation that is 'the lower common denominator.'"*

YALE JOURNAL ON REGULATION
**Eliminating State Law 'Obstruction' of National Artificial Intelligence Policy**
Analysis of potential federal executive action to preempt state AI regulations

Academic Journal [31]

*"The order directs the Attorney General to establish a litigation task force solely focused on challenging State AI laws. The contemplated lawsuits would include challenges that such laws transgress dormant commerce clause constraints, conflict with federal statute or regulation (i.e., have been preempted), or otherwise violate the law."*

YALE JOURNAL ON REGULATION
**Eliminating State Law 'Obstruction' of National Artificial Intelligence Policy**
Analysis of potential federal executive action to preempt state AI regulations

Legal Blog [32]

*"To understand the impact of this executive order, one must first revisit the constitutional doctrine of preemption. Under the Supremacy Clause, federal law can supersede or invalidate conflicting state law. Generally, preemption falls into three categories: Express Preemption, Implied Preemption, and Conflict Preemption."*

STEPTOE & JOHNSON LLP
**Executive Order on AI: Federal Preemption or Federal Pressure**
Analysis of the constitutional mechanisms and business implications of a federal executive order on AI regulation
DECEMBER 12, 2025

Legal Blog [32]

*"The Critical Distinction: Preemption requires federal law. An executive order, while powerful, is an instruction to the executive branch; it is not a statute passed by Congress. Therefore, an executive order alone cannot preempt state legislation."*

STEPTOE & JOHNSON LLP
**Executive Order on AI: Federal Preemption or Federal Pressure**
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DECEMBER 12, 2025

Legal Blog [32]

*"Key directives include: Creation of an AI Litigation Task Force, Evaluation of State Laws on AI, Funding as Leverage, and Unfair and Deceptive Acts or Practice guidance from the FTC."*

STEPTOE & JOHNSON LLP
**Executive Order on AI: Federal Preemption or Federal Pressure**
Analysis of the constitutional mechanisms and business implications of a federal executive order on AI regulation
DECEMBER 12, 2025

Legal Blog [32]

*"While the executive order sets the stage for a significant federal-state showdown, it does not immediately erase state-level compliance obligations. State AI regulations (such as those in California, Colorado, or New York) remain valid and enforceable until a court rules otherwise or Congress passes preemptive legislation."*

STEPTOE & JOHNSON LLP
**Executive Order on AI: Federal Preemption or Federal Pressure**
Analysis of the constitutional mechanisms and business implications of a federal executive order on AI regulation
DECEMBER 12, 2025

Legal Blog [32]

*"The leverage applied through federal grants will be the key political mechanism for driving state-level change. States heavily reliant on federal tech or innovation grants should closely monitor shifting requirements as they may be forced to repeal or water down their AI laws to maintain eligibility."*

STEPTOE & JOHNSON LLP
**Executive Order on AI: Federal Preemption or Federal Pressure**
Analysis of the constitutional mechanisms and business implications of a federal executive order on AI regulation
DECEMBER 12, 2025

Legal Blog [33]

*"Colorado lawmakers couldn't reach a compromise to refine the nation's first statewide AI antidiscrimination law and instead agreed yesterday to delay the law's implementation date from February to June 2026 – all in hopes that next year's legislative session will yield substantive changes before it takes effect."*

FISHER PHILLIPS
**Colorado Delays AI Law to June 2026 – Top 10 Questions for Employers and Tech Developers**
We may see a consensus build that it's time to just bite the bullet and allow the law to take effect on June 30, 2026.
AUGUST 27, 2025

Legal Blog [33]

*"By the time the Colorado legislature reconvenes in January 2026, we may be looking at another state leading the way when it comes to AI regulation: California. Lawmakers in Sacramento are currently debating several measures that could lead to strict AI regulation on tech developers, employers, and businesses."*

FISHER PHILLIPS

**Colorado Delays AI Law to June 2026 – Top 10 Questions for Employers and Tech Developers**

We may see a consensus build that it's time to just bite the bullet and allow the law to take effect on June 30, 2026.

AUGUST 27, 2025

Legal Blog [33]

*"Employers and businesses headquartered outside Colorado will almost certainly be affected by any new law passed in 2026. We expect it will apply to businesses making employment decisions about candidates or employees who reside in Colorado, even if the company is located elsewhere."*

FISHER PHILLIPS

**Colorado Delays AI Law to June 2026 – Top 10 Questions for Employers and Tech Developers**

We may see a consensus build that it's time to just bite the bullet and allow the law to take effect on June 30, 2026.

AUGUST 27, 2025

Legal Blog [33]

*"Federal lawmakers came very close to passing a law last month that would have either blocked states from developing their own AI-related laws or blocked states from receiving massive amounts of federal funding if they enforced AI-related laws."*

FISHER PHILLIPS

**Colorado Delays AI Law to June 2026 – Top 10 Questions for Employers and Tech Developers**

We may see a consensus build that it's time to just bite the bullet and allow the law to take effect on June 30, 2026.

AUGUST 27, 2025

Legal Blog/Advisory [34]

*"The White House issued an executive order (EO) on 'Ensuring a National Policy Framework for Artificial Intelligence' on Dec. 11, 2025, establishing a framework for the federal regulation of artificial intelligence (AI) and creating an AI Litigation Task Force to challenge state laws that are inconsistent with federal AI policy objectives."*

HOLLAND & KNIGHT

**What to Watch as White House Moves to Federalize AI Regulation**

The EO takes specific aim at the Colorado AI Act, scheduled to go into effect on June 30, 2026, claiming that the law will 'force AI models to'

DECEMBER 15, 2025

Legal Blog/Advisory [34]

*"The EO further underscores AI development as critical to national and economic security, positioning the U.S. in direct competition with adversaries for global AI supremacy. Stating that a 50-state 'patchwork' stifles AI innovation, the EO establishes a formal effort to create policy 'to sustain and enhance the United States' global AI dominance through a minimally burdensome national policy framework for AI.'"*

HOLLAND & KNIGHT

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DECEMBER 15, 2025

Legal Blog/Advisory [34]

*"The EO directs the U.S. Attorney General (AG) to establish an AI Litigation Task Force within 30 days. This task force is empowered to challenge state AI laws that conflict with the EO's policy, including on the grounds that such laws: unconstitutionally regulate interstate commerce, are preempted by existing federal regulations, are otherwise unlawful in the AG's judgment, including because they may require AI models to alter truthful outputs or compel developers or deployers to disclose or report information in a manner that would violate the First Amendment"*

HOLLAND & KNIGHT

**What to Watch as White House Moves to Federalize AI Regulation**

The EO takes specific aim at the Colorado AI Act, scheduled to go into effect on June 30, 2026, claiming that the law will 'force AI models to'

DECEMBER 15, 2025

Legal Blog/Advisory [34]

*"States with identified 'onerous' AI laws may become ineligible for certain federal funds, including nondeployment funds under the Broadband Equity Access and Deployment Program. Federal agencies are also directed to consider conditioning discretionary grants on states refraining from enforcing conflicting AI laws."*

HOLLAND & KNIGHT

**What to Watch as White House Moves to Federalize AI Regulation**

The EO takes specific aim at the Colorado AI Act, scheduled to go into effect on June 30, 2026, claiming that the law will 'force AI models to'

DECEMBER 15, 2025

Legal Analysis Journal [35]

*"The order establishes several mechanisms through which the Administration intends to challenge, constrain, and ultimately pre-empt state AI laws that it considers inconsistent with the goal of maintaining US dominance in artificial intelligence development."*

WILLIAM FRY

**Trump Administration Issues Executive Order on Federal AI Policy Framework and State Law Pre-emption**

Several state laws may face immediate scrutiny, including Colorado's, which imposes obligations on developers and deployers of high-risk AI systems

JANUARY 7, 2026

Legal Analysis Journal [35]

*"Section 5 introduces a mechanism for leveraging federal funding to discourage state AI regulation. Within 90 days, the Assistant Secretary of Commerce for Communications and Information must issue a Policy Notice specifying conditions under which states may be eligible for remaining funding under the Broadband Equity Access and Deployment (BEAD) Programme."*

WILLIAM FRY

**Trump Administration Issues Executive Order on Federal AI Policy Framework and State Law Pre-emption**

Several state laws may face immediate scrutiny, including Colorado's, which imposes obligations on developers and deployers of high-risk AI systems

JANUARY 7, 2026

Legal Analysis Journal [35]

*"The order's characterisation of algorithmic fairness requirements as compelling 'ideological bias' or requiring AI systems to produce results that are not 'truthful' raises substantial questions about the Administration's understanding of how such systems function and the policy objectives underlying non-discrimination requirements."*

WILLIAM FRY

**Trump Administration Issues Executive Order on Federal AI Policy Framework and State Law Pre-emption**

Several state laws may face immediate scrutiny, including Colorado's, which imposes obligations on developers and deployers of high-risk AI systems

JANUARY 7, 2026

Legal Analysis Journal [35]

*"The executive order represents the most comprehensive federal attempt to date to constrain state-level AI regulation in the United States. For organisations operating in the US market, the order creates a period of significant regulatory uncertainty as the various mechanisms it establishes begin to operate."*

WILLIAM FRY

**Trump Administration Issues Executive Order on Federal AI Policy Framework and State Law Pre-emption**

Several state laws may face immediate scrutiny, including Colorado's, which imposes obligations on developers and deployers of high-risk AI systems

JANUARY 7, 2026

Legal Blog [36]

*"Last year, Colorado enacted Senate Bill 24-205, a first-of-its-kind law regulating the use of artificial intelligence in high-risk decision-making. When it takes effect on February 1, 2026, the law will impose new obligations on developers and deployers of AI systems that influence 'consequential decisions,' such as workplace, lending, housing, and healthcare determinations."*

FISHER PHILLIPS

**Colorado's AI Task Force Warns of Compliance Challenges Ahead of Groundbreaking 2026 AI Law**

Colorado's impending landmark AI law continues to raise compliance challenges and policy concerns for employers and the broader business community.

MARCH 10, 2025

Legal Blog [36]

*"When signing SB 24-205 into law, Governor Jared Polis expressed concerns about its potential impact on innovation and competitiveness. In a signing statement issued on May 17, 2024, Polis acknowledged the importance of preventing AI-driven discrimination – but warned that the law's broad regulatory framework could stifle technological advancement in Colorado."*

FISHER PHILLIPS

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MARCH 10, 2025

Legal Blog [36]

*"One key area of ongoing discussion is the definition of 'consequential decisions,' which determines which AI-driven business processes fall under the law's purview. Employers would prefer greater clarity to ensure that their use of AI in hiring, promotions, terminations, and other HR functions aligns with legal obligations."*

FISHER PHILLIPS

**Colorado's AI Task Force Warns of Compliance Challenges Ahead of Groundbreaking 2026 AI Law**

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MARCH 10, 2025

Legal Blog [36]

*"Some of the most controversial aspects of SB 24-205 remain deeply divisive among stakeholders, making legislative consensus challenging. One of the most hotly debated topics is whether businesses should have a right to cure before enforcement actions."*

FISHER PHILLIPS

**Colorado's AI Task Force Warns of Compliance Challenges Ahead of Groundbreaking 2026 AI Law**

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MARCH 10, 2025

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