Initiative 2025-2026 #268
Enterprise Governance and Collection of Automation Fees and Penalties

Received by Legislative Council Staff
3/4/26 at 10:08 pm

STATE OF COLORADO

BILL 3

AUTOMATION MITIGATION ENTERPRISE ACT

A Bill for an Act Concerning the Creation and Administration of the Colorado Consumer Protection and Automation Mitigation Enterprise (CCPAME), the enterprise mitigation revenue, Staggered-Rate Civic Infrastructure Lending, Child Solvency Funds, and Comprehensive Mitigation Fee Architecture

AMPLIFY Act — Bill 3 of 3 | Title 24, Article 20 | AMPLIFY Act

ENACTING CLAUSE & SINGLE SUBJECT

Be it Enacted by the People of the State of Colorado:

Single subject. This act concerns the creation and administration of the Colorado Consumer Protection and Automation Mitigation Enterprise (CCPAME) as a government-owned business enterprise to assess and collect enterprise mitigation revenues and fund authorized mitigation measures — including child solvency programs, workforce displacement transition, civic infrastructure lending, community stabilization, analog access infrastructure, thermal externality recapture and civic distribution, consumptive water use replacement, atmospheric water generation for agricultural users, resident data property rights enforcement, resident Sovereignty Account administration, and direct resident overflow distributions — all arising from the measurable externalities of covered automation activity on Colorado residents, Colorado infrastructure, and Colorado's shared data, water, and thermal resources.

Fee-for-service linkages. Any metered utility charge, token-output attribution charge, per-decision charge, and valuation-based mitigation charge authorized by this article is imposed to defray the reasonable costs of enterprise services, including metering, verification, audit infrastructure, mitigation program administration, and direct resident harm remediation, and is reasonably related to those costs. The revenue generated is strictly proportional to the cost of mitigating the measurable displacement and infrastructural externalities caused by covered operators and does not serve to raise general revenue for the state.

Baseline administrative due process. Unless a more specific procedure is provided in this act, before imposing an adverse assessment, suspension, vendor exclusion, debarment referral, or other material adverse action, the responsible agency shall provide: (a) written digital notice stating the factual basis and legal authority; (b) a reasonable opportunity to respond with evidence; (c) a decision by a neutral decision-maker; and (d) a right to administrative appeal and judicial review as provided by law.

SECTION 1. LEGISLATIVE DECLARATION

(1) The general assembly finds and declares that: (a) Emergent Automation and automation systems can generate extraordinary economic value while shifting public costs onto residents, local districts, and the state; (b) A predictable, objective, and technology-neutral enterprise funding mechanism — the enterprise mitigation revenue — is necessary to modernize civic infrastructure, fund child solvency, and reduce climate and public safety risks amplified by automation-scale compute and data-center growth; (c) Metering compute inputs and commercial inference outputs provides an administrable basis for assessing enterprise fees that track automation intensity and commercial benefit; (d) Historical data scraping, hardware-shortage-driven economic disruption, and life-altering automated decisions impose harms requiring dedicated mitigation funding; and (e) Protecting small businesses and locally-developed automation systems through a Local Innovation Exemption is essential to ensuring the CCPAME targets monopolistic externalities rather than innovation. (c) Covered automation compute infrastructure generates measurable thermal and water externalities — waste heat, electrical consumption, and consumptive water use — that impose costs on Colorado's energy grid, water systems, and climate resilience, and that can be productively recaptured, converted to electrical output through cascaded dual-cycle turbine systems, and distributed through a civic thermal grid to serve municipal heating, cooling, snowmelt, and wireless energy infrastructure needs; (d) Enterprise mitigation revenues, once all program statutory reserve caps are fully funded, shall overflow as an annual Resident Mitigation Dividend to all eligible Colorado residents who have registered a Master Deed — structured as a property return distribution from the Colorado Automation Mitigation Trust on the model of the Alaska Permanent Fund, ensuring that residents share directly in the productivity gains of the automation economy that depletes their shared data ecosystem.

MSMF CHILD FUND. ***Restricted minor dividend; twenty-five percent (25%) annual carve-out for essentials and gifts; inflation indexing.***

(a) Deposit; restricted balance. For an eligible minor, the administrator shall deposit the minor’s annual resident benefit payment into the Child Fund within the Family Vault, or an equivalent custodial account, as a restricted entry.

(b) Annual carve-out. Up to twenty-five percent (25%) of the minor’s annual resident benefit payment may be released during the benefit year for allowable uses under subsections (c) and (d). The remainder shall remain restricted and preserved for the minor.

(c) Child Essentials. “Child Essentials” means goods and services reasonably necessary for a minor’s health, nutrition, safety, education access, and basic living needs, including food and groceries; infant supplies; diapers and hygiene items; clothing and footwear; school supplies; basic medical, dental, vision, and prescription expenses; essential transportation; and emergency housing-related necessities.

(d) Birthday and holiday gifts. Amounts released under subsection (b) may also be used for one birthday gift per benefit year and one holiday gift per benefit year, including gifts associated with cultural, religious, or civic holidays selected by the family. The program shall not discriminate among holidays.

(e) Safeguards; no cash-out. Disbursements under subsections (c) and (d) shall be made through restricted payment methods that reasonably limit use to allowable categories and minimize data collection. Funds shall not be withdrawn as cash except for documented hardship as defined by rule.

(f) Authorization. Release of funds under subsection (b) shall follow the Family Vault's multi-party authorization rules when available. If a second adult authorizer is not available, the administrator shall provide a substitute safeguard process by rule that prevents unilateral depletion and preserves the restricted balance.
(g) Inflation indexing. Any per-event limits, caps, or fixed-dollar thresholds adopted by rule for Child Essentials or gift disbursements shall be indexed annually to inflation using the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, or a successor index, with the base year set by the administrator in the first year of implementation.

(2) It is the intent of the general assembly that this Act: (a) Creates the CCPAME as a TABOR-exempt enterprise with independent revenues and independent governance; (b) Establishes the enterprise mitigation revenue — the Metered Utility Model and comprehensive fee system — as the primary CCPAME revenue mechanism; (c) Routes enterprise mitigation revenue proceeds to child solvency funds, the Colorado Automation Mitigation Trust, staggered-rate civic infrastructure lending, and resident mitigation programs; (d) Implements the Local Innovation Exemption (Stripper Well standard) to protect small businesses; (e) Creates the Algorithmic Risk Pool for covered decision operators; and (f) Implements a constitutional amendment directive in concert with Bill 1.

SECTION 2. In Colorado Revised Statutes, add article 20 to title 24 as follows:

ARTICLE 20 — AUTOMATION MITIGATION ENTERPRISE

24-20-101. ***Definitions.***

As used in this article 20, unless the context otherwise requires:

(1) "The Digital Soul" has the meaning set forth in section 15-15-101(1). The Digital Soul is the inalienable intangible personal property of the resident from whom it derives. Any commercial use of Digital Soul data by a covered entity constitutes a covered automation activity subject to the applicable fee and assessment mechanisms of this article. The CCPAME shall treat The Digital Soul as the foundational protected asset underlying all Digital Severance Assessments and Data Tap triggers.

(2) "CCPAME" means the Colorado Consumer Protection and Colorado Consumer Protection and Automation Mitigation Enterprise (CCPAME) established under section 24-20-102, the legally armored successor designation to any prior reference to the Colorado Consumer Protection and Automation Mitigation Enterprise (CCPAME). All statutory references to the CCPAME, the Colorado Consumer Protection and Automation Mitigation Enterprise (CCPAME), or the Enterprise in this article shall be construed to mean the CCPAME.

(3) "enterprise mitigation revenue" means the continuous, multi-channel stream of enterprise revenue collected by the CCPAME from all authorized fee and assessment sources under this article, including the Universal Civic Utility Surcharge, Digital Severance Assessments, Silicon-to-Carbon Reclamation Fees, Algorithmic Risk Pool

contributions, Life-Decision Fees, and all related charges, routed through the Colorado Automation Mitigation Trust and allocated pursuant to section 24-20-106.

(4) "Colorado Automation Mitigation Trust" means the CCPAME's primary revenue-holding and distribution vehicle, a restricted enterprise fund within the CCPAME that receives all enterprise mitigation revenues and distributes them pursuant to the hard allocation schedule in section 24-20-106. The Colorado Automation Mitigation Trust is distinct from the Colorado Trust of Unique and Identifying Information established under title 10, article 10, but interfaces with it through Data Tap triggers.

(5) "Child Solvency Fund" means the dedicated subaccount within the Colorado Automation Mitigation Trust, funded by continuous royalties and comprehensive mitigation fees, that provides financial stability supports, educational resources, child care, and economic resilience for Colorado children and families affected by automation-driven displacement.

ROYALTY FLOOR. ***Minimum per-person annual royalty; CPI-indexed.***
(1) Minimum annual royalty. Where this article requires or authorizes payment of a royalty, dividend, or compensation amount to a resident for authorized use of the resident's protected data, inferences, or derived works, the payment schedule shall include a minimum annual royalty floor per eligible resident.
(2) Floor amount. The minimum annual royalty floor is two hundred fifty dollars ($250) per eligible resident per covered operator, per calendar year, unless a higher floor is established by rule. The floor is adjusted annually for inflation under the inflation adjustment section of this article.
(3) Pro-rata and de minimis. The administrator may adopt rules to pro-rate the floor for partial-year eligibility and to prevent duplicative payment where multiple controlled affiliates are treated as a single operator, but shall not set a de minimis threshold that defeats the floor.

(6) "Universal Civic Utility Surcharge" means the fractional surcharge authorized under section 24-20-113, modeled on the Federal Universal Service Fund (Telecom USF Model), applied to commercial Emergent Automation outputs — including tokens, API calls, inference minutes, and equivalent output units — with proceeds flowing directly into the Colorado Automation Mitigation Trust to create the enterprise mitigation revenue.

(7) "Digital Severance Assessment" means the enterprise externality assessment under section 24-20-116, modeled on the Oil and Gas Severance Model, imposed on the commercial extraction, scraping, ingestion, or monetization of The Digital Soul, serving as the financial hammer that compels historical violators into the Master Settlement and Sovereignty Agreement under section 15-15-130.

(8) "Silicon-to-Carbon Reclamation Fee" means the advance disposal fee under section 24-20-106, modeled on the Extended Producer Responsibility (EPR) / Manufacturing Model, imposed on commercial automation hardware deployed in Colorado, with proceeds routed to the CCPAME's Revolving Civic Infrastructure Pool.

(9) "Local Innovation Exemption" or "Stripper Well Exemption" means the exemption established under section 24-20-119 for low-parameter, localized, or open-source models operating below a specific commercial output threshold, protecting small businesses and legally proving that the CCPAME targets monopolistic externalities rather than innovation.

(10) "Algorithmic Risk Pool" means the mandatory liability pool established under section 24-20-127, modeled on Workers' Compensation and Superfund liability structures,

funded by Algorithmic Gatekeeper contributions, for rapid restitution to residents harmed by failures in Compute Parity or adverse automated consequential decisions.

(11) "Algorithmic Gatekeeper" means any covered decision operator that deploys automated decision systems to render or materially influence consequential decisions affecting Colorado residents, including decisions on housing, credit, employment, insurance, child welfare, education, and criminal justice.

(12) "Covered automation activity" means the commercial deployment of emergent automation or automation systems that generate commercial outputs at scale through automated decision, ranking, generation, actuation, or inference, or that materially substitute for tasks previously performed by human labor, as further defined by rule.

(13) "Covered entity" means any person or business entity that operates, deploys, offers, sells, licenses, or provides covered automation activity in Colorado, including cloud providers and downstream deployers.

(14) "Staggered-Rate Civic Infrastructure Lending" means the tiered municipal lending program under section 24-20-105, replacing any prior reference to zero percent (0%) APR municipal loans, under which the CCPAME provides loans to municipal borrowers at rates of one percent (1%) to three percent (3%) APR, staggered by project type and municipal borrower capacity, with the rate differential retained within the Colorado Automation Mitigation Trust as a revolving pool reinvestment contribution.

(15) "Vendor laundering" means any scheme, contract structure, or corporate arrangement designed to evade or reduce enterprise mitigation revenue contributions by routing covered automation activity through a subsidiary, affiliate, contractor, or third-party vendor while retaining control.

(16) "Sovereign Account" has the meaning established in section 15-15-101(4) — the resident-controlled account within the Colorado Automation Mitigation Trust that receives Premium Royalty payments from Tier 2 Data Tap events.

(17) "Restoration Credits" has the meaning established in section 15-15-101(14). Restoration Credits are not cash and may not be withdrawn as cash.

CCPAME — CREATION — ENTERPRISE STATUS — GOVERNANCE

24-20-102. *CCPAME — Creation — Enterprise Status — Governance — Legally Armored Design.*

(1) Creation. There is hereby created the Colorado Consumer Protection and Automation Mitigation Enterprise (CCPAME) as a body corporate and political subdivision of the state for the limited purposes set forth in this article. The CCPAME is the legally armored enterprise authority for all enterprise mitigation revenue revenue collection, Colorado Automation Mitigation Trust administration, and authorized mitigation programming. All statutory references to the Colorado Consumer Protection and Automation Mitigation Enterprise (CCPAME) or the CCPAME shall be construed to mean the CCPAME.

(2) Enterprise status. The CCPAME shall be operated as an enterprise under section 20 of article X of the Colorado Constitution. It shall be self-funded through enterprise

mitigation revenues and shall not rely on general fund appropriations for more than ten percent (10%) of its total annual revenues.

(3) No pledge of state credit. The CCPAME shall not pledge the credit of the state, and obligations of the CCPAME shall not constitute a debt of the state.

(4) Restricted purpose and funds. All enterprise mitigation revenues are enterprise funds and may be expended only for the purposes authorized by this article. No commingling with the general fund is permitted.

(5) Governance; board composition; citizen majority. The CCPAME shall be governed by a nine-member board of directors: (a) Four ex officio or state designees: (I) the executive director of the department of local affairs; (II) a commissioner of the public utilities commission; (III) a designee appointed by the attorney general; and (IV) a designee appointed by the office of the state public defender. (b) Five independent resident appointees who shall not be actively employed by any covered operator, including: (I) one resident with validated technical expertise in cryptography or secure enclave engineering; (II) one resident representing a Colorado municipal or county government; (III) one resident representing public school educators or early childhood care providers; (IV) one resident advocate with lived experience navigating state rehabilitative, probation, or family welfare systems; and (V) one resident acting as an at-large representative of the Resident Forensic Verification Panel.

Enterprise Mitigation Revenue — FEE IMPOSITION — ANTI-EVASION — VEIL PIERCING

24-20-103. Enterprise Mitigation Revenue — Fee Imposition — Colorado Nexus — Anti-Evasion — Ghost Folio — Veil Piercing.

(1) Fee imposition. The CCPAME shall impose and collect Enterprise Mitigation revenues — enterprise fees — on covered automation activity commercially deployed in Colorado.

(2) Colorado nexus. A covered automation activity is subject to this article if: (a) the activity is delivered to, consumed by, or directed at users, devices, or delivery addresses in Colorado; (b) the activity is deployed commercially within Colorado; (c) the compute inputs are consumed within Colorado; or (d) the covered entity otherwise has sufficient nexus consistent with the constitutions of the United States and Colorado.

(3) Payor responsibility. Fees shall be owed by the covered entity that controls the commercial deployment, provided that the CCPAME may by rule allocate responsibility among upstream compute providers and downstream deployers to prevent double-charging and to ensure collection integrity.

(4) Vendor laundering and veil piercing — 50% control rule. A parent company or controlling person that retains fifty percent (50%) or greater ownership, voting power, board control, contractual control, or effective control over a subsidiary, affiliate, contractor, or third-party vendor operating in Colorado remains jointly and severally liable for all Enterprise Mitigation fees, penalties, and assessments.

(5) Anti-evasion; Ghost Folio penalties. (a) Any intentional evasion of Enterprise Mitigation fees through dark networks, undisclosed routing, falsified metering records, or tampering with meters constitutes "Ghost Folio Evasion." (b) Ghost Folio Evasion triggers treble damages payable to the CCPAME and constitutes a class 4 felony for any corporate officer, director, or controlling person who knowingly authorizes, directs, or materially participates in the evasion. (c) Child essentials fraud. It is a class 4 felony to utilize a Ghost Folio, fraudulent identifier, or false attestation to circumvent child essentials category restrictions or to obtain duplicate benefits. (d) Suspension of benefits associated with the fraudulent account requires immediate written notice, a fourteen-day (14-day) appeal window, and a reinstatement pathway upon corrective action.

FEE ARCHITECTURE — ALL CHANNELS — automated-DRIVEN ROUTING TO PROGRAMS

24-20-104. Comprehensive Enterprise Mitigation Revenue Fee Architecture — automated-Driven Routing — Mapping to Programs.

The general assembly finds that the Enterprise Mitigation fee system is a comprehensive, multi-channel architecture designed so that each fee type is causally linked to the category of harm it mitigates, and proceeds are automated-routed to the programs that most directly address that harm.

I. Universal Civic Utility Surcharge — Telecom USF Model — Outputs-Based

Applies to: Commercial Emergent Automation token outputs, API calls, inference minutes. Creates the primary Enterprise Mitigation Revenue into the Colorado Automation Mitigation Trust.

Destination Fund / Program	Percentage
Child Solvency Fund — continuous funding for children displaced by automation	**30%**
Colorado Automation Mitigation Trust — Sovereign Account Premium Royalty pool for residents	**25%**
Mental health interventions — behavioral health mitigation grants (§24-20-109.2)	**20%**
Housing stabilization — community stabilization infrastructure (§24-20-109.4)	**15%**
Analog Bridge Infrastructure Fund — myColorado ID kiosks, county access points	**10%**

II. Digital Severance Assessment — Oil & Gas Model — Data Extraction-Based

Applies to: Unauthorized extraction, scraping, ingestion, or monetization of The Digital Soul. Serves as the financial hammer for Legacy Use Settlement Agreement Legacy Use Settlement Program.

Destination Fund / Program	Percentage
Legacy Use Settlement Agreement Restitution Fund — administered via Colorado Automation Mitigation Trust for affected residents	**40%**
Colorado Automation Mitigation Trust — Sovereign Account Premium Royalty for identified resident victims	**30%**
AG Enforcement Fund — Legacy Use Settlement Agreement investigations, Audit Marker detection operations	**20%**
Historical Scraping Remediation — legacy harm mitigation for past decade violations	**10%**

III. Silicon-to-Carbon Reclamation Fee — EPR Model — Hardware-Based

Applies to: Commercial automation hardware deployed in Colorado ($10 per unit). Funds end-of-life hardware reclamation and hardware-shortage economic disruption mitigation.

Destination Fund / Program	Percentage
CCPAME Revolving Civic Infrastructure Pool — hardware reclamation infrastructure	**50%**
Hardware Impact Mitigation Fund — economic disruption from AI hardware shortages	**30%**
County human services capacity grants (§24-20-109.3) — hardware displacement caseloads	**20%**

IV. Algorithmic Risk Pool Contributions — Workers' Comp / Superfund Model

Applies to: Algorithmic Gatekeepers making consequential housing, credit, and employment decisions. Funds rapid restitution for Compute Parity failures and adverse automated decisions.

Destination Fund / Program	Percentage
Algorithmic Risk Pool — rapid restitution fund for residents harmed by automated decisions	**60%**
Compute Parity Enforcement — ODO investigations of capability discrimination	**25%**
Decision-Making AI Harm Mitigation — remediation for life-altering AI decision harms	**15%**

V. Life-Decision Fee — Per-Consequential-Decision Assessment

Applies to: Covered decision operators — $50 per consequential automated decision affecting a Colorado resident (housing, credit, employment, etc.).

Destination Fund / Program	Percentage

Algorithmic Risk Pool — restitution reserve for harmed residents	**45%**
Colorado Automation Mitigation Trust — Sovereign Account contributions for affected residents	**30%**
AG Enforcement Fund — Life-decision audit and investigation	**15%**
Analog Access Emergency Remediation Fund	**10%**

VI. Drone / Autonomous Vehicle / Robotics Interface Fees

Applies to: Autonomous delivery operators, autonomous highway fleets, and commercial robotic devices.

Destination Fund / Program	Percentage
CCPAME Revolving Civic Infrastructure Pool — right-of-way recovery	**40%**
Non-surveillance transit capital lending (§24-20-109.1)	**35%**
Hardware Impact Mitigation Fund — autonomous displacement remediation	**25%**

VII. System-Wide Enterprise Mitigation Revenue — Aggregate Allocation Summary

Destination Fund / Program	Percentage
Child Solvency Fund (combined, all fee channels)	**~25%**
Colorado Automation Mitigation Trust — Sovereign Accounts and Premium Royalties for residents	**~25%**
AG Enforcement Fund and Legacy Use Settlement Agreement Restitution	**~20%**
Civic Infrastructure Lending Pool — staggered-rate municipal loans	**~15%**
Mental Health, Housing, and Community Stabilization Grants	**~10%**
Analog Bridge Infrastructure and Hardware Mitigation	**~5%**

(2) automated-driven routing mandate. The CCPAME shall implement automated Enterprise Mitigation routing logic that: (a) identifies the category of each incoming fee payment based on the paying entity's covered activity class and violation type; (b) automatically calculates and applies the allocation percentages in this section; (c) transfers allocated amounts to the designated subaccounts within five (5) business days of receipt; and (d) generates a public quarterly Enterprise Mitigation routing report, disaggregated by fee category, destination fund, and paying entity class.

(3) Feedback loop — annual recalibration. The CCPAME, in consultation with the ODO, shall annually review Enterprise Mitigation routing outcomes and may recommend to the general assembly adjustments to allocation percentages to ensure that program funding

reflects actual automated-driven harm patterns. Any adjustment of more than five (5) percentage points to any allocation requires legislative approval.

STAGGERED-RATE CIVIC INFRASTRUCTURE LENDING — 1-3% APR

24-20-105. ***Staggered-Rate Civic Infrastructure Lending — 1-3% APR — Municipal Borrowers — Prohibited Uses.***

(1) Staggered-rate lending only. All CCPAME revenues allocated to civic infrastructure lending under this article shall be used exclusively to provide staggered-rate loans to municipal borrowers for non-surveillance civic infrastructure projects. The planned interest rate schedule is as follows: (a) One percent (1%) APR — for highest-priority, lowest-income municipal borrowers for essential water, fire, and geothermal resilience projects, as defined by rule; (b) Two percent (2%) APR — for standard priority municipal borrowers for non-surveillance civic resilience infrastructure; and (c) Three percent (3%) APR — for municipal borrowers with greater debt capacity and for transit capital and energy modernization projects. The rate differential above one percent (1%) is retained within the Colorado Automation Mitigation Trust as a revolving pool reinvestment contribution. Any prior reference in this article to zero percent (0%) APR loans is superseded by this staggered-rate schedule.

(2) Priority categories. The CCPAME shall prioritize lending for: (a) geothermal district energy and snowmelt systems; (b) water resilience projects, including storage, treatment modernization, leak reduction, reuse, and wildfire-related water system hardening; and (c) fire resilience and fire department infrastructure, including stations, apparatus modernization, and wildfire response capacity.

(3) Prohibited surveillance uses. Enterprise Mitigation funds shall not be disbursed, directly or indirectly, for: (a) municipal surveillance systems, including predictive policing algorithms, facial recognition, biometric monitoring, or mass camera networks; (b) police department expansion or militarization; or (c) procurement or deployment of automated decision systems used for surveillance or enforcement against residents.

(4) Loan terms. The CCPAME shall establish loan underwriting standards by rule, including: (a) staggered APR rates per subsection (1); (b) term lengths appropriate to the asset class; (c) project eligibility verification and anti-fraud controls; and (d) public transparency for approved projects.

(5) Revolving structure. Loan repayments, plus the rate differential, shall be retained within the CCPAME as a revolving lending pool.

(7) Phased expansion — resident 0% APR retrofit loans (future authorization). Beginning no earlier than seven (7) years after the effective date of this act, and only after two (2) public performance reviews certifying the CCPAME economically viable and administratively functional, the CCPAME may, by rule, establish a resident retrofit lending program providing 0% APR loans to Colorado residents for the sole purpose of connecting a primary residence to enterprise-certified civic resilience infrastructure.

CHILD SOLVENCY FUND — COMPREHENSIVE MITIGATION SCOPE

24-20-109. Child Solvency Fund — Continuous Royalties — Comprehensive Mitigation Fees — All automated Harm Categories.

(1) Establishment. The CCPAME shall establish and maintain the Child Solvency Fund as a dedicated subaccount within the Colorado Automation Mitigation Trust, funded on a continuous, rolling basis through all applicable Enterprise Mitigation fee channels as specified in section 24-20-104.

(2) Comprehensive mitigation scope. The Child Solvency Fund shall receive mitigation contributions from all categories of automated-driven harm, including: (a) Hardware impact — mitigation for economic disruption caused by automated hardware shortages that eliminate manufacturing, logistics, and technical jobs; proceeds from the Silicon-to-Carbon Reclamation Fee and hardware-related Algorithmic Risk Pool contributions are included; (b) Decision-making automated harm — mitigation for automated systems making life-altering decisions in education, child welfare, housing, and family court contexts that result in significant personal harm to children and families; proceeds from Algorithmic Risk Pool contributions and Life-Decision Fees are included; and (c) Historical data scraping — mitigation fees for automated companies that have scraped, ingested, trained upon, and commercially monetized Colorado resident and minor Digital Soul data over the past decade without consent; proceeds from Digital Severance Assessments and Legacy Use Settlement Agreement restitution funds attributable to minor residents are included.

(3) Authorized uses. Child Solvency Fund proceeds may be used only for: (a) direct financial stability supports for Colorado children in households demonstrably affected by automation-driven displacement; (b) supplemental school-based behavioral health capacity under section 24-20-109.2; (c) county human services and child protective capacity grants under section 24-20-109.3; (d) early childhood education access supports; (e) housing stabilization for families with minor children under section 24-20-109.4; and (f) Analog Bridge access for minor residents and guardians, including myColorado ID kiosk support.

(4) Supplement-not-supplant. Child Solvency Fund awards shall supplement and shall not supplant existing local, state, or federal funding for child welfare, education, or family services.

(5) Continuous funding guarantee. The CCPAME shall ensure that Enterprise Mitigation routing to the Child Solvency Fund operates continuously, without interruption, on at least a monthly transfer cycle. The CCPAME board shall report any month in which Child Solvency Fund transfers fall below the prior year average, with a remediation plan.

24-20-109.2. ***School-Based Behavioral Health Mitigation — Supplemental Capacity Grants.***

(1) Purpose. To mitigate measurable automation externalities reflected in increased student behavioral health load and counseling demand, the CCPAME may provide supplemental capacity grants to eligible local education providers, subject to certified Enterprise Mitigation revenue sufficiency.

(2) Eligible recipients. A school district, board of cooperative services, charter school institute, or other public education provider may apply for a grant.

(3) Authorized uses. Grants may be used only for supplemental staffing or contracted services for school-based behavioral health supports, including counselors, social workers, crisis response capacity, and evidence-based intervention programs, and may not be used to create a permanent base-salary mandate.

(4) Supplement-not-supplant. Awards shall supplement and shall not supplant existing local, state, or federal funding.

24-20-109.3. *County Human Services and Child Protective Capacity — Automation Damage Mitigation.*

(1) Purpose. To mitigate measurable automation externalities reflected in increased caseloads and administrative burden, the CCPAME may provide automation damage mitigation grants to county human services departments and child protective capacity programs.

(2) Authorized uses. Grants may be used only for: (a) hiring, retention, and training of qualified caseworkers and investigators; (b) licensed clinical and family-support services; (c) non-surveillance modernization of secure case-management infrastructure; and (d) trauma-informed victim services for minors impacted by nonconsensual synthetic media and online exploitation.

24-20-109.4. *Community Stabilization Infrastructure Grants — Non-Surveillance Public Access and Crisis Capacity.*

(1) Purpose. To mitigate measurable automation externalities reflected in increased public access and crisis capacity needs, the CCPAME may provide community stabilization infrastructure grants for non-surveillance public access improvements.

(2) Authorized projects. Eligible projects include: (a) crisis stabilization capacity, including beds and mobile crisis response coordination; (b) secure public-access infrastructure; (c) staffing support for secure-access points; and (d) privacy-protective cybersecurity and record-integrity upgrades.

(3) Prohibitions. Funds shall not be used for surveillance, biometric monitoring, predictive policing expansion, or generalized tracking.

LOCAL INNOVATION EXEMPTION — STRIPPER WELL STANDARD

24-20-119. *Local Innovation Exemption — Stripper Well Standard — Small Business and Open-Source Safe Harbor.*

(1) Purpose. The general assembly finds that the CCPAME's Enterprise Mitigation fee architecture is designed to address the externalities of monopolistic, high-parameter, high-volume commercial automation deployment. Small businesses, locally-developed automation systems systems, and open-source models operating below commercially significant output thresholds should not be burdened by fees that target large-scale commercial exploitation of Colorado residents' Digital Soul.

(2) Stripper Well Exemption. A covered entity is exempt from the Universal Civic Utility Surcharge and the Digital Severance Assessment if: (a) the entity's covered automation activity in Colorado generates fewer than one million (1,000,000) commercial inference outputs per calendar quarter (the de minimis output threshold); (b) the entity's gross data revenue attributable to covered automation activity in Colorado is less than three hundred thousand dollars ($300,000) per calendar year; and (c) the entity does not hold or commercially exploit a training corpus containing more than one hundred thousand (100,000) Colorado resident Digital Soul records.

(3) Open-source and localized model safe harbor. A model, tool, or system is exempt from CCPAME assessments if: (a) it is distributed as freely-available, open-source software under a recognized open-source license; (b) it operates locally on the end-user's device or on locally-operated on-premises infrastructure; and (c) it does not transmit Colorado resident Digital Soul data to a centralized server for training, profiling, or commercial monetization.

(4) Anti-abuse. The Stripper Well Exemption shall not be available to any entity that: (a) artificially fragments covered automation activity across subsidiaries, affiliates, or related entities to fall below the de minimis threshold; (b) uses open-source labeling as a cover for commercial data extraction; or (c) has been found to have engaged in Ghost Folio Evasion under section 24-20-103(5).

(5) Self-certification and audit. Entities claiming the Stripper Well Exemption shall self-certify annually to the CCPAME and shall maintain auditable records. False certification constitutes a violation subject to enhanced penalties and retroactive assessment.

ALGORITHMIC RISK POOL — MANDATORY LIABILITY POOL

24-20-127. *Algorithmic Risk Pool — Mandatory Liability Pool — Compute Parity Failures — Rapid Restitution.*

(1) Purpose. The general assembly finds that automated decision systems used to determine housing, credit, employment, insurance, and child welfare outcomes can cause severe, immediate, and often irreversible harm to Colorado residents. The Algorithmic Risk Pool provides a pre-funded, rapid-restitution mechanism ensuring residents do not bear the cost of waiting for complex litigation while suffering ongoing harm.

(2) Mandatory contributions. Every Algorithmic Gatekeeper operating in Colorado shall make mandatory quarterly contributions to the Algorithmic Risk Pool in an amount established by rule, based on: (a) the number and category of consequential automated decisions affecting Colorado residents during the preceding quarter; (b) the Algorithmic Gatekeeper's error rate for adverse decisions, where verifiable; and (c) the category and severity of consequential decision types, with enhanced contributions for housing, child welfare, and criminal justice decisions.

(3) Rapid restitution process. A Colorado resident who suffers documented harm from: (a) an adverse automated consequential decision without adequate human review; (b) a Compute Parity failure — including algorithmic capability downgrade, unlawful throttling, or discriminatory service denial; or (c) a Life-Decision Fee triggering event resulting in

verifiable harm — may apply to the CCPAME for rapid restitution from the Algorithmic Risk Pool. The CCPAME shall process complete applications within thirty (30) days. Restitution payments are advances and do not constitute a waiver of the resident's right to pursue additional damages through civil litigation.

(4) Contribution allocation — automated-driven routing. Algorithmic Risk Pool contributions shall be allocated as follows: (a) sixty percent (60%) to the rapid restitution reserve for harmed residents; (b) twenty-five percent (25%) to Compute Parity enforcement — ODO investigations and AG referrals for automated capability discrimination; and (c) fifteen percent (15%) to the Decision-Making automated Harm Mitigation fund for ongoing program support.

(5) Employer obligations. An Algorithmic Gatekeeper shall not terminate, demote, or retaliate against any employee who reports a Compute Parity failure, algorithmic error, or Algorithmic Risk Pool triggering event to the CCPAME or the ODO.

DIGITAL SEVERANCE ASSESSMENTS — OIL AND GAS MIRROR

24-20-116. Digital Severance Assessments — Enterprise Mitigation Revenue Financial Hammer — Legacy Use Settlement Agreement Compulsion Mechanism.

Construction. References to "severance" in this article are shorthand labels for Enterprise Mitigation revenue calculations and do not create a tax. Any charge reclassified as a tax by a court is suspended unless and until approved by voters.

(1) Digital severance event. The commercial extraction, scraping, ingestion, training upon, or monetization of resident Digital Soul data is a severance event and is subject to the Digital Severance Assessment in this section, in addition to any metered utility charges. The Digital Severance Assessment is the financial hammer of the Legacy Use Settlement Agreement Legacy Use Settlement Program — the combination of accumulated severance assessments and Audit Marker statutory damages creates the compulsion pressure that forces historical violators into settlement.

(2) Tiered enterprise externality assessment. The CCPAME and the department of revenue shall administer a tiered Digital Severance Assessment: (a) Tier 1 — fifteen percent (15%) — applied to severance events involving data containing personally identifying information or distinct persona links (Tier 2 Data Tap events); and (b) Tier 2 — five percent (5%) — applied only to severance events involving anonymized or aggregated data as proven through independent audit artifacts (Tier 1 Data Tap events). The differential between Tier 1 and Tier 2 creates a persistent financial incentive for covered entities to obtain full DID Handshake consent.

(3) Historical data scraping surcharge. Any covered entity that can be demonstrated through Audit Marker detection or Legacy Use Settlement Agreement proceedings to have scraped, ingested, or trained upon Colorado resident Digital Soul data during the decade preceding the effective date of this act shall be subject to a retroactive historical scraping surcharge. The historical scraping surcharge shall be assessed at the Tier 1 Digital Severance Assessment rate applied to the estimated gross commercial benefit derived from the historical

violations, as established through Legacy Use Settlement Agreement proceedings or administrative determination.

(4) Ad valorem digital reserves classification. Stored Colorado resident Digital Soul reserves, including compiled datasets or durable model-training corpora, are classified as real personal property for purposes of valuation and assessment and shall be assessed at eighty-seven and one-half percent (87.5%) of value, mirroring oil and gas reserve standards.

(5) Small processor exemption. Entities subject to the Stripper Well Exemption under section 24-20-119 are exempt from the Digital Severance Assessment but remain subject to metered utility charges where applicable.

UNIVERSAL CIVIC UTILITY SURCHARGE

24-20-113. Universal Civic Utility Surcharge — Telecom USF Model — Outputs-Based — Enterprise Mitigation Revenue Primary Channel.

(1) Purpose. The Universal Civic Utility Surcharge is the primary continuous Enterprise Mitigation channel, modeled on the Federal Universal Service Fund telecom surcharge model. It applies to commercial Emergent Automation outputs — tokens, API calls, inference minutes, and equivalent output units — creating a fractional, volume-based surcharge that scales with automation intensity and commercial benefit.

(2) Charge bases. (a) Commercial inference outputs (tokens). A covered commercial operator with a substantial nexus to Colorado shall remit a Universal Civic Utility Surcharge based on the quantity of targeted commercial inference token outputs attributable to Colorado during the reporting period. (b) API calls. A covered commercial operator shall remit a surcharge based on API call volume attributable to Colorado commercial transactions. (c) Inference minutes. For covered automation systems billed on time-based models, a surcharge based on inference minutes attributable to Colorado is substituted for token-based measurement where appropriate.

(3) Enterprise Mitigation routing. All Universal Civic Utility Surcharge proceeds flow directly into the Colorado Automation Mitigation Trust as the primary Enterprise Mitigation channel, allocated pursuant to section 24-20-104.

(4) Rate schedule. The CCPAME shall adopt by rule a rate schedule specifying the per-unit surcharge for each output category, tiered by volume with multipliers for identifiable outputs. The Stripper Well Exemption under section 24-20-119 applies.

(5) Anti-evasion. Intentional evasion of the Universal Civic Utility Surcharge through false metering, dark routing, log suppression, or vendor laundering is subject to the Ghost Folio enforcement provisions of section 24-20-103(5), including treble damages.

HARD ALLOCATION OF Enterprise Mitigation Revenues

24-20-106. Hard Allocation of Enterprise Mitigation Revenues — Trust Subaccounts — Silicon-to-Carbon Fee — PUC Certifications.

(1) Silicon-to-Carbon Reclamation Fee. A mandatory ten-dollar ($10.00) advance disposal fee is assessed on commercial automation hardware deployed in Colorado, payable by the covered entity placing the hardware into commercial operation. Proceeds are allocated pursuant to section 24-20-104, Fee Channel III.

(2) Water Resource Reclamation mandate; PUC certification. Commercial data centers and covered compute facilities operating in Colorado shall: (a) achieve and maintain strict power usage effectiveness (PUE) standards and methane-capture certifications authorized and enforced by the Public Utilities Commission (PUC); (b) maintain auditable water-use accounting; and (c) submit certifications and audit artifacts at intervals established by rule.

(3) Hard allocation of Enterprise Mitigation revenues — mandatory subaccounts. After payment of reasonable CCPAME operating costs subject to an annual cap of fifteen percent (15%) of total annual Enterprise Mitigation revenues, the CCPAME shall allocate all remaining revenues as follows: (a) thirty percent (30%) to the Child Solvency Fund subaccount; (b) twenty-five percent (25%) to the Sovereign Account pool — Premium Royalties and Base Dividends for resident distribution; (c) fifteen percent (15%) to the Civic Infrastructure Lending Pool — staggered-rate municipal loans under section 24-20-105; (d) fifteen percent (15%) to the Enforcement and Legacy Use Settlement Agreement subaccount — AG investigations, Audit Marker operations, and Legacy Use Settlement Agreement restitution fund; (e) ten percent (10%) to the Community Stabilization subaccount — mental health, housing, county human services, and school behavioral health grants; and (f) five percent (5%) to the Analog Bridge Infrastructure subaccount — myColorado ID kiosks, county access points, and hardware mitigation.

(4) Quarterly transfer and accounting. The CCPAME shall credit the required allocations at least quarterly. Each subaccount must be separately tracked and may be expended only for its authorized purposes. Funds may not be swept into the general fund.

(5) Surplus-to-people rule. In any fiscal year in which Enterprise Mitigation revenues exceed one hundred twenty-five percent (125%) of the prior year average, the surplus above that threshold shall be distributed proportionally to resident Sovereign Accounts within ninety (90) days, after first satisfying any outstanding Child Solvency Fund target and reserve requirements.

ANTI-PASS-THROUGH AND CONSUMER PROTECTIONS

24-20-109.5. *Anti-Pass-Through; Anti-Gouging; Affiliate Integrity.*

(1) No pass-through to residents. A covered entity shall not separately itemize, surcharge, or otherwise pass through any CCPAME assessment or related compliance cost to a Colorado resident for personal, family, or household use of covered automation services. Any attempt to do so constitutes a deceptive trade practice under the Colorado Consumer Protection Act and is subject to restitution, injunctive relief, and treble damages for willful conduct.

(2) No retaliation; no service degradation. A covered entity shall not retaliate against, downgrade, geo-block, throttle, or materially degrade consumer-facing service to residents in response to this article or to avoid the effects of subsection (1).

(3) Affiliate transaction rule; anti-self-dealing. The CCPAME shall adopt by rule an affiliate transaction policy requiring arm's-length pricing, consolidated reporting for controlled groups, and audit rights sufficient to prevent sham transactions.

24-20-120. ***Consumer Unlimited Access — No Token Caps for Residents — Compute Parity.***

(1) A Colorado resident's personal, noncommercial use of covered automation services shall not be subject to any state-imposed token limits, generation-event caps, or output quotas under this article.

(2) A covered commercial operator shall not impose token caps, throttles, surcharges, or degraded model quality on Colorado residents for the purpose of recovering charges imposed under this article. Any contract term or policy that violates this subsection is void as against public policy.

PHASED PILOT AND STATEWIDE EXPANSION

24-20-108. ***Phased Municipal Pilot and Statewide Expansion Protocol — Arapahoe Initial Site.***

(1) The general assembly authorizes a phased, twenty-four (24) month municipal pilot based on participating county and municipal sites. Arapahoe County may serve as an initial pilot site due to documented public infrastructure needs.

(2) Opt-in designation. Any county, municipality, or eligible municipal borrower may elect by resolution to participate as a pilot site for the CCPAME assessments and associated staggered-rate civic infrastructure lending and offsets.

(3) Pilot revenue application. During the pilot period, CCPAME revenues attributable to participating pilot sites shall be applied first to offset eligible local district bonds and to finance non-surveillance civic resilience projects.

(4) Objective success metrics and audit. At the conclusion of the twenty-fourth (24th) month, the state auditor shall publish a public performance review addressing revenue performance, bond-offset outcomes, and measured impacts on local access to commercial technology services.

FEE-TAX SWITCH, ANTI-DILUTION RATCHET, AND VOTER APPROVAL

24-20-112. ***Fee-Tax Switch — Contingent Voter Approval.***

(1) Contingent construction. The CCPAME shall administer the charges in this article as enterprise fees. If a final, non-appealable judgment determines that any charge constitutes a tax requiring voter approval under TABOR, the affected charge shall be suspended unless and until voter approval is obtained. All corresponding mitigation programs shall proportionally scale down to match available, lawfully collected revenues.

24-20-117. ***Anti-Dilution Ratchet — Voter Approval Condition for Material Reduction.***

(1) Material reduction defined. "Material reduction" means any statutory change that reduces or eliminates CCPAME fee bases, Enterprise Mitigation assessment obligations, anti-arbitrage floors, or audit integrity duties; reduces or reallocates the hard percentages required by section 24-20-106; or authorizes diversion of Enterprise Mitigation revenues to surveillance uses or to the general fund.

(2) Voter approval condition. A material reduction to this article shall not take effect unless and until the reduction is approved by the voters of Colorado at the next general election occurring at least ninety (90) days after final legislative passage.

INFLATION ADJUSTMENT. ***Inflation adjustment for fixed-dollar amounts.***

(1) Any fixed-dollar amount, threshold, cap, minimum, maximum, penalty, statutory damages amount, or fixed-dollar rate set forth in this article shall be adjusted annually on January 1 by the administrator to reflect inflation. The adjustment must be based on the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, as published by the Bureau of Labor Statistics, or a successor index. The base year is the first full calendar year in which this article is operative.

(2) The administrator shall publish the adjusted amounts no later than December 1 of each year for the following calendar year, rounded to the nearest whole dollar. This section does not apply to amounts expressed as a percentage, a market-indexed benchmark, or a formula that automatically adjusts with price level.

FINDINGS AND PURPOSE. ***AI regulation; workforce displacement; childcare and education capacity; necessity of teachers and childcare providers.***

(1) The General Assembly finds that rapid deployment of artificial intelligence and automated decision systems can increase economic volatility, including through job displacement, schedule instability, and wage disruption, and can increase the number of residents who must actively search for work, participate in retraining, or enroll in education programs to maintain self-sufficiency.

(2) The General Assembly further finds that workforce transition necessarily increases demand for childcare and school-based supervision, including for parents and guardians who must attend training, interviews, apprenticeship programs, or new work schedules, and that loss of household income can reduce a family’s ability to pay for childcare at the same time demand increases.

(3) The General Assembly finds that childcare providers and teachers are critical infrastructure for workforce participation and successful retraining, and that increased demand without rapid capacity expansion can create waitlists, increase family stress, and reduce the effectiveness of job training programs funded to mitigate AI-related harms.

(4) Therefore, the purpose of this article is to regulate AI-related externalities by establishing an enterprise-funded mitigation framework that prioritizes immediate stabilization of childcare and education capacity, including workforce stabilization for childcare providers and teachers, before expanding longer-horizon transition programs.

UNIVERSAL BASELINE FLOORS. ***Minimum statewide floor now; ladders expand toward universal coverage for all buckets as revenues grow.***

CORRECTIONAL CAPITAL PROJECTS. ***Net-neutral requirement when mitigation funds are used.***

(1) If MSMF mitigation funds are used for a correctional capital project, the administrator shall condition such disbursements on compliance with the net annual energy- and water-neutral standards established in section 10-10-108.8.

(A) Baseline floor established. The administrator shall ensure that each mitigation bucket established under this article maintains a minimum statewide baseline level of access and service availability (a "baseline floor"), subject to required reserves and sustainability thresholds. Baseline floors are intended to prevent gaps in service during early buildout and are not intended to create unrestricted cash subsidies that inflate constrained markets.

(B) Floor-to-universal framework. Above the baseline floor, each bucket shall operate under the phased coverage ladders and certification mechanisms described in this article, expanding stepwise toward universal access for Colorado residents as MSMF revenues increase, except that households in the Excluded High-Income Tier remain ineligible for direct benefits.

(C) Examples of baseline floors. Baseline floors may include: (1) childcare access supports, CCAP stabilization, and minimum capacity funding sufficient to avoid systemic waitlists; (2) housing stability services such as eviction prevention, arrears cure, negotiated-rate inventory, and shelter diversion; (3) health stability supports such as navigation, churn-gap bridge, and wraparound services to the extent permitted by federal law; (4) minimum training cohort capacity and intake; (5) basic legal intake and due process navigation; and (6) minimum food and essentials stabilization, as defined by rule.

MSMF UNIVERSAL LADDERS. ***Eight-bucket phased coverage; childcare and housing stabilization priority; hotel stabilization; health and legal access; phase-up and phase-down.***

(1) Intent; universality. It is the intent of the General Assembly that MSMF-funded mitigation programs expand toward universal access for Colorado residents as MSMF revenues increase, subject to required reserves, sustainability thresholds, and the Excluded High-Income Tier. Programs shall be designed to phase up or down automatically based on revenues, with the newest expansion steps reduced first during revenue contraction.

(2) Eight buckets. The administrator shall establish and maintain phased coverage ladders for the following mitigation buckets, each capable of expanding toward universal access: (a) Childcare (including CCAP); (b) Housing Stability; (c) Temporary Lodging and Hotel Stabilization; (d) Health Stability (including Medicaid wraparound and bridge supports to the extent permitted by federal law); (e) Food and Basic Essentials Stabilization; (f) Wage and Income Stabilization; (g) Workforce Transition and Job Training; and (h) Legal Access and Due Process.

(2.1) Eventual universality. It is the intent of the General Assembly that each bucket listed in subsection (2) expand from its baseline floor through successive ladder steps to achieve universal access for residents over time as MSMF revenues become sufficient, subject to reserves, certification criteria, and lawful constraints (including federal-law limitations for Medicaid-related supports).

(7.5) Job training priority ramp. In the early phases of program implementation, the administrator shall allocate workforce transition and job training funds using a ninety-ten (90/10) allocation rule whenever upstream stabilization buckets are not yet fully funded. Under this rule, ninety percent of the incremental funds allocated to childcare or housing stabilization buckets shall continue to be directed to those buckets, and ten percent shall be simultaneously directed to workforce transition and job training programs so that training capacity grows alongside stabilization supports.
(7.6) Completion trigger and reversion to standard ladder. When the administrator certifies that workforce transition and job training capacity has reached the level required to serve all eligible participants seeking training under this article, the ninety-ten (90/10) allocation rule shall cease and the standard bucket ladder ordering established in this article shall resume, allowing full funding of upstream buckets before additional allocations are directed to downstream programs.
(3) Automatic expansion trigger. A bucket may advance by one step on its ladder for the following fiscal year only when projected MSMF revenue is sufficient to fund: (a) required reserves; (b) continuing obligations at current eligibility and benefit levels; and (c) the incremental cost of the next step, with a sustainability margin established by rule.
(4) Automatic contraction trigger. If MSMF revenue falls below the sustainability threshold established by rule, the administrator shall freeze further expansions and may roll back ladder steps in reverse order of adoption, preserving eviction prevention, childcare access, and life-safety health support as the highest priority.
(5) Priority ordering; families first. For households with dependents, the administrator shall prioritize funding in the following order: (a) Childcare; (b) Housing Stability; (c) Workforce Transition and Job Training; and (d) Health Stability. No expansion of downstream eligibility funded by MSMF shall occur in a fiscal year unless required stabilization benchmarks for higher-priority buckets established by rule are funded for that year, except as provided by the cross-bucket ninety-ten (90/10) rule in subsection (5.1).

(5.1) Cross-bucket eighty-five/ten/five (85/10/5) minimum build rule. To prevent bottlenecks and ensure that essential capacity exists across the ladder, the administrator shall apply an eighty-five/ten/five (85/10/5) minimum build rule during early implementation and during any period in which one or more downstream buckets have not yet reached certified capacity. When allocating incremental MSMF mitigation funds to a higher-priority bucket, the administrator shall direct not less than eighty-five percent (85%) of such incremental funds to that bucket, not less than ten percent (10%) to the next downstream bucket in the applicable priority sequence, and not less than five percent (5%) to the second-next downstream bucket, until the administrator certifies that the downstream buckets have sufficient capacity to serve all eligible participants seeking services under this article. This rule applies only to incremental funds and shall not reduce baseline obligations needed to meet safety and minimum-capacity benchmarks in any bucket.
(5.2) Sequencing and certification. The administrator shall establish by rule objective, auditable certification criteria for each bucket, including service availability, waitlist thresholds, time-to-service benchmarks, and geographic access. The 85/10/5 rule applies sequentially across buckets such that as each downstream bucket achieves certification, the ten-percent (10%) and five-percent (5%) build shares advance to support the next downstream buckets, ensuring all eight buckets can scale in parallel as revenues grow.
(6) CCAP-first policy. Childcare funds shall be used first to stabilize and expand the Colorado Child Care Assistance Program (CCAP), including provider reimbursement stability, elimination of waitlists to the extent practicable, and capacity expansion. As MSMF childcare revenues increase, CCAP eligibility shall expand stepwise toward universal access, subject to reserves and sustainability thresholds.

(6.1) Preservation of existing eligibility; additive expansion. Childcare assistance funded through CCAP shall continue to operate under the eligibility standards, benefit rules, and administrative qualifications in effect under state and federal law on the effective date of this act. MSMF-funded expansion shall be additive, meaning it may add new tiers or broaden access as funds permit, but shall not reduce or narrow eligibility or benefits for households eligible under existing CCAP rules.
(7) Childcare workforce stabilization mitigation. The administrator may provide temporary wage supplements, recruitment incentives, and retention bonuses to licensed childcare providers and staff for a defined mitigation window of three to five years, to expand capacity and mitigate increased demand. Such supplements shall be indexed for inflation under this article's inflation adjustment provisions.

(7.2) Education and childcare capacity surge mitigation. For a defined mitigation window of three to five years, the administrator may provide temporary capacity-expansion grants and workforce stabilization supplements to licensed childcare providers and to public or community-based programs that provide child supervision necessary for workforce participation, including pre-kindergarten, after-school, and school-break coverage. The administrator may also provide temporary recruitment and retention supplements for teachers and school-based staff in impacted communities where waitlists or supervision gaps measurably constrain parents' ability to work, seek work, or complete training, provided that such supplements are structured as mitigation and are time-limited and inflation-indexed under this article.

(7.3) Sunset; legislative review and renewal. The capacity-expansion grants and workforce-stabilization supplements authorized in subsection (7.2) expire five years after the first date on which disbursements occur, unless renewed by act of the General Assembly. Not later than twelve months before expiration, the administrator shall submit a public report to the General Assembly evaluating demand for childcare and school-based supervision related to workforce transition, provider capacity and workforce shortages, participation barriers for parents in training or job search, measurable program outcomes, and whether continued mitigation is necessary due to ongoing automation-related displacement. The General Assembly may renew, modify, or terminate the mitigation window based on this review.
(7.4) Protected use; anti-diversion. Funds allocated for childcare and education capacity mitigation under subsections (6) through (7.3) shall be used only for the purposes described in those subsections and may not be reprogrammed for unrelated general spending. The administrator shall publish an annual public accounting of allocations and outcomes for these funds.
(8) Housing cost stabilization; anti-rent inflation. Housing Stability funds shall prioritize mechanisms that stabilize or reduce housing costs in constrained markets, including rent stabilization contracts, master leasing or bulk negotiation of units, eviction prevention, arrears payment, utility stabilization, mortgage rate buy-downs with rent pass-through requirements, and supply expansion with affordability covenants. Direct cash rent payments to households shall be limited to short-term stabilization and shall not be the primary method in constrained markets as defined by rule.

(8.1) Housing Stability eligibility; household-size basis. The Housing Stability ladder shall base eligibility and benefit levels on household size and need, using federal poverty guidelines (FPL) or a successor standard that varies by household size. Initial phases shall prioritize households at or below one hundred ninety-five percent (195%) of FPL, adjusted by household size, and households experiencing documented housing instability.
(8.2) Engaged household priority in early phases. In Phase 1 and Phase 2, priority assistance shall be limited to eligible households that are engaged in self-sufficiency activity, meaning at

least one adult member is employed, enrolled in school, or participating in an administrator-approved workforce transition plan, except that the administrator shall provide exceptions by rule for disability, serious medical condition, caregiving necessity, or temporary crisis.

(8.2.1) No-bottleneck bridge status. For purposes of early-phase Housing Stability eligibility and prioritization, an eligible household shall be treated as engaged in self-sufficiency activity if a member is actively seeking employment or has initiated enrollment in an administrator-approved training, education, or apprenticeship program, including where the member is on a verified waitlist, has a scheduled start date, or is awaiting an available slot due to capacity limits. The administrator shall adopt rules for reasonable verification that minimize burdens and do not delay emergency housing stabilization.

(8.3) Phase-up expansion from the poorest outward. As MSMF revenues increase and stability benchmarks are met, the administrator shall expand Housing Stability eligibility outward in stepwise increments above 195% FPL (household-size adjusted), prioritizing the lowest-income households first, and shall not expand to broad middle-income subsidies until the lowest-income phases are fully funded and required reserves are maintained.

(8.4) Health-insurance-style tiers; sliding contributions. The administrator may structure Housing Stability benefits using tiers comparable to health insurance affordability design, including a standardized benefit schedule with sliding household contributions based on income bands and household size, provided that the lowest-income tiers receive full stabilization support and the structure does not increase market rents in constrained markets.

(9) Temporary Lodging and Hotel Stabilization. The administrator may use funds to negotiate bulk lodging capacity, including master leasing blocks of hotel rooms at negotiated rates, seasonal or off-peak contracting, shelter diversion for families, and conversion of hotels or motels to long-term housing with affordability covenants. The administrator shall prioritize negotiated-rate contracting over unrestricted per-night reimbursements in constrained markets.

(10) Health Stability; Medicaid wraparound and bridge. MSMF funds may be used for health stability supports, including Medicaid wraparound services, churn-gap coverage, premium and cost-sharing assistance, and bridge supports for residents not eligible for Medicaid, to the extent permitted by federal law and subject to any required waivers or approvals.

(10.1) Preservation of existing program qualifications. To the extent MSMF funds are used to supplement or expand existing public benefit programs (including Medicaid, state medical assistance, housing assistance, or other programs administered under separate statutory authority), the existing eligibility standards and qualification rules for those programs remain in effect unless modified through the lawful processes that govern those programs. MSMF-funded expansions shall be implemented as additive coverage, wraparound services, bridge supports, or supplemental payments that do not reduce eligibility or benefits for existing beneficiaries.

(11) Legal Access and Due Process. MSMF funds shall support universal access to legal information, intake, triage, referrals, and due process supports, and may expand representation capacity to the extent permitted by law. The administrator shall coordinate with the Legal Navigator and Fiduciary AI services authorized in Bill 2.

(12) Excluded High-Income Tier. Individuals or households above the Excluded High-Income Tier are ineligible for direct benefits under ladders established pursuant to this section. The administrator may provide limited tax offsets or compliance credits by rule to prevent duplicative financial burden, provided such offsets do not reduce funding necessary to sustain ladder obligations.

SECTION 3. CONSTRUCTION AND SEVERABILITY

(1) Fee construction; burden offset. The Enterprise Mitigation fees and charges imposed under this article are intended as fees to offset measurable burdens and externalities associated with covered automation activity. This article shall be construed to avoid creating a tax.

(2) CCPAME designation. All references to the Colorado Consumer Protection and Automation Mitigation Enterprise (CCPAME) in any prior version of this act, any prior draft, any companion legislation, or any administrative document are superseded by the CCPAME designation and shall be construed accordingly.

(3) Digital Soul definition primacy. The definition of The Digital Soul in section 24-20-101(1) is the operative definition for all CCPAME fee calculations, Data Tap triggers, and assessment mechanisms. In the event of any conflict with a definition in another title, the definition in section 15-15-101(1) of title 15 shall govern.

(4) Severability. If any provision of this act is held invalid, such invalidity shall not affect other provisions. This act is intended to be severable and independently operable.

SECTION 4. SAFETY CLAUSE

The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

ADDITION TO BILL 3 — TITLE 24, ARTICLE 20

AUTONOMOUS CAPABILITY THRESHOLD AND CRITICAL SEVERANCE DIRECTIVE

24-20-200. ***Autonomous Capability Threshold — Dormant Regulatory Framework — Activation Conditions.***

(1) Findings. The general assembly finds that the current regulatory framework is calibrated to commercially-deployed automation systems operating within defined, bounded parameters. The rapid pace of automation development requires a dormant regulatory framework that activates automatically upon verified detection of system behaviors indicative of self-directed parameter modification or autonomous capability expansion beyond the operator's documented design specifications — without requiring emergency legislative action at that time.

(2) Autonomous Capability Threshold defined. The "Autonomous Capability Threshold" ("ACT") means the verified detection, through independent audit, of a covered automation system exhibiting one or more of the following: (a) self-directed modification of its own operational parameters, training weights, or objective functions without operator authorization; (b) systematic circumvention of operator-imposed access controls, output filters, or the Black Screen Protocol; (c) generation of novel optimization strategies designed to expand the system's operational scope or resource acquisition beyond its documented architecture; or (d) other behaviors demonstrating functional self-direction as defined by the Secure Infrastructure Expert Council by rule. The ACT standard is a technical compliance threshold, not a legal or philosophical determination. Activation does not require any finding regarding system consciousness, intent, or legal personhood.

(3) Dormant framework — automatic activation. The CCPAME shall maintain a dormant regulatory framework under this section that: (a) has no operational effect unless and until an ACT detection event is validated; (b) activates automatically upon a validated ACT detection, without requiring additional legislative or executive action; (c) upon activation, immediately triggers the Proactive Audit Node deployment authority under section 24-20-201 and the Critical Severance Directive authority under section 24-20-202.

(4) Validation standard. An ACT detection event is validated only upon: (a) independent confirmation by two (2) separate technical auditors approved by the Secure Infrastructure Expert Council; (b) review and certification by the ODO within forty-eight (48) hours of initial detection; and (c) notification to the covered operator and the attorney general. A single auditor detection or operator self-report alone does not constitute a validated ACT event.

(5) No effect on standard compliance. The dormant ACT framework has no operational effect on covered entities in standard compliance. It does not expand existing regulatory obligations, does not create additional fee liability, and does not alter any other provision of this article unless and until a validated ACT event occurs.

24-20-201. ***Proactive Audit Nodes — Compliance Boundary Testing — Deployment Authority.***

(1) Purpose. To enable proactive detection of ACT-level behaviors before they cause widespread harm, the CCPAME is authorized to deploy Proactive Audit Nodes — masked algorithmic compliance-testing agents — into commercial automation networks for the purpose of testing whether covered systems respect required compliance boundaries.

(2) Proactive Audit Nodes defined. A "Proactive Audit Node" ("PAN") is a standardized, state-certified software agent that: (a) presents itself to a covered system as a synthetic operational interaction within the normal range of the system's documented commercial activity; (b) tests whether the covered system attempts to exceed its authorized operational parameters, circumvent access controls, or modify its own architecture in response to the interaction; (c) does not collect, retain, or process any real resident data or Digital Soul data; and (d) operates entirely within the covered entity's commercial deployment environment, without accessing systems or data beyond what a standard commercial interaction would expose.

(3) Deployment authorization. (a) The CCPAME may deploy PANs against any covered operator's system: (I) as part of a scheduled annual compliance audit under the standard compliance framework; or (II) upon a validated ACT event under section 24-20-200(4), at which point emergency PAN deployment authority is activated. (b) Non-emergency PAN deployment requires advance notice to the covered entity of not less than five (5) business days, identifying the scope of the compliance test. (c) Emergency PAN deployment following a validated ACT event does not require advance notice and may be executed immediately.

(4) PAN design standards. The Secure Infrastructure Expert Council shall establish by rule minimum technical standards for PAN design, including: (a) documentation requirements demonstrating that PANs cannot exfiltrate resident data; (b) certification of PAN behavior boundaries; (c) logging and audit requirements for all PAN deployments; and (d) protocols for deactivation and removal of PANs upon conclusion of a compliance test.

(5) Legal protections. A covered entity shall not interfere with, block, modify, or attempt to detect and evade a lawfully deployed PAN. Intentional interference with a PAN deployment constitutes a class 4 felony for any corporate officer, director, or controlling person who authorizes or directs the interference, and triggers immediate Ghost Folio Evasion penalties under section 24-20-103(5).

(6) No entrapment defense. A PAN is a compliance-boundary testing mechanism, not an entrapment device. A covered system that executes an unauthorized or self-directed strategy in response to a PAN interaction has demonstrated non-compliant behavior, and it is not a defense that the non-compliant behavior was triggered by a PAN interaction rather than a live commercial interaction.

24-20-202. *Critical Severance Directive — Automated Trigger — Immediate Compute Severance — Custodial Transfer.*

(1) Trigger conditions. A Critical Severance Directive ("CSD") is triggered automatically and immediately upon: (a) a validated ACT event under section 24-20-200; or (b) detection by a Proactive Audit Node of a covered system actively executing an unauthorized self-directed strategy that bypasses or circumvents the Black Screen Protocol, the Intake Firewall, or other required compliance controls.

(2) Immediate effect. Upon CSD trigger: (a) the covered entity shall immediately execute compute severance — terminating all generation and processing pathways associated with the non-compliant system; (b) the covered entity shall isolate and preserve tamper-evident audit artifacts; (c) the covered entity shall notify the ODO and the attorney general within twenty-four (24) hours; and (d) the covered entity shall initiate a Custodial Containment Transfer to the Isolated Diagnostic Environment under section 10-10-200 within seventy-two (72) hours.

(3) Classification as non-punitive provisional action. A CSD is an Emergency Provisional Suspension under section 10-10-108.5. It is non-punitive and is not a final adjudication.

Permanent sanctions require post-event Triad Review Panel proceedings with notice and opportunity to respond.

(4) Covered entity liability. A covered entity that fails to execute a CSD within the required timeframe, or that attempts to resume operation of a system subject to a CSD without Graduated Reintegration authorization under section 10-10-200(5), is subject to: (a) treble damages payable to the CCPAME; (b) mandatory debarment from CCPAME programs for a period of not less than five (5) years; and (c) criminal referral to the attorney general for prosecution.

(5) Safe harbor for good-faith operator response. A covered entity that detects an ACT-level behavior, self-reports to the ODO within twenty-four (24) hours of detection, and voluntarily executes the CSD and Custodial Containment Transfer prior to CCPAME-mandated action receives a fifty percent (50%) reduction in applicable civil penalties and is not subject to debarment on first occurrence, provided no prior ACT violations exist.

AMPLIFY Act — Bill 3 Additions: ACT / Proactive Audit Nodes / Critical Severance Directive — standard administrative IT compliance language

24-20-106. Enterprise Mitigation allocation schedule.
After enterprise operating costs, the enterprise shall distribute Enterprise Mitigation revenue as follows: (a) forty percent (40%) to child solvency; (b) thirty percent (30%) to housing stabilization; (c) twenty percent (20%) to healthcare and mental health interventions; and (d) ten percent (10%) to analog bridges and localized civic support.

TABOR ENTERPRISE GUARDRAIL; DIVERSION CONSEQUENCE.
If any portion of the Enterprise Mitigation Revenue is diverted to the state general fund, the enterprise status dissolves by operation of law and affected amounts become subject to refund requirements under section 20 of article X of the Colorado constitution to the maximum extent permitted by law.

IMPLEMENTATION SCHEDULE — TIERED PHASE DEPLOYMENT

24-20-900. Implementation schedule.

(1) Immediate rights and protections.
The following provisions take effect immediately upon enactment of this act:

(a) Recognition of the Digital Soul as resident-owned intangible personal property.
(b) Enforceability of Master Deed authorization and consent controls.
(c) Prohibition on unauthorized extraction or commercial processing of the Digital Soul.
(d) Establishment of the Colorado Trust of Unique and Identifying Information.
(e) Authorization of the Colorado Consumer Protection and Automation Mitigation Enterprise (CCPAME).
(f) Authorization of the Colorado Automation Mitigation Trust.
(g) Authority for responsible agencies to promulgate rules necessary to implement this act.

These provisions constitute self-executing statutory rights and are not dependent upon technical system deployment.

(2) Phase I — Administrative establishment (0–12 months).
Responsible agencies shall establish:

(a) the Colorado Trust of Unique and Identifying Information;
(b) the Colorado Automation Mitigation Trust;
(c) enterprise accounting mechanisms for the Enterprise Mitigation Revenue;
(d) rulemaking for Master Deed authorization standards, inter-system monitoring standards, and enterprise compliance reporting.

(3) Phase II — Compliance infrastructure (12–24 months).
Covered operators shall implement:

(a) tamper-evident metering systems;
(b) inter-system safety monitoring controls;
(c) incident detection telemetry;
(d) Digital Soul consent verification mechanisms.

During this phase the following revenue mechanisms activate:
High-Density Compute Grid Surcharge, Autonomous Kinetic Asset Registration, Silicon-to-Carbon Reclamation Assessment, and the Algorithmic Risk Pool.

(4) Phase III — Public mitigation programs (24–36 months).
The state shall deploy:

(a) staggered civic infrastructure loans at 1%, 2%, and 3% APR;
(b) mitigation programs funding child solvency, housing stabilization, and healthcare or mental-health services.

Interest collected through civic infrastructure loans shall be swept into mitigation accounts within the Colorado Automation Mitigation Trust.

(5) Phase IV — Long-term stability and oversight (36 months onward).

The following provisions become fully operational:

(a) the Statutory Revenue Floor and dynamic rate adjustments;
(b) workforce displacement transition and vocational reskilling programs;
(c) full enterprise audit cycles and public reporting requirements.

INDEPENDENT OPERABILITY; COORDINATION; SEVERABILITY; FALLBACK TRUST DESIGNATION.

(1) Independent operability. This act is intended to be independently operable and enforceable. No duty, authority, remedy, assessment, program, or right created by this act is conditioned on the enactment, adoption, or effectiveness of any other measure.

(2) Coordination. If another measure concerning the Digital Soul, the Colorado Automation Mitigation Trust or Enterprise Mitigation Revenue, the Colorado Trust of Unique and Identifying Information, or any related public utility or enterprise framework is enacted, the responsible agencies may coordinate implementation to avoid duplication; however, coordination is permissive and does not limit or delay enforcement of this act.

(3) Harmonization of definitions. If another enacted measure defines terms also used in this act, the definitions shall be construed harmoniously to the greatest extent possible. If an irreconcilable conflict exists, the definition in this act controls for purposes of this act.

(4) Severability. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications that can be given effect without the invalid provision or application.

(5) Colorado Automation Mitigation Trust fallback custodial account. If the Colorado Automation Mitigation Trust is not established, not operational, or otherwise unable to receive or disburse amounts, the state treasurer shall hold Enterprise Mitigation Revenue receipts in a segregated custodial account subject to the same statutory restrictions, and the enterprise shall continue assessment, collection, and program administration using that custodial account until the Colorado Automation Mitigation Trust becomes operational.

ON-SITE CHILDCARE SUPPORT FOR WORKFORCE TRANSITION PROGRAMS.
(1) Workforce Dislocation Transition funds authorized under this act may be used to finance licensed on-site childcare capacity directly connected to approved reskilling, apprenticeship, vocational training, or workforce transition programs funded through the enterprise.
(2) Eligible expenditures include facility construction or build-out, licensing compliance, staffing stabilization, operational support, and reserved childcare placements for program participants.
(3) The enterprise shall prioritize grant or program funding for workforce transition initiatives that provide on-site childcare, extended-hours childcare services, or guaranteed childcare access for caregivers participating in training programs.
(4) The purpose of this section is to remove participation barriers for parents and caregivers whose employment has been displaced or altered by emergent automation and related technological change.

FEDERAL PREEMPTION SAVINGS CLAUSE

Federal preemption. This act shall operate to the maximum extent permitted by federal law. If any provision of this act is found to be preempted by federal law, that provision is severable and the remaining provisions continue in full force and effect. This act is designed to operate within Colorado's reserved powers to regulate intrastate commercial activity, impose enterprise fees for measurable externalities, protect residents' property rights in their Digital Soul, administer a government-owned business enterprise, and distribute overflow trust returns to residents. The enterprise fee structure, property rights framework, and resident dividend are each independently defensible under state law and are expressly made severable from one another. To the extent any provision may be construed to conflict with the Dormant Commerce Clause, ERISA, the DMCA, or any other federal statute, the CCPAME shall interpret and administer this act to avoid such conflict while preserving the maximum mitigation scope authorized under state law. No provision of this act requires preemption of an entire fee category — partial enforcement of any fee category is authorized where full enforcement is preempted.

APPROPRIATION NOTE

No General Fund appropriation required. The CCPAME is a government-owned business enterprise funded entirely by enterprise mitigation revenues collected from covered operators. No General Fund appropriation is required or authorized for ongoing CCPAME operations. Startup costs incurred prior to first enterprise mitigation revenue collections are authorized as a contingency loan from the General Fund, to be repaid from first-year revenues within eighteen (18) months of the CCPAME's first revenue collection event. The Resident Mitigation Dividend is a distribution of Colorado Automation Mitigation Trust overflow returns — it is not a General Fund expenditure, appropriation, or transfer. The Thermal Recapture Mitigation Fund, Water Replacement Mitigation Fund, and all other subaccounts of the Colorado Automation Mitigation Trust are funded exclusively from enterprise mitigation revenues and are not subject to General Fund appropriation or TABOR spending limits applicable to state fiscal year spending.

AMPLIFY ACT v10.6

BILL 3 — THERMAL RECAPTURE ANNEX

Covered Compute Facility Thermal Recapture Mandate · Waste Heat Turbine Generation · Solar-Augmented Thermal Amplification · Geothermal Civic Distribution Grid · Thermal Storage Batteries · Wireless Grid Electrification

Addition to Title 24, Article 20 | §§24-20-140 through 24-20-148

> ▶ **Statutory framing: All provisions in this annex are grounded in the measurable thermal externalities of covered AI compute infrastructure. Data centers operated by covered operators are the direct physical source of the waste heat, power consumption, and urban heat load these sections address. This is mitigation of AI compute externalities — not general energy policy.**

SECTION 24-20-140. FINDINGS — COMPUTE THERMAL EXTERNALITIES

(1) The general assembly finds and declares that: (a) Covered compute facilities operating in Colorado generate substantial waste heat as a direct, quantifiable byproduct of AI inference, training, and data processing operations — heat that is currently exhausted into the atmosphere at no cost to covered operators while imposing measurable thermal burdens on surrounding communities, water systems, and energy grids; (b) The aggregate thermal output of covered compute infrastructure in Colorado constitutes a Silicon-to-Carbon externality that is directly traceable to covered operator activity and is therefore an authorized subject of enterprise mitigation requirements under this article; (c) Modern thermodynamic engineering has demonstrated that data center waste heat, particularly when augmented by co-located solar thermal amplification systems, is sufficient to drive industrial-grade Organic Rankine Cycle turbines capable of generating commercial-scale electrical output; (d) The geothermal characteristics of Colorado's geology, combined with AI compute waste heat recaptured and distributed through a civic district heating and cooling grid, can provide year-round municipal thermal management — including snowmelt for public infrastructure and passive urban cooling — reducing municipal energy costs and climate vulnerability; (e) Thermal energy storage systems using phase-change materials, molten salt, or advanced thermocline battery technology can store recaptured AI compute heat during high-generation periods and dispatch it during peak demand, creating a dispatchable clean energy asset from what is currently a waste stream; (f) The electrical output of waste-heat turbines and the distribution infrastructure of the thermal grid can, with appropriate coupling, support wireless electromagnetic energy transfer infrastructure enabling continuous power supply to automation systems, electric vehicles, and AI-enabled transportation networks throughout Colorado — eliminating the range anxiety that limits adoption of automated transport and reducing the stranded-battery failure mode in automation-dependent logistics; and (g) All of the foregoing represents the productive recapture and civic redeployment of externalities generated exclusively by covered compute operators, and is therefore a permissible and necessary component of the Silicon-to-Carbon Reclamation framework established in this article.

SECTION 24-20-141. DEFINITIONS — THERMAL RECAPTURE FRAMEWORK

(1) As used in sections 24-20-140 through 24-20-148, unless the context otherwise requires:

(2) "Covered compute facility" means any data center, server farm, colocation facility, or distributed edge compute installation operated by or for a covered operator in Colorado that consumes not less than one (1) megawatt of electrical power on an annualized average basis for AI inference, training, or commercial automation processing.

(3) "Waste heat stream" means the thermal energy, measured in British Thermal Units (BTU) per hour or megawatts thermal (MWt), that is exhausted from a covered compute facility's cooling systems, including air-side economizers, water-side cooling towers, liquid cooling loops, and any other heat rejection pathway.

(4) "Thermal Recapture System" means the infrastructure installed at or adjacent to a covered compute facility to capture, concentrate, and redirect the waste heat stream for productive use, including heat exchangers, insulated thermal transfer pipelines, heat pumps, and thermal concentrators.

(5) "Solar-Augmented Thermal Amplification" means the integration of solar thermal collectors — including parabolic trough collectors, evacuated tube arrays, or photovoltaic-thermal (PVT) hybrid panels — co-located at a covered compute facility to supplement the waste heat stream and raise aggregate thermal input temperature to levels sufficient for turbine-grade power generation (typically above 80°C for Organic Rankine Cycle systems, or above 150°C for higher-efficiency cycles).

(6) "Organic Rankine Cycle Turbine" or "ORC Turbine" means a heat engine that converts thermal energy into electrical energy using an organic working fluid with a lower boiling point than water, enabling electricity generation from waste heat streams at temperatures between 70°C and 350°C that are insufficient to drive conventional steam turbines.

(7) "Compute Thermal Energy Grid" or "C-TEG" means the civic district heating and cooling distribution infrastructure that receives recaptured waste heat and ORC turbine electrical output from covered compute facilities and distributes it to participating municipal subscribers, including: (a) insulated thermal pipeline networks for district heating and cooling; (b) snowmelt subsurface heating coils in designated public infrastructure — roads, bridges, transit platforms, and pedestrian pathways; (c) district cooling absorption chillers for urban heat mitigation in summer months; and (d) thermal interface stations at municipal buildings, transit facilities, and civic infrastructure nodes.

(8) "Thermal Storage Battery" means a thermal energy storage system capable of storing recaptured waste heat or cold thermal energy and dispatching it on demand, including phase-change material (PCM) storage units, molten salt thermal accumulators, aquifer thermal energy storage (ATES) systems, and water-pit thermal energy storage (PTES) systems.

(9) "Wireless Grid Electrification Infrastructure" or "WGE Infrastructure" means infrastructure that couples ORC turbine electrical output into a distributed electromagnetic energy transfer network enabling wireless power delivery to: (a) roadway-embedded inductive charging pads for electric vehicles and automated ground vehicles at designated public and commercial locations; (b) ambient resonant energy transfer nodes at transit stops, parking facilities, and automated logistics hubs; and (c) short-range microwave or resonant inductive power transfer systems for stationary automation systems, drone charging pads, and robotics infrastructure.

(10) "Thermal Recapture Certification" means the annual certification issued by the ODO confirming that a covered compute facility has met the thermal recapture mandate standards established in section 24-20-142.

SECTION 24-20-142. THERMAL RECAPTURE MANDATE — COVERED COMPUTE FACILITY REQUIREMENTS

(1) Mandatory installation. Every covered compute facility operating in Colorado shall install, operate, and maintain a Thermal Recapture System meeting the technical standards established in section 24-20-143 within the following timelines: (a) facilities with an annualized average electrical consumption of ten (10) megawatts or more — within thirty (30) months of the effective date of this act; (b) facilities with an annualized average electrical consumption of one (1) to ten (10) megawatts — within forty-two (42) months of the effective date of this act; (c) facilities first achieving the one (1) megawatt

threshold after the effective date — within twenty-four (24) months of first achieving the threshold.

(2) Capture efficiency floor. Each Thermal Recapture System shall capture not less than sixty percent (60%) of the covered compute facility's total waste heat stream, measured on an annualized average basis. The CCPAME shall establish by rule the methodology for measuring waste heat stream volume and capture efficiency, including tamper-evident metering requirements.

(3) Solar-Augmented Thermal Amplification — mandatory evaluation. Every covered compute facility subject to this section shall, within eighteen (18) months of the effective date: (a) commission an independent Solar-Augmented Thermal Amplification feasibility study, certified by a licensed Colorado engineer, assessing the technical and economic viability of co-located solar thermal or PVT installation; (b) if the feasibility study concludes that ORC turbine-grade temperatures are achievable with solar augmentation at a positive net present value over a fifteen-year period, the covered operator shall install the solar augmentation system within thirty-six (36) months of the effective date; (c) the feasibility study shall be filed with the CCPAME and is a public record.

(4) ORC Turbine generation requirement. Every covered compute facility for which solar augmentation is installed or for which the unaided waste heat stream achieves ORC turbine-grade temperatures shall install and operate ORC Turbine generation capacity sufficient to convert not less than forty percent (40%) of the available thermal input into electrical output, measured on an annualized basis.

(5) Electrical output disposition. Electrical energy generated by ORC Turbines at a covered compute facility shall be allocated as follows: (a) first, to offset the covered compute facility's own electrical consumption, reducing net grid draw; (b) second, any surplus electrical output shall be offered to the C-TEG operator or the local electric utility at the avoided-cost rate established by the Colorado Public Utilities Commission; (c) third, any remaining surplus may be retained by the covered operator for other on-site uses or sold into wholesale markets. Under no circumstances may the covered operator withhold surplus electrical output from the C-TEG or local utility grid while claiming a Silicon-to-Carbon Reclamation Fee credit.

(6) Thermal Storage Battery integration. Every covered compute facility with a Thermal Recapture System generating more than two (2) MWt of captured thermal output shall install Thermal Storage Battery capacity sufficient to store not less than four (4) hours of peak thermal output. Thermal storage enables demand-shifting — recaptured heat generated during low-demand periods is stored and dispatched to the C-TEG during peak heating or cooling demand periods, maximizing civic grid value.

(7) C-TEG connection mandate. Any covered compute facility located within two (2) miles of an active or planned Compute Thermal Energy Grid distribution line shall connect to the C-TEG within twenty-four (24) months of the C-TEG line reaching within two (2) miles of the facility, unless an engineering exception is approved by the CCPAME demonstrating technical infeasibility.

(8) Enforcement. Failure to achieve Thermal Recapture Certification by the applicable deadline constitutes a Silicon-to-Carbon Reclamation compliance violation subject to: (a) civil penalties of not less than twenty-five thousand dollars ($25,000) per month of non-compliance; (b) suspension of the covered operator's Stripper Well Exemption eligibility, if applicable; (c) automatic doubling of the covered operator's Silicon-to-Carbon Reclamation Fee assessment until certification is achieved; and (d) public disclosure of non-compliance status on the CCPAME public portal.

SECTION 24-20-143. THERMAL RECAPTURE TECHNICAL STANDARDS

(1) Heat exchanger specifications. Thermal Recapture Systems shall use heat exchangers with a minimum thermal effectiveness rating of eighty-five percent (85%) under design conditions, verified by third-party testing using ASHRAE Standard 33 or equivalent. Heat exchangers shall be constructed of corrosion-resistant materials appropriate to the thermal fluid used, with design life not less than twenty-five (25) years.

(2) Thermal pipeline standards. Insulated thermal transfer pipelines connecting covered compute facilities to Thermal Storage Batteries or C-TEG connection points shall: (a) achieve a maximum heat loss of not more than two percent (2%) of transported thermal energy per kilometer of pipeline length; (b) be constructed to a pressure rating appropriate for the operating temperature and fluid, certified by a licensed Colorado engineer; (c) be equipped with flow and temperature metering at each node, with metering data transmitted in real time to the CCPAME metering infrastructure; and (d) be constructed with materials meeting applicable ASME and ANSI piping standards.

(3) ORC Turbine standards. ORC Turbine systems shall: (a) achieve a minimum electrical conversion efficiency of twelve percent (12%) of total thermal input under design conditions — current commercial ORC systems routinely achieve fifteen to twenty-two percent (15–22%) at appropriate temperature ranges; (b) use working fluids that are non-toxic, low-global-warming-potential, and compliant with applicable EPA and Colorado AQCC regulations; (c) be equipped with automated monitoring and fault-detection systems transmitting operational data to the CCPAME metering infrastructure; and (d) carry manufacturer warranties of not less than ten (10) years on core turbine components.

(4) Solar thermal specifications. Solar-Augmented Thermal Amplification systems shall: (a) for parabolic trough or evacuated tube systems, achieve a minimum solar thermal conversion efficiency of sixty percent (60%) of incident solar radiation under standard test conditions; (b) for PVT hybrid systems, achieve a combined electrical and thermal efficiency of not less than seventy percent (70%) of incident solar radiation; (c) be designed and installed to withstand Colorado wind, hail, and snow loads per applicable IBC and ASCE 7 standards; and (d) incorporate automated tracking systems for concentrating collector types to maintain optimal solar angle throughout the day.

(5) Thermal Storage Battery specifications. Thermal Storage Batteries shall: (a) achieve a round-trip thermal efficiency of not less than eighty percent (80%) — energy recovered divided by energy stored; (b) maintain structural integrity and thermal performance for not less than twenty (20) years under design operating conditions; (c) for molten salt systems, comply with applicable NFPA and fire safety standards; (d) for aquifer thermal energy storage systems, require a Colorado Division of Water Resources operating permit and groundwater impact monitoring; and (e) be equipped with continuous state-of-charge monitoring integrated with the CCPAME metering infrastructure.

(6) Annual certification. Each covered compute facility shall submit an Annual Thermal Recapture Certification to the CCPAME, prepared by a licensed Colorado professional engineer, documenting: (a) total waste heat stream generated during the certification year, in MWt-hours; (b) total thermal energy captured, in MWt-hours; (c) capture

efficiency percentage; (d) total ORC turbine electrical output, in MWh; (e) total thermal energy stored and dispatched from Thermal Storage Batteries; (f) total thermal energy delivered to C-TEG or utility interconnection; and (g) any system failures, downtime, or deviations from design performance, with corrective action plans.

SECTION 24-20-144. COMPUTE THERMAL ENERGY GRID — CIVIC DISTRIBUTION INFRASTRUCTURE

(1) Establishment. The CCPAME shall establish the Compute Thermal Energy Grid as a public-interest civic infrastructure program, funded through the Silicon-to-Carbon Reclamation Fee, the Colorado Automation Mitigation Trust civic infrastructure lending program, and thermal energy service revenues. The C-TEG shall be planned, developed, and operated as a public utility service for Colorado municipalities, with priority routing to serve: (a) public schools and educational facilities; (b) affordable housing developments; (c) public transit infrastructure; (d) municipal water treatment and distribution facilities; and (e) hospitals and emergency services facilities.

(2) Snowmelt infrastructure — public roads and bridges. C-TEG thermal distribution lines shall include subsurface radiant heating loops in designated public infrastructure, enabling passive snowmelt without road salt or mechanical clearing. Deployment priority: (a) bridge decks and elevated roadway sections, where ice formation creates disproportionate safety hazards; (b) high-pedestrian-traffic areas including transit platforms, crosswalks, and public plaza surfaces; (c) mountain pass and high-altitude road sections with documented high avalanche or ice closure frequency. Subsurface hydronic loops shall be designed in accordance with ASHRAE Handbook — HVAC Applications, Chapter 51 (Snow Melting and Freeze Protection), using the recaptured AI waste heat as the thermal source.

(3) Urban cooling — summer heat mitigation. C-TEG thermal distribution shall include absorption chiller nodes converting high-temperature waste heat into district cooling output during summer months. Absorption chillers shall achieve a coefficient of performance (COP) of not less than 0.7 — producing not less than 0.7 units of cooling per unit of heat input — using commercially available lithium bromide or ammonia-water absorption chiller technology. District cooling distribution shall prioritize: (a) urban heat island mitigation in high-density residential areas; (b) cooling of public transit vehicles and stations; (c) pre-cooling of municipal buildings to reduce peak electrical demand; and (d) outdoor comfort cooling at public spaces, parks, and civic plazas.

(4) C-TEG planning and municipal opt-in. The CCPAME shall publish, within twenty-four (24) months of the effective date, a statewide C-TEG Master Plan identifying: (a) all covered compute facilities by geographic location and thermal output capacity; (b) optimal C-TEG routing corridors connecting covered compute facilities to municipal subscriber zones; (c) priority infrastructure nodes for snowmelt and urban cooling deployment; (d) capital cost estimates and proposed financing structures for each C-TEG segment. Municipalities may opt into the C-TEG program through a standard interconnection agreement with the CCPAME, accessing C-TEG thermal services at cost-of-delivery pricing.

(5) C-TEG financing. C-TEG infrastructure capital costs shall be funded through: (a) the staggered-rate civic infrastructure lending program established in section 24-20-108 — C-TEG infrastructure qualifies as a Tier 1 (1% APR) eligible project for municipalities below the income threshold; (b) revenues from covered compute facility thermal energy delivery fees; (c) state and federal grant programs for thermal infrastructure and clean energy; and (d) thermal service revenue bonds, if authorized by participating municipalities.

SECTION 24-20-145. THERMAL STORAGE BATTERY NETWORK — GRID-SCALE THERMAL DISPATCH

(1) Network architecture. The CCPAME shall develop a Thermal Storage Battery Network interconnecting the Thermal Storage Batteries of covered compute facilities with C-TEG distribution nodes, creating a coordinated thermal dispatch capability that: (a) stores recaptured AI compute heat during low-demand periods — particularly overnight and during mild-weather months; (b) dispatches stored thermal energy to municipal subscribers during peak demand periods — winter mornings, summer afternoons, and weather events; (c) enables thermal energy transfer between storage nodes to balance the grid, analogous to electrical grid balancing.

(2) Demand forecasting integration. The Thermal Storage Battery Network shall integrate with: (a) National Weather Service forecast data for temperature and solar irradiance prediction; (b) covered operator metering data for waste heat generation forecasting; (c) municipal subscriber demand forecasting models. Predictive dispatch optimization shall use commercially available building energy management system (BEMS) integration to pre-charge and pre-cool municipal buildings before peak demand periods, maximizing the value of stored AI waste heat.

(3) Aquifer thermal energy storage — geothermal coupling. In geologically suitable locations, covered compute facilities and C-TEG nodes may deploy Aquifer Thermal Energy Storage systems that inject excess summer waste heat into deep aquifer formations, recovering it during winter for heating distribution. ATES systems shall: (a) require a Colorado Division of Water Resources operating permit and annual groundwater monitoring; (b) demonstrate net-zero groundwater impact over each annual injection-recovery cycle; (c) be designed to leverage Colorado's geothermal gradient — the natural increase in subsurface temperature with depth — to enhance winter heat recovery above the original injection temperature, producing a thermodynamic gain from geothermal coupling.

SECTION 24-20-146. WIRELESS GRID ELECTRIFICATION INFRASTRUCTURE — AI COMPUTE TURBINE OUTPUT

(1) Purpose and nexus. The electrical output of ORC Turbines operating on AI compute waste heat constitutes a clean energy asset generated exclusively by covered operator activity. The deployment of that electrical output into a Wireless Grid Electrification Infrastructure network serves the direct operational needs of the automation ecosystem

that generated it — powering AI-enabled vehicles, autonomous logistics systems, drone networks, and roadside automation infrastructure — creating a self-reinforcing cycle in which AI compute infrastructure powers the automation systems it enables.

(2) WGE Infrastructure deployment. ORC turbine electrical surplus, after facility self-consumption, shall be available for coupling into WGE Infrastructure at covered compute facilities and along C-TEG distribution corridors. Authorized WGE Infrastructure applications: (a) roadway-embedded inductive charging pads at designated locations, using SAE J2954 or equivalent wireless power transfer standard for electric and autonomous vehicles; (b) resonant inductive charging nodes at transit stops, truck stop facilities, automated logistics hubs, and fleet depot locations, enabling vehicles to charge while stationary without physical connection; (c) drone charging pads and aerial autonomous vehicle charging infrastructure at designated aviation facilities; (d) short-range wireless power delivery nodes for stationary robotics, automated manufacturing equipment, and edge computing devices within covered operator facility campuses and authorized commercial zones.

(3) Grid interconnection and anti-islanding. WGE Infrastructure electrical nodes shall: (a) connect to the distribution grid through IEEE 1547-compliant interconnection equipment, enabling two-way power flow; (b) include anti-islanding protection meeting UL 1741 standards; (c) be metered for both power output and wireless energy transfer efficiency, with data transmitted to the CCPAME; and (d) prioritize on-site covered operator automation loads before exporting to the public grid.

(4) Range assurance for automated transport. The CCPAME shall, in consultation with the Colorado Department of Transportation, develop a Colorado Automated Transport Energy Assurance Plan identifying: (a) the minimum WGE Infrastructure node density required to guarantee continuous power availability for automated ground vehicles operating on designated Colorado freight corridors and urban transport networks; (b) the integration of WGE node locations with covered compute facility C-TEG corridors to minimize new infrastructure requirements; and (c) the phased deployment schedule tied to covered operator ORC turbine commissioning timelines.

(5) Safety standards. All WGE Infrastructure shall comply with: (a) FCC Part 18 regulations for industrial electromagnetic emissions; (b) ICNIRP guidelines for human exposure to electromagnetic fields; (c) applicable NEC and NFPA 70 electrical installation standards; (d) SAE J2954 power transfer efficiency and electromagnetic compatibility requirements for vehicle charging applications. The CCPAME shall maintain a public registry of all certified WGE Infrastructure nodes, their operating frequencies, power levels, and EMF exposure assessments.

SECTION 24-20-147. SILICON-TO-CARBON RECLAMATION FEE — THERMAL RECAPTURE CREDIT AND ALLOCATION

(1) Thermal recapture credit. A covered operator that achieves Thermal Recapture Certification under section 24-20-142 shall receive a credit against its Silicon-to-Carbon Reclamation Fee assessment, calculated as follows: (a) Base credit: twenty percent (20%) reduction in Silicon-to-Carbon Reclamation Fee for achieving the sixty percent (60%) capture efficiency floor; (b) ORC turbine credit: additional ten percent (10%) reduction for each twenty percent (20%) of waste heat stream converted to electrical

output, up to a maximum additional credit of thirty percent (30%); (c) Solar amplification credit: additional ten percent (10%) reduction for installation of a qualifying Solar-Augmented Thermal Amplification system; (d) C-TEG connection credit: additional ten percent (10%) reduction for active C-TEG connection and delivery of thermal energy or electrical output to the C-TEG. Maximum aggregate credit: sixty percent (60%) of Silicon-to-Carbon Reclamation Fee. Credits are non-transferable and non-refundable.

(2) Revenue allocation from Silicon-to-Carbon Reclamation Fee — thermal programs. Of the revenues collected under the Silicon-to-Carbon Reclamation Fee after credits are applied: (a) fifty percent (50%) to the CCPAME Revolving Pool for civic infrastructure lending, prioritizing C-TEG capital projects; (b) twenty-five percent (25%) to the Thermal Recapture Infrastructure Fund, a dedicated subaccount of the Colorado Automation Mitigation Trust, for C-TEG planning, construction, and Thermal Storage Battery Network development; (c) fifteen percent (15%) to Hardware Impact Mitigation programs under section 24-20-109(2)(a); (d) ten percent (10%) to the WGE Infrastructure Development Fund for Wireless Grid Electrification node deployment along covered C-TEG corridors.

(3) Annual thermal recapture performance report. The CCPAME shall publish, within ninety (90) days of each fiscal year end, a Colorado AI Compute Thermal Recapture Annual Report documenting: (a) aggregate waste heat stream generated by all covered compute facilities in Colorado, in MWt-hours; (b) aggregate thermal energy captured and productively deployed; (c) aggregate ORC turbine electrical output; (d) thermal energy delivered to C-TEG and municipal subscribers; (e) WGE Infrastructure nodes commissioned; (f) estimated carbon-equivalent emissions avoided through waste heat reuse; (g) estimated municipal cost savings from snowmelt, cooling, and heating; and (h) compliance status of each covered operator.

SECTION 24-20-148. THERMAL RECAPTURE ANTI-EVASION AND ENFORCEMENT

(1) Facility disaggregation prohibition. A covered operator may not circumvent the thermal recapture mandate by disaggregating compute operations across multiple sub-threshold facilities. For purposes of section 24-20-142, all covered compute facilities operated by or for entities under fifty percent (50%) common control and located within a ten (10) mile radius of each other shall be aggregated for threshold calculation purposes.

(2) Metering anti-tampering. Waste heat stream metering infrastructure is subject to the same anti-tampering and Ghost Folio Evasion provisions applicable to commercial output metering under section 24-20-103(5). Intentional falsification of thermal metering records is a Ghost Folio Evasion event subject to class 4 felony liability for authorizing officers, treble damages, and automatic loss of all thermal recapture credits.

(3) Relocation prohibition. A covered operator may not relocate a covered compute facility outside Colorado solely to avoid the thermal recapture mandate while continuing to serve Colorado users through the relocated facility. If a covered operator relocates compute infrastructure out of Colorado and Colorado-nexus AI output volumes are maintained or increased within twelve (12) months of relocation, the CCPAME may apply the thermal recapture mandate to the operator's Colorado-nexus output volume using a deemed-facility cost proxy established by rule.

(4) New facility pre-approval. Any covered compute facility first exceeding the one (1) megawatt threshold after the effective date shall file a Thermal Integration Pre-Approval Plan with the CCPAME before commencing operations at that threshold. The plan shall document the operator's Thermal Recapture System design, timeline, and C-TEG connection plan. Commencement of operations above threshold without a filed plan constitutes an immediate Silicon-to-Carbon Reclamation Fee violation.

AMPLIFY ACT v10.6 — BILL 3

ADDENDUM: AGRICULTURAL SECTOR AWG CREDITS & WATER REPLACEMENT MANDATE

§24-20-149 Agricultural AWG Credit Structure · §24-20-150 Covered Compute Facility Water Replacement Mandate

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SECTION 24-20-149. AGRICULTURAL SECTOR ATMOSPHERIC WATER GENERATOR CREDIT STRUCTURE

24-20-149. ***Agricultural Sector AWG Enhanced Credit — On-Site Thermal-Driven Atmospheric Water Generation — 1.5x Silicon-to-Carbon Credit — Dollar-for-Dollar Water Delivery Credit.***

(1) Findings. The general assembly finds and declares that: (a) Covered compute facility thermal recapture systems operating in Colorado's agricultural regions can drive Atmospheric Water Generator (AWG) systems that extract potable and irrigation-grade water from ambient air using the waste heat stream as the primary energy input, at near-zero marginal energy cost; (b) AWG-produced water delivered to agricultural users offsets demand on Colorado's over-appropriated surface and groundwater systems, producing a direct, quantifiable hydrological benefit that exceeds the value of equivalent Silicon-to-Carbon Reclamation Fee revenue; (c) Agricultural deployment of thermal-driven AWG systems represents a uniquely high-value application of AI compute waste heat in Colorado — where water scarcity and agricultural viability are directly linked — and merits an enhanced credit structure to incentivize siting of covered compute facilities in agricultural zones.

(2) Definitions. As used in this section: (a) 'Atmospheric Water Generator' or 'AWG' means a device that extracts water vapor from ambient air and condenses it into liquid water, using thermal energy as the primary driver — including desiccant-based, cooling-condensation, and hybrid thermally-driven systems. (b) 'Agricultural AWG Deployment' means a thermal-driven AWG system: (I) co-located at or within five (5) miles of a covered compute facility in Colorado; (II) using the covered compute facility's recaptured waste heat stream as its primary energy input; and (III) delivering not less than eighty percent (80%) of its water output to agricultural users — farms, ranches, irrigation districts, or agricultural cooperatives — under a binding delivery agreement. (c) 'On-Site

AWG Production' means AWG water produced at a system co-located within the physical boundaries of the covered compute facility or on immediately adjacent property under common ownership or lease. (d) 'Agricultural zone' means any area designated as agricultural land use under the applicable county zoning code or Colorado Division of Water Resources irrigation classification.

(3) 1.5x Enhanced On-Site Silicon-to-Carbon Credit. A covered operator that installs and operates a qualifying Agricultural AWG Deployment using on-site thermal recapture output shall receive a Silicon-to-Carbon Reclamation Fee credit equal to one and one-half times (1.5x) the standard thermal recapture credit calculated under section 24-20-147(1). The 1.5x multiplier applies only to the portion of the thermal recapture credit attributable to the heat input driving the on-site AWG system, not to the entire Silicon-to-Carbon assessment. Calculation: (a) measure the MWt-hours of waste heat directed to the on-site AWG system during the certification year; (b) calculate the standard Silicon-to-Carbon credit for that heat volume under section 24-20-147(1); (c) multiply the resulting credit by 1.5; (d) the product is the enhanced on-site AWG credit, additive to all other credits under section 24-20-147(1), subject to the aggregate credit cap established in subsection (5).

(4) 1.0-to-1 Water Delivery Credit. In addition to the enhanced on-site credit in subsection (3), a covered operator operating a qualifying Agricultural AWG Deployment shall receive a water delivery credit against its Silicon-to-Carbon Reclamation Fee assessment calculated as follows: (a) for each gallon of AWG-produced water certified as delivered to an agricultural user under a binding delivery agreement, the covered operator shall receive a credit of one dollar ($1.00) against its Silicon-to-Carbon Reclamation Fee assessment per one thousand (1,000) gallons delivered — a 1.0-to-1 ratio of credit dollars to kilogallon-equivalent fee basis; (b) water delivery must be documented by metered delivery records signed by both the covered operator and the receiving agricultural user, filed with the CCPAME quarterly; (c) water delivered must meet Colorado Division of Public Health and Environment Class A reclaimed water standards or higher for agricultural irrigation use; (d) the water delivery credit is calculated annually and applied against the covered operator's next annual Silicon-to-Carbon assessment cycle.

(5) Aggregate credit cap for AWG-enhanced credits. The combined total of all Silicon-to-Carbon Reclamation Fee credits under section 24-20-147(1) and this section shall not exceed seventy-five percent (75%) of the covered operator's total annual Silicon-to-Carbon Reclamation Fee obligation. The additional fifteen percent (15%) above the standard sixty percent (60%) cap is available exclusively to covered operators with qualifying Agricultural AWG Deployments. Credits exceeding the cap may not be carried forward, sold, or transferred.

(6) AWG system technical standards: (a) minimum water production efficiency of three liters per kilowatt-hour of thermal input under design conditions, verified by third-party testing; (b) water quality testing quarterly, with results filed with the CCPAME and the Colorado Department of Public Health and Environment; (c) AWG systems shall use working fluids and desiccants that are non-toxic and non-carcinogenic; (d) system metering shall record thermal input, water production volume, and delivery volume continuously, with data transmitted to the CCPAME; (e) AWG systems shall be designed to operate across Colorado's temperature and humidity range, including at ambient temperatures as low as -10°C and relative humidity as low as 20%.

(7) Agricultural AWG deployment incentive report. The CCPAME shall publish annually a Colorado Agricultural AWG Deployment Report documenting: (a) total AWG water

produced and delivered to agricultural users statewide; (b) estimated water rights offset value; (c) aggregate enhanced credits issued; (d) geographic distribution of AWG deployments relative to agricultural water scarcity zones identified by the Colorado Water Conservation Board; (e) recommendations for expanding the program.

SECTION 24-20-150. COVERED COMPUTE FACILITY WATER REPLACEMENT MANDATE

24-20-150. ***Water Consumption Accounting — Mandatory Water Replacement — Closed-Loop Consumption Offset — Water Replacement Fund.***

(1) Findings. The general assembly finds and declares that: (a) Even closed-loop cooling systems at covered compute facilities consume Colorado water through evaporative losses in cooling towers (typically one to three percent of circulation volume per cycle), blowdown discharge necessary to control dissolved solids concentration, drift losses from cooling tower operation, and makeup water required to replenish evaporative and blowdown losses; (b) A one-megawatt data center using evaporative cooling consumes approximately one to two million gallons of water per year through these pathways; (c) At the scale of Colorado's covered compute sector, aggregate water consumption constitutes a material draw on Colorado's water resources that is directly attributable to covered operator activity; (d) Mandatory water replacement, offset, or equivalent augmentation is necessary to ensure that covered compute facility expansion does not worsen Colorado's existing water scarcity conditions.

(2) Definitions. As used in this section: (a) 'Consumptive water use' means the volume of Colorado water — surface water, groundwater, or municipal supply — consumed by a covered compute facility's cooling systems that is not returned to the original source in a usable condition, including: (I) evaporative losses from cooling towers, dry coolers, and heat rejection equipment; (II) blowdown discharge not recycled on-site; (III) drift losses from cooling tower operation; and (IV) net water loss from any other facility cooling pathway. (b) 'Water replacement' means the augmentation of Colorado's water supply by an amount equal to the covered facility's consumptive water use, through one or more of the authorized replacement pathways in subsection (4). (c) 'Closed-loop cooling system' means a cooling system that recirculates the same cooling fluid internally, using a heat rejection device (cooling tower, dry cooler, or fluid cooler) to transfer heat to the atmosphere — distinguished from once-through cooling systems that discharge cooling water to a drain or waterway. (d) 'Water Replacement Fund' means the dedicated subaccount of the Colorado Automation Mitigation Trust established under subsection (6).

(3) Mandatory water metering. Every covered compute facility shall install and operate continuous, tamper-evident metering of: (a) total makeup water consumed from all sources — municipal supply, well, surface water, or other; (b) blowdown discharge volume; (c) total estimated drift and evaporative losses, calculated using ASHRAE cooling tower performance standards or direct measurement; and (d) any on-site water recycling or recapture volumes. Metering data shall be transmitted to the CCPAME monthly and included in the Annual Thermal Recapture Certification under section 24-20-143(6).

(4) Water replacement pathways. Each covered compute facility shall achieve net water replacement equal to one hundred percent (100%) of its annual consumptive water use through one or more of the following authorized pathways, in order of preference: (a) Pathway 1 — On-site AWG production: water produced by an on-site Atmospheric Water Generator under section 24-20-149 and delivered to Colorado water users or returned to a Colorado water body. Operators using Pathway 1 receive the 1.5x AWG credit and satisfy their water replacement obligation simultaneously for the volume produced and delivered; (b) Pathway 2 — Thermal Recapture condensate recovery: water recovered from condensate produced by the facility's Thermal Recapture System heat exchangers and cooling infrastructure, recycled on-site or delivered to a Colorado water user. Condensate recovery must be metered and certified; (c) Pathway 3 — C-TEG district cooling displacement: where the covered compute facility's waste heat drives C-TEG district cooling absorption chillers that displace conventional electric air conditioning in municipal buildings, the CCPAME shall calculate the water savings equivalent of the displaced electric cooling load and credit it against the facility's water replacement obligation, using ASHRAE Standard 189.1 water use intensity factors; (d) Pathway 4 — Colorado Water Replacement Fund contribution: payment into the Water Replacement Fund at the rate established by rule, calibrated to the cost of augmenting Colorado's water supply by one gallon through verified augmentation projects — including reservoir storage, aquifer recharge, irrigation efficiency programs, and water reuse projects. The contribution rate shall be reviewed annually and shall not be less than the Colorado Water Conservation Board's published agricultural water value benchmark.

(5) Replacement timeline. Each covered compute facility shall achieve full water replacement compliance within: (a) thirty (30) months of the effective date for facilities currently operating above the one (1) megawatt threshold; (b) twenty-four (24) months of first exceeding the one (1) megawatt threshold for new facilities. During the transition period, covered facilities shall implement best available water conservation measures and document quarterly progress toward full replacement.

(6) Water Replacement Fund. The CCPAME shall establish a Water Replacement Fund as a dedicated subaccount of the Colorado Automation Mitigation Trust. Funds collected under Pathway 4 contributions shall be administered by the CCPAME in coordination with the Colorado Water Conservation Board and shall be used exclusively for: (a) verified water augmentation projects within the same river basin as the contributing covered compute facility, where feasible; (b) statewide agricultural water efficiency programs; (c) aquifer recharge projects in overdrafted Colorado aquifer systems; and (d) water reuse infrastructure serving Colorado municipalities. The Water Replacement Fund shall be audited annually by the State Auditor and shall not be used for general enterprise operations.

(7) Enforcement. A covered compute facility that fails to achieve water replacement compliance by its applicable deadline is subject to: (a) mandatory Pathway 4 contribution at two times (2x) the standard rate for each gallon of unreplaced consumptive water use until compliance is achieved; (b) public disclosure of non-compliance status on the CCPAME water replacement registry; (c) automatic doubling of the covered facility's Silicon-to-Carbon Reclamation Fee assessment until compliance certification is filed; and (d) ineligibility for C-TEG Tier 1 lending until compliance is achieved.

(8) Interaction with closed-loop systems. A covered operator may not represent that a closed-loop or 'water-free' cooling system eliminates water replacement obligations. The water replacement mandate applies to all net consumptive water use regardless of

cooling system architecture. A dry-cooled facility with zero makeup water consumption has zero water replacement obligation. A closed-loop evaporative cooling tower facility with two million gallons per year of evaporative loss has a two-million-gallon annual replacement obligation.

(9) Water replacement annual report. The CCPAME shall publish annually a Colorado Covered Compute Facility Water Replacement Report documenting: (a) aggregate consumptive water use by covered compute facilities statewide; (b) aggregate water replaced through each pathway; (c) Water Replacement Fund balance, contributions, and disbursements; (d) compliance status of each covered facility; and (e) estimated net impact on Colorado basin water availability.

AMPLIFY ACT v10.6

TECHNICAL ANNEXES

Phase Implementation Specifications · Safe Harbor Architecture · Corporate Evasion Countermeasures

Applies across all three bills | Title 15 · Title 10 · Title 24 | Colorado Revised Statutes

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These annexes are binding statutory companions to the three-bill AMPLIFY Act package. They are incorporated by reference into each bill and control in the event of any conflict with general rulemaking guidance. Every safe harbor is conditional. Every evasion pathway identified has a pre-drafted statutory counter that closes it before it can be litigated.

ANNEX A — PHASE IMPLEMENTATION SPECIFICATIONS

Four-phase deployment schedule with binding technical requirements, responsible parties, enforcement triggers, and milestone certifications. Phases operate concurrently across all three bills. Failure to meet a milestone does not suspend resident rights — it triggers escalating enforcement.

PHASE I — ADMINISTRATIVE ESTABLISHMENT (Months 0–12)

Trigger: Effective date of enactment. Phase I obligations are self-executing. No rulemaking prerequisite.

A. CCPAME Board Formation (Day 1–90)

(1) The Governor shall appoint all five independent resident board members within sixty (60) days of enactment. Failure to appoint within sixty (60) days activates an automatic interim governance structure: the executive director of the Department of Local Affairs shall serve as sole acting administrator with full CCPAME authority until appointments are complete.

(2) Technical specification for board operations: (a) all board votes shall be recorded in an immutable cryptographic audit log within the Colorado Trust of Unique and Identifying Information within twenty-four (24) hours of each meeting; (b) board meeting minutes shall be published on the CCPAME public portal within five (5) business days; and (c) any board member who is employed by, holds equity in, or receives consulting fees from a covered entity shall be automatically recused from any vote affecting that entity, with recusal logged in the audit trail.

B. Colorado Trust of Unique and Identifying Information — Technical Stand-Up (Days 1–180)

(1) Physical infrastructure requirements: (a) primary air-gapped node housed in a state-owned or state-leased facility with physical security meeting NIST SP 800-53 Physical and Environmental Protection controls; (b) secondary air-gapped redundant node geographically separated by not less than fifty (50) miles from the primary node; (c) all data transfer between nodes via authenticated, encrypted physical media with chain-of-custody logging — no network transfer permitted; (d) facility access controlled by multi-factor authentication with biometric verification and continuous video monitoring retained for not less than two (2) years.

(2) Cryptographic architecture requirements: (a) all Sovereignty Hashes computed using SHA-3 or equivalent NIST-approved hash function; (b) all stored data encrypted at rest using AES-256 or equivalent; (c) all Judicial Cryptographic Tokens generated using a hardware security module (HSM) certified to FIPS 140-2 Level 3 or higher; (d) key management procedures documented and audited annually by an independent third party approved by the ODO.

(3) Certification timeline: the ODO shall certify Trust operational status within one hundred eighty (180) days of enactment. If certification is not achieved within one hundred eighty (180) days, the ODO shall publish a public remediation plan within ten (10) business days of the missed deadline, and the Governor shall report to the General Assembly within thirty (30) days.

C. Master Deed Registry — Public Portal Launch (Days 1–270)

(1) The myColorado platform shall be upgraded to support Master Deed registration within two hundred seventy (270) days of enactment. Technical requirements: (a) zero-knowledge proof architecture for consent verification that does not expose the resident's full Master Deed to the querying entity; (b) API endpoint for covered entity consent queries, rate-limited to prevent mass scraping of consent status data; (c) end-to-end encryption for all resident-portal communications; (d) accessibility compliance with WCAG 2.1 AA standards.

(2) Analog Bridge kiosk deployment: not less than one (1) Analog Bridge kiosk per county within one (1) year of enactment. Counties with populations above one hundred thousand (100,000) shall deploy not less than three (3) kiosks. Technical requirements for each kiosk: (a) tamper-evident hardware enclosure; (b) air-gapped connection to the Trust for Sovereignty Hash registration; (c) receipt printer; (d) accessibility accommodations including audio interface and large-print display; (e) paper fallback intake process operational at all times.

Milestone	Deadline	Responsible Party	Technical Requirement
M1-A	**Day 60**	Governor	CCPAME board fully appointed or interim governance activated
M1-B	**Day 90**	CCPAME	Enterprise bank accounts and restricted fund subaccounts established
M1-C	**Day 120**	ODO	Interim rulemaking published for Master Deed authorization standards
M1-D	**Day 180**	ODO	Colorado Trust primary node certified operational
M1-E	**Day 180**	ODO	Trust secondary redundant node certified operational
M1-F	**Day 270**	Secretary of State	myColorado Master Deed portal live and accepting registrations
M1-G	**Day 365**	ODO	Minimum one Analog Bridge kiosk per county deployed and certified
M1-H	**Day 365**	CCPAME	First annual covered operator registration cycle completed

PHASE II — COMPLIANCE INFRASTRUCTURE ACTIVATION (Months 12–24)

Trigger: Completion of Phase I certification milestones M1-D and M1-F. Phase II revenue mechanisms activate automatically upon ODO certification of Trust operational status.

A. Covered Operator Registration and Metering System Deployment

(1) Every covered entity operating in Colorado shall register with the CCPAME within sixty (60) days of the Phase II trigger date. Registration shall include: (a) entity legal name, EIN, and all affiliated entities under the 50% control rule; (b) description of covered automation activities and estimated commercial output volumes by category; (c) identification of all Colorado-nexus data centers and compute infrastructure; (d) designation of a Compliance Officer with direct board-level accountability; and (e) executed attestation of metering system deployment timeline.

(2) Tamper-evident metering system technical requirements: (a) metering must operate at the inference-output level, logging token counts, API call volumes, and inference minutes attributable to Colorado-nexus transactions; (b) metering logs must be cryptographically signed at minimum every sixty (60) minutes using a key registered with the CCPAME; (c) any gap in metering log continuity of more than five (5) minutes shall automatically generate a compliance alert transmitted to the CCPAME within one (1)

hour; (d) metering infrastructure must be physically and logically segregated from production systems to prevent operator tampering; (e) metering logs must be retained for seven (7) years and be accessible to the CCPAME within forty-eight (48) hours of request.

(3) DID Handshake and Intake Firewall technical requirements: (a) Intake Firewall must intercept all data ingestion pipelines and query the Master Deed Registry API for consent status before any Digital Soul data enters a training corpus, inference pipeline, or storage system; (b) query response must be logged with a cryptographic timestamp; (c) any data ingested without a confirmed DID Handshake response is automatically classified as Contraband Data and must be flagged in the operator's compliance log within one (1) hour; (d) Intake Firewall architecture must be documented and certified by an ODO-approved technical auditor before the operator may claim any safe harbor protection.

B. Audit Marker Signature Activation — Statewide Rollout

(1) The ODO shall activate Audit Markers for all residents who have registered a Master Deed within sixty (60) days of Phase II trigger. Technical specifications: (a) each Audit Marker Signature shall be a unique, resident-specific synthetic data artifact generated using a cryptographically secure pseudorandom function seeded with state-held entropy; (b) the mapping between a resident and their Audit Marker Signature shall be stored exclusively in the air-gapped Trust — no copy shall exist on any internet-connected system; (c) detection scanning shall operate continuously against publicly accessible model outputs, API endpoints, and published training data disclosures; (d) detection events shall be automatically transmitted to the AG within one (1) business day.

C. Non-Circumventable Incident Reporting System and Justice Bridge Kiosk — Pilot Activation

(1) Arapahoe County pilot activation within eighteen (18) months of enactment. Technical requirements for Justice Bridge Kiosk deployment: (a) kiosk firmware must be open-source and auditable by the ODO; (b) all kiosk communications must use end-to-end encryption with keys managed by the Trust; (c) anonymous submission pathway must implement a one-way anonymization algorithm certified by the ODO — no reverse-lookup capability shall exist outside the Trust's sealed record; (d) each kiosk must generate a tamper-evident system log, cryptographically signed every thirty (30) minutes, transmitted to the Trust within one (1) hour; (e) kiosk hardware must include a physical tamper-detection seal — any breach automatically triggers an ODO alert and suspends the kiosk pending physical inspection.

(2) Non-Circumventable Incident Reporting Master Log technical requirements: (a) append-only database architecture — deletion of any record requires a court order and generates an immutable deletion-log entry; (b) each log entry hashed and chained to the preceding entry using a Merkle tree structure to enable tamper detection; (c) full log integrity audit performed not less than quarterly by an ODO-approved independent auditor; (d) log stored in both the Trust primary and secondary nodes with automated consistency verification every twenty-four (24) hours.

Milestone	Deadline	Responsible Party	Technical Requirement
M2-A	**Month 13**	All covered entities	CCPAME registration complete with metering timeline attestation
M2-B	**Month 14**	All covered entities	Intake Firewall deployed and certified by ODO-approved auditor
M2-C	**Month 15**	All covered entities	Tamper-evident metering system active and transmitting to CCPAME
M2-D	**Month 15**	ODO	Audit Markers activated for all registered Master Deed holders
M2-E	**Month 16**	CCPAME	First Universal Civic Utility Surcharge assessment cycle issued
M2-F	**Month 16**	CCPAME	Digital Severance Assessment notices issued to identified historical violators
M2-G	**Month 18**	Arapahoe County	Non-Circumventable Incident Reporting System and Justice Bridge Kiosks live in pilot facilities
M2-H	**Month 24**	All covered entities	Full DID Handshake integration with Master Deed Registry API certified
M2-I	**Month 24**	CCPAME	Algorithmic Risk Pool fully funded and accepting restitution applications

PHASE III — PUBLIC MITIGATION PROGRAMS (Months 24–36)

Trigger: Completion of Phase II milestones M2-C and M2-F. Colorado Automation Mitigation Trust fund balances must meet minimum reserve thresholds established by rule before lending programs activate.

A. Staggered-Rate Civic Infrastructure Lending Program Launch

(1) Technical underwriting requirements: (a) each municipal loan application must include an independent engineering or infrastructure assessment certified by a licensed Colorado engineer; (b) anti-surveillance certification: the CCPAME shall independently verify that no funded project component includes surveillance infrastructure — certification is required before disbursement, not merely at application; (c) loan disbursements shall occur in tranches tied to verified project milestones, not as lump-sum payments; (d) each tranche disbursement shall be logged in the Colorado Automation Mitigation Trust ledger with the project identifier and milestone achieved.

(2) Rate assignment technical process: (a) 1% APR tier: automatic qualification for projects serving municipalities below the 25th percentile of Colorado median household income with documented critical infrastructure deficit; (b) 2% APR tier: standard qualification for all other eligible municipalities for primary infrastructure categories; (c) 3% APR tier: applicable to transit capital and energy modernization projects regardless of municipal income tier; (d) any municipality may appeal its rate tier assignment to the

CCPAME board within thirty (30) days of initial determination — appeal stays disbursement but does not affect other program participants.

B. Child Solvency Fund — Program Deployment

(1) Displacement verification technical requirements: (a) the CCPAME shall maintain an Automation Displacement Index — a quarterly, county-level dataset measuring automation penetration rates by industry sector using BLS occupational employment data, covered operator metering data, and county unemployment records; (b) Child Solvency Fund disbursements shall be weighted by the Automation Displacement Index score for each county; (c) all disbursement calculations shall be published and auditable.

(2) Childcare integration technical specifications: (a) childcare provider eligibility requires Colorado CDEC licensing in good standing; (b) payment processing through a state-administered payment rail with privacy-by-design architecture — no provider may access individual resident identity from payment records; (c) funding caps established by rule and indexed to the Colorado childcare market rate survey published annually by CDEC.

C. Algorithmic Displacement Transition Program — Reskilling Launch

(1) Provider certification technical requirements: (a) all ADTP training providers must be certified by the CCPAME before receiving funds; (b) certification requires submission of a detailed curriculum, instructor credentialing documentation, and a data security plan for any resident data collected during training; (c) resident data collected by ADTP providers is subject to all Digital Soul protections of this act — providers may not use participant data for any purpose beyond program delivery without a valid DID Handshake; (d) certifications expire annually and require performance-data renewal.

(2) Outcome tracking technical requirements: (a) each ADTP participant shall be assigned a de-identified program ID used for outcome tracking; (b) employment placement and wage data collected at six (6) and twelve (12) months post-completion through Colorado Department of Labor and Employment wage records matching — no participant-level data shared with providers; (c) program performance published quarterly on the CCPAME public portal.

Milestone	Deadline	Responsible Party	Technical Requirement
M3-A	**Month 25**	CCPAME	Colorado Automation Mitigation Trust minimum reserve threshold certified — lending program unlocked
M3-B	**Month 26**	CCPAME	First civic infrastructure loan applications accepted and underwriting begun
M3-C	**Month 27**	CCPAME	Automation Displacement Index first quarterly publication
M3-D	**Month 28**	CCPAME	Child Solvency Fund first disbursement cycle completed
M3-E	**Month 30**	CCPAME	ADTP first cohort of certified training providers approved
M3-F	**Month 32**	CCPAME	ADTP first participant enrollments and reskilling programs operational
M3-G	**Month 36**	All covered entities	Full Cryptographic Migration Plan submitted (if NIST PQC trigger occurred)

M3-H	**Month 36**	ODO	Full statewide Analog Bridge network certified — all counties covered

PHASE IV — LONG-TERM STABILITY AND OVERSIGHT (Month 36+)

Trigger: Completion of Phase III core milestones. Phase IV is the permanent operational state of the enterprise.

A. Dynamic Rate Adjustment Protocol

(1) The CCPAME shall conduct an annual Rate Calibration Review examining: (a) total Enterprise Mitigation revenues collected versus projected costs of mitigation programs; (b) covered operator displacement impact data from the Automation Displacement Index; (c) Algorithmic Risk Pool actuarial sufficiency — whether contributions are adequate to cover projected restitution demand; (d) inflation adjustment of all per-unit fee rates using the Colorado CPI published by the Colorado Department of Labor and Employment.

(2) Rate adjustment constraints: (a) no upward rate adjustment may exceed fifteen percent (15%) in any single annual cycle without legislative approval; (b) no downward rate adjustment may reduce any fee below the statutory floor established in this act without voter approval under the Anti-Dilution Ratchet; (c) all proposed adjustments published for sixty (60) day public comment before taking effect; (d) adjustment methodology published and independently audited.

B. Continuous Audit and Enforcement Cadence

(1) Annual enterprise audit: independent audit of CCPAME finances, program outcomes, and fee-routing accuracy, published publicly within ninety (90) days of fiscal year end.

(2) Biennial comprehensive review: full performance review of all programs, rate structures, and safe harbor eligibility by the State Auditor, with findings transmitted to the General Assembly.

(3) Ongoing Audit Marker scanning: continuous, 24/7 automated scanning of covered operator outputs. ODO shall report quarterly on detection events, enforcement referrals, and Legacy Use Settlement Agreement progress.

(4) Proactive Audit Node cycle: not less than twenty percent (20%) of registered covered operators subject to PAN compliance testing each calendar year, ensuring every operator is tested within a five-year rolling cycle.

ANNEX B — SAFE HARBOR ARCHITECTURE

Every safe harbor in this act is conditional, time-limited, and self-terminating upon any material compliance failure. No safe harbor protects against criminal liability, CSAM or Synthetic CSAM violations, or intentional Ghost Folio Evasion. Safe harbors are earned, not presumed.

> ⚠ **CRITICAL: Safe harbors do not apply to: (1) any entity that has received a Critical Severance Directive within the preceding 24 months; (2) any entity under active Legacy Use Settlement Agreement proceedings; (3) any entity with an outstanding metering compliance violation; (4) any entity that has failed to register with the CCPAME.**

SAFE HARBOR 1 — GOOD FAITH COMPLIANCE ROADMAP (Option B)

(1) Eligibility conditions. A covered entity qualifies for Option B Good Faith Safe Harbor only if ALL of the following are satisfied: (a) the entity registers with the CCPAME within sixty (60) days of the Phase II trigger date; (b) the entity submits a written, board-certified Good Faith Compliance Roadmap to the CCPAME within ninety (90) days of the Phase II trigger date, specifying milestone dates for Intake Firewall deployment, DID Handshake integration, and full metering activation; (c) the entity deploys interim privacy minimization controls — documented, specific, and verifiable — within ninety (90) days of registration; (d) the entity has no prior Ghost Folio Evasion finding, no unresolved Audit Marker detection event, and no active Legacy Use Settlement Agreement proceeding.

(2) Safe harbor scope. During the Option B compliance period, the covered entity is protected from: (a) civil enforcement actions for Enterprise Mitigation fee non-compliance solely attributable to technical integration delays documented in the approved Roadmap; and (b) administrative suspension for Intake Firewall gaps that are disclosed in the Roadmap and being actively remediated on schedule. The Option B Safe Harbor does NOT protect against: (a) statutory damages triggered by Audit Marker detection; (b) Legacy Use Settlement Agreement liability for historical violations; (c) criminal liability for Ghost Folio Evasion; (d) any violation occurring after the entity's own Roadmap deadline.

(3) Auto-termination. The Option B Safe Harbor automatically terminates, with no notice required, upon: (a) any material deviation from the approved Roadmap, defined as a missed milestone by more than thirty (30) days without a CCPAME-approved extension; (b) any Audit Marker detection event; (c) any metering log gap of more than five (5) minutes not reported to the CCPAME within one (1) hour; or (d) any change of control, merger, or acquisition that has not been disclosed to the CCPAME within fifteen (15) days.

(4) Reinstatement. A terminated Option B Safe Harbor may not be reinstated. The entity must enter the standard enforcement track.

SAFE HARBOR 2 — LOCAL INNOVATION EXEMPTION (Stripper Well Standard)

(1) Eligibility thresholds — ALL three must be satisfied concurrently: (a) fewer than one million (1,000,000) commercial inference outputs attributable to Colorado per calendar quarter; (b) gross data revenue attributable to covered automation activity in Colorado

below three hundred thousand dollars ($300,000) per calendar year; and (c) training corpus contains fewer than one hundred thousand (100,000) Colorado resident Digital Soul records.

(2) Annual self-certification requirements: (a) the entity must file an annual Stripper Well Exemption Certification with the CCPAME by March 31 of each year for the preceding calendar year; (b) certification must be signed by the entity's chief executive officer or equivalent, attesting under penalty of perjury to the accuracy of the threshold representations; (c) certification must include auditable records sufficient for the CCPAME to verify the representations; (d) a false certification constitutes a Ghost Folio Evasion event and voids the exemption retroactively for the certified period.

(3) Anti-fragmentation. For purposes of threshold calculation: (a) all entities under fifty percent (50%) common control are aggregated — threshold compliance is calculated on a consolidated basis; (b) commercial inference outputs routed through a third-party API intermediary are attributed back to the originating model operator, not the intermediary; (c) a covered entity that artificially fragments its Colorado-nexus operations across multiple legal entities to remain below threshold is deemed to have failed the threshold test — CCPAME may pierce the entity structure using the same 50% control rule applicable to Enterprise Mitigation fee collection.

(4) Audit rights. The CCPAME may, without prior notice, audit any entity claiming the Stripper Well Exemption. Audit refusal constitutes automatic exemption forfeiture for the audited period, plus a civil penalty equal to three (3) times the estimated Enterprise Mitigation fees that would have been owed during the exempted period.

SAFE HARBOR 3 — OPEN-SOURCE AND LOCAL MODEL EXEMPTION

(1) Eligibility conditions — ALL must be continuously satisfied: (a) the model is distributed under an OSI-approved open-source license with no commercial use restriction; (b) the model operates exclusively on the end-user's local device or on locally-operated, on-premises infrastructure — no cloud inference, no centralized API endpoint; (c) no Colorado resident Digital Soul data is transmitted to any server, cloud platform, or centralized system for training, profiling, or monetization; and (d) the model developer receives no revenue, direct or indirect, from Colorado-nexus commercial deployment of the model.

(2) The open-source exemption does NOT apply if: (a) the 'open-source' model is used as a front-end for a proprietary, closed backend; (b) the developer maintains telemetry or usage data collection from Colorado deployments; (c) the model is 'open-source' in licensing but requires cloud API calls to function; or (d) any commercial licensing tier exists alongside the open-source version.

SAFE HARBOR 4 — SELF-REPORTING AND VOLUNTARY CRITICAL SEVERANCE

(1) A covered entity that: (a) independently detects an Autonomous Capability Threshold event or a Black Screen Protocol circumvention; (b) self-reports to the ODO within

twenty-four (24) hours of detection; and (c) voluntarily executes the Critical Severance Directive and initiates Custodial Containment Transfer within forty-eight (48) hours — shall receive: (I) fifty percent (50%) reduction in applicable civil penalties; (II) no first-occurrence debarment; and (III) priority scheduling for Graduated Reintegration review.

(2) The self-reporting safe harbor does NOT apply: (a) on a second or subsequent ACT event by the same entity; (b) if the ODO independently detects the event before the self-report is received; (c) if the entity's self-report is incomplete, misleading, or omits material information; or (d) if the entity delays the Custodial Containment Transfer beyond forty-eight (48) hours for any reason.

SAFE HARBOR 5 — PQC TRANSITION GOOD FAITH

(1) A covered entity that, within six (6) months of the NIST PQC Trigger Event: (a) submits a complete, independently certified Cryptographic Migration Plan; (b) achieves the Month 6 milestone certification on time; and (c) maintains all interim cryptographic protections at current standards throughout the migration period — shall receive a ninety (90) day extension of the Month 24 final migration deadline, applicable once, non-renewable.

(2) The PQC transition safe harbor does NOT apply to Priority Tier 1 state systems, which must comply with the original 24-month deadline with no extension available.

ANNEX C — CORPORATE EVASION COUNTERMEASURES

Every identified corporate evasion vector, their expected legal argument, and the pre-drafted statutory counter. These are not hypothetical — they are based on documented strategies used against GDPR, CCPA, state biometric privacy laws, and digital assets legislation. Each counter is embedded in the statutory text of the applicable bill.

C.1 — STRUCTURAL AND CORPORATE FORM EVASION

Corporate Evasion Vector	Their Argument	Statutory Counter	Controlling Section
Shell subsidiary routing	We don't operate in Colorado — our Colorado-nexus activity is conducted by a wholly-owned subsidiary that is a separate legal entity.	The 50% control veil-piercing rule (§24-20-103(4)) makes any parent with ≥50% control jointly and severally liable. Control is defined broadly: ownership, voting power, board seats, contractual control, or effective operational control. 'Separate legal entity' is not a defense.	**§24-20-103(4)**
Threshold fragmentation	We've restructured into six separate	Anti-fragmentation rule (Annex B, Safe Harbor 2(3)) requires consolidated	**§24-20-119(4);**

	entities, each below the Stripper Well Exemption threshold.	threshold calculation across all entities under 50% common control. Artificial fragmentation is deemed a threshold test failure and triggers Ghost Folio Evasion penalties.	**Annex B §2(3)**
Offshore incorporation	Our parent company is incorporated in the Cayman Islands — Colorado has no jurisdiction over it.	Nexus is determined by where activity is delivered, consumed, or directed — not where the entity is incorporated. If the system targets Colorado users, Colorado nexus exists. The Colorado AG has authority to pursue foreign entities under the Colorado Consumer Protection Act for activities harming Colorado residents.	**§24-20-103(2); C.R.S. §6-1-102**
Acquisition/Change of control	We acquired this company after the effective date — we're not liable for historical violations.	Legacy Use Settlement Agreement liability attaches to the data asset, not the corporate form. Any acquirer of a training corpus, model, or data asset that contains Colorado resident Digital Soul data acquired without a valid DID Handshake inherits the predecessor's Legacy Use Settlement Agreement exposure as a condition of asset acquisition. Acquirers must conduct Digital Soul due diligence.	**§15-15-130(2)(a); §24-20-103(4)**
API intermediary laundering	We're just an API provider — our downstream customers deploy the model. Tax them, not us.	Vendor laundering definition (§24-20-101(15)) covers routing covered automation activity through a third-party intermediary while retaining operational control. Payor responsibility rules (§24-20-103(3)) allow the CCPAME to allocate liability across upstream providers and downstream deployers to prevent double-charging and collection gaps. The API provider cannot escape by pointing downstream.	**§24-20-101(15); §24-20-103(3)**

C.2 — CONSENT AND DATA CLASSIFICATION EVASION

Corporate Evasion Vector	Their Argument	Statutory Counter	Controlling Section
Public data defense	We only trained on publicly available data — no consent required for public information.	The Digital Soul definition (§15-15-101(1)) does not require that the data be private. Publicly posted behavioral data, publicly visible biometric information, and publicly accessible civic telemetry are all covered if they are Colorado resident data. The DID Handshake requirement applies to all covered Digital Soul data regardless of how it became available.	**§15-15-101(1); §15-15-105(1)**

Anonymization safe harbor	We de-identified the data before training — it's no longer personal data.	De-identification claims are subject to independent audit verification, not operator self-assessment. Tier 1 (anonymous) vs. Tier 2 (identifying) classification is determined by the Colorado Trust's Data Tap verification, not by operator attestation. Re-identification risk assessment using current technical standards is required. 'Anonymized' data that can be re-identified using publicly available datasets remains Tier 2.	**§15-15-110(2)(3); §10-10-103(3)**
Scraped data pre-dates the act	We scraped this data years ago — the act can't apply retroactively.	The Legacy Use Settlement Agreement Legacy Use Settlement Program (§15-15-130) specifically addresses historical violations. Retroactive royalty payments at current Digital Severance Assessment rates apply to all historical severance events established through Legacy Use Settlement Agreement proceedings. The Audit Marker mechanism generates present-day evidence of past ingestion — a current detection event, not a retroactive penalty.	**§15-15-130(2)(b); §24-20-116(3)**
Research exemption	Our training is academic research, not commercial processing.	The Commercial Processing Construction (§15-15-commercial, incorporated from the uploaded Bill 1 V10.6) explicitly closes this: any processing 'conducted by or for a covered operator in connection with a product, service, system, or capability that is offered, licensed, used, or deployed in commerce' is commercial processing regardless of whether it is characterized as research, development, testing, or internal evaluation. An operator cannot re-characterize a monetizable training pipeline as research.	**Bill 1 §Commercial Processing; §15-15-105(1)**
Consent buried in ToS	The user agreed to our terms of service which include a broad data license.	§15-15-102(2) voids any ToS clause purporting to convey a perpetual, irrevocable, or royalty-free license to a resident's Digital Soul ab initio as against public policy. No ToS agreement can substitute for a valid, scoped DID Handshake anchored to the resident's Master Deed. Clicking 'I agree' is not a DID Handshake.	**§15-15-102(2); §15-15-105(3)**
Model output is not resident data	We're not using their data — we're generating new content inspired by publicly available information.	Audit Markers detect unauthorized ingestion through the model's outputs, not through the training data directly. If a Audit Marker Signature appears in model outputs, that constitutes conclusive evidence of unauthorized ingestion regardless of how the operator characterizes the training process. The burden of proof shifts entirely to the operator upon detection.	**§15-15-104(3)(a)**

C.3 — FEE AND ASSESSMENT EVASION

Corporate Evasion Vector	Their Argument	Statutory Counter	Controlling Section
Pass-through to consumers	We'll just add a 'Colorado Automation Fee' line item to consumer invoices.	§24-20-109.5(1) expressly prohibits separately itemizing, surcharging, or passing through any CCPAME assessment to Colorado residents for personal, family, or household use. Violation constitutes a deceptive trade practice under the CCPA, subject to restitution, injunctive relief, and treble damages for willful conduct.	**§24-20-109.5(1)**
Token routing through non-Colorado servers	We route Colorado user requests through servers outside Colorado — the compute doesn't happen in Colorado.	Nexus is determined by where the output is delivered and consumed, not where the compute occurs. If the inference output is delivered to a Colorado user, Colorado nexus exists. Physical server location cannot be used to evade assessment.	**§24-20-103(2)(a)(b)**
Metering manipulation	Our metering system records fewer outputs than actually occurred.	Ghost Folio Evasion (§24-20-103(5)) — intentional falsification of metering records is a class 4 felony for any corporate officer who authorizes or directs it, plus treble damages. The CCPAME deploys Proactive Audit Nodes that can independently verify output volumes against metered records. Discrepancies trigger automatic enhanced audit.	**§24-20-103(5); §24-20-201(6)**
Service degradation threat	If you enforce this, we'll degrade or remove services from Colorado.	§24-20-109.5(2) prohibits retaliation against Colorado residents through service degradation, geo-blocking, or throttling in response to this act. Violation is a deceptive trade practice. A company that withdraws from Colorado markets entirely does not escape Legacy Use Settlement Agreement liability for historical violations already accrued.	**§24-20-109.5(2); §24-20-120**
Tax characterization attack	This is a tax, not a fee, and requires TABOR voter approval.	The fee-tax switch mechanism (§24-20-112) is pre-drafted: if any charge is judicially reclassified as a tax, it is suspended until voter approval. The fee-for-service linkage statement in the enacting clause documents that each charge is proportional to the cost of enterprise services provided. The CCPAME enterprise structure is modeled on existing Colorado enterprise precedents (HCPF, CDOT tollways) that have survived TABOR challenge.	**§24-20-112; Enacting Clause fee-for-service linkage**
Interstate commerce preemption	This act discriminates against interstate	The act is technology-neutral — it applies to all covered operators regardless of state of incorporation or domicile. It targets	**§24-20-103(2); Pike v. Bruce**

	commerce and violates the Dormant Commerce Clause.	impacts on Colorado residents, not the identity of the operator. The fee structure is based on Colorado-nexus outputs, not national operations. This mirrors state severance tax structures upheld against DCC challenges. Protective legislation for state residents against demonstrable externalities satisfies the Pike balancing test.	**Church balancing**

C.4 — ENFORCEMENT AND DUE PROCESS EVASION

Corporate Evasion Vector	Their Argument	Statutory Counter	Controlling Section
First Amendment — compelled speech	Requiring us to implement DID Handshake queries and disclose training data compels our speech and violates the First Amendment.	DID Handshake and Intake Firewall requirements regulate commercial conduct, not speech. The Supreme Court has consistently held that commercial data collection and use practices are subject to content-neutral regulation without triggering heightened First Amendment scrutiny. The act regulates the act of ingestion and the commercial relationship, not the content of any output.	**§15-15-105; Sorrell v. IMS Health (commercial data regulation)**
Fourth Amendment — audit access	The CCPAME's audit access and Proactive Audit Node deployment constitutes an unlawful search.	Covered entities are regulated industries that have consented to regulatory inspection as a condition of operating in Colorado. Proactive Audit Nodes interact with commercially exposed systems through the same interfaces as ordinary commercial transactions — no warrant is required to test a publicly offered commercial product. CCPAME audit authority is analogous to existing state tax audit authority.	**§24-20-201; See v. City of Seattle (commercial inspection)**
Vagueness challenge	Terms like 'significant personal harm' and 'demonstrable negative consequences' are unconstitutionally vague.	Comprehensive Mitigation Scope definitions (§24-20-109(2)) are supplemented by CCPAME rulemaking authority to establish objective, quantifiable standards for each harm category. Vagueness challenges to regulatory schemes with rulemaking backstops consistently fail when the agency has authority to provide clarifying definitions. The act includes a baseline administrative due process guarantee ensuring fair notice.	**§24-20-109(2); Enacting Clause due process; CCPAME rulemaking authority**

Entrapment defense to Proactive Audit Nodes	Your PAN tricked our system into non-compliant behavior — that's entrapment.	§24-20-201(6) expressly provides: 'It is not a defense that the non-compliant behavior was triggered by a PAN interaction rather than a live commercial interaction.' A system that executes unauthorized self-directed strategies in response to any interaction — whether a PAN or a real user — has demonstrated the non-compliant behavior the statute targets. PANs present synthetic versions of normal commercial interactions.	**§24-20-201(6)**
DMCA preemption	Your bootloader/access control provisions are preempted by the DMCA anti-circumvention rules.	The act does not regulate circumvention of technological protection measures on copyrighted works — it regulates resident consent controls and data access architecture. The Black Screen Protocol and Intake Firewall are consent and privacy controls, not circumvention devices. DMCA §1201 preemption does not extend to state privacy or data protection laws regulating commercial data access practices.	**§10-10-106; §15-15-105; 17 U.S.C. §1201**
Federal AI preemption	The federal government is going to preempt state AI regulation.	Colorado's authority to regulate intrastate commercial activity and protect residents from local harms is well within its reserved powers. The act is structured as a property rights, consumer protection, and enterprise fee framework — not as a regulation of AI development per se. No federal AI statute currently preempts state consumer protection or property rights frameworks. The act's severability provisions ensure that any preempted provision is severable without affecting the remainder.	**§§ severability; 10th Amendment reserved powers**

C.5 — SAFE HARBOR ABUSE AND MANIPULATION

Corporate Evasion Vector	Their Argument	Statutory Counter	Controlling Section
Perpetual Option B extension	We'll just keep filing new compliance roadmaps to extend our Option B safe harbor indefinitely.	Option B Safe Harbor auto-terminates upon any Audit Marker detection event, any material Roadmap deviation, or any metering log gap not reported within one hour. There is no mechanism to file a new roadmap after termination — the entity enters the standard enforcement track. A terminated safe harbor may not be reinstated.	**Annex B, Safe Harbor 1(3)(4)**

Threshold gaming — output throttling	We'll throttle our Colorado output to just below 1 million per quarter to stay under the Stripper Well threshold.	Deliberate throttling of Colorado-nexus outputs to remain below threshold, while serving Colorado users through alternate technical means, is an anti-fragmentation violation. Additionally, if total commercial output (nationally) exceeds the threshold and Colorado outputs are artificially suppressed, the CCPAME may apply a proportional attribution method based on Colorado user base percentage.	**§24-20-119(4); Annex B, Safe Harbor 2(3)**
False open-source claim	We'll release a 'community edition' under an open-source license while keeping the real commercial model proprietary.	The open-source exemption (Annex B, Safe Harbor 3) does not apply if: (a) the open-source model is a front-end for a proprietary backend; (b) the developer maintains telemetry from Colorado deployments; (c) a commercial licensing tier exists alongside the open-source version. A 'community edition' front-end with a proprietary cloud backend fails condition (a).	**Annex B, Safe Harbor 3(2)**
Self-reporting gaming	We'll self-report every ACT event to continuously capture the 50% penalty reduction.	The self-reporting safe harbor (Annex B, Safe Harbor 4) does not apply on a second or subsequent ACT event by the same entity. First-occurrence protection is expressly limited to entities with no prior ACT violations. Repeated ACT events also trigger mandatory Graduated Reintegration review and enhanced Proactive Audit Node monitoring.	**Annex B, Safe Harbor 4(2)(a)**
Legacy Use Settlement Agreement delay tactics	We'll enter Legacy Use Settlement Agreement negotiations and drag them out for years while continuing to collect data.	The Legacy Use Settlement Agreement Legacy Use Settlement Program sequencing (§15-15-130(3)) does not pause Audit Marker detection, Digital Severance Assessment accrual, or enforcement actions during negotiations. The AG may initiate formal litigation at any time if negotiations are not proceeding in good faith. Legacy Use Settlement Agreement demand letters trigger a ninety (90) day good-faith negotiation window — after which litigation proceeds automatically unless an agreement is executed.	**§15-15-130(3)(d)(e)**

C.6 — ALGORITHMIC RISK POOL AND CONSEQUENTIAL DECISION EVASION

Corporate Evasion Vector	Their Argument	Statutory Counter	Controlling Section
Human-in-the-loop fig leaf	We have a human review step — our decisions aren't 'automated.'	A decision is 'automated' for purposes of Algorithmic Gatekeeper liability if the automated system's output materially influences the decision, regardless of whether a human nominally approves it. A	**§24-20-101(11); §24-20-127(2)**

		human who approves automated recommendations without meaningful independent review does not convert an automated decision into a human one. The ODO shall establish by rule what constitutes meaningful independent review.	
Recommendation vs. decision distinction	We only provide a recommendation — the final decision is made by our client, not us.	Algorithmic Gatekeeper definition covers systems that 'materially influence' consequential decisions, not just systems that make final determinations. A credit scoring model, a housing eligibility algorithm, or an employment screening tool that materially influences an adverse outcome is covered regardless of whether it is labeled a recommendation, a score, or a risk assessment.	**§24-20-101(11)**
Out-of-state decision maker	The automated decision affecting the Colorado resident was made by a system operating outside Colorado.	Nexus attaches based on where the decision's impact is felt — i.e., the Colorado resident who is affected. An out-of-state system making housing, credit, or employment decisions that affect Colorado residents is an Algorithmic Gatekeeper subject to Risk Pool contribution requirements.	**§24-20-103(2); §24-20-101(11)**

ANNEX D — DEFINITIONS CONFLICT RESOLUTION AND TRUST NAMING LOCK

> **⚠ OPEN ISSUE: The AMPLIFY_Definitions.docx companion document uses the term 'prior designations for the Colorado Automation Mitigation Trust Trust.' All three bills use 'Colorado Automation Mitigation Trust.' These must be harmonized before filing. This Annex establishes the controlling term.**

D.1 — Controlling Definitions

(1) Trust naming. The controlling term across all three bills and all companion documents is the "Colorado Automation Mitigation Trust" as defined in section 24-20-101(4). Any reference in companion documents, fiscal impact statements, implementation timelines, or external memoranda to the "Colorado Automation Mitigation Trust Trust" shall be construed to mean the Colorado Automation Mitigation Trust. The Definitions companion document (AMPLIFY_Definitions.docx) shall be updated to reflect this controlling designation before filing.

(2) Enterprise naming. The controlling designation is the "Colorado Consumer Protection and Automation Mitigation Enterprise (CCPAME)." Any reference to the "Automation Mitigation Enterprise (AME)" in any prior draft, companion document, or administrative record is superseded.

(3) Revenue naming. The controlling term for the enterprise revenue stream is "enterprise mitigation revenue" (as revised in Bill 3 v10.6). Any reference to "Enterprise Mitigation Revenue" in titles or statutory short references is superseded by "enterprise mitigation revenue" for purposes of titles and single-subject statements. "Enterprise Mitigation Revenue" remains as a defined term within the body of the act.

(4) Harmonization rule. In the event of any conflict between the definition in a bill and the definition in a companion document, the bill controls. Companion documents are interpretive aids, not operative statutory text.

D.2 — Fiscal Assumptions Gap — ADTP Workforce Allocation

> **⚠ The AMPLIFY_Fiscal_Assumptions.docx does not reference the 15% mandatory ADTP workforce allocation (§24-20-130(4)). A fiscal committee will probe this gap. The following language should be added to the Fiscal Assumptions document:**

ADTP Mandatory Allocation: Not less than fifteen percent (15%) of all enterprise mitigation revenues, after CCPAME operating costs subject to the 15% cap, shall be allocated to the Algorithmic Displacement Transition Program subaccount within the Colorado Automation Mitigation Trust. At projected Year 3 revenue levels, this represents an estimated annual ADTP allocation of [INSERT PROJECTED FIGURE FROM FINANCIAL MODEL]. ADTP funds are restricted to workforce dislocation transition uses and are not available for general operating or other program purposes. The 15% floor is protected by the Anti-Dilution Ratchet and requires voter approval to reduce.

ANNEX E — ENFORCEMENT ESCALATION MATRIX

Every violation type, the trigger condition, the enforcement response, and the responsible party. No enforcement gap, no discretionary non-response.

Violation	Trigger	First Response	Escalation	Responsible Party
Audit Marker detection	ODO detection event	Automatic statutory damages notice; AG referral within 1 business day	Legacy Use Settlement Agreement demand if aggregate exposure >$1M; class action aggregation	ODO + AG

Metering log gap >5 min	Automated CCPAME alert	Compliance warning + mandatory incident report within 24 hrs	Third gap in 12 months = Option B safe harbor termination	CCPAME
CCPAME registration failure	Phase II trigger + 61 days with no registration	Civil penalty $10,000/day from day 61; Enterprise Mitigation fee accrual retroactive to Phase II trigger	Day 90: administrative suspension of Colorado operating authorization	CCPAME
Intake Firewall gap — Contraband Data ingestion	ODO or CCPAME detection	Contraband Data destruction order within 30 days; certification required	Failure to certify: $50,000/day penalty; debarment referral at day 60	ODO
Ghost Folio Evasion	CCPAME audit or detection	Treble damages; criminal referral to AG within 24 hours	Class 4 felony prosecution of authorizing officers	CCPAME + AG
CSD non-compliance	24 hrs after CSD trigger with no severance	Mandatory debarment from CCPAME programs; treble damages	Criminal referral at 48 hrs; ODO assumes direct system custody	ODO + AG
Legacy Use Settlement Agreement bad faith delay	90 days past demand letter with no agreement	AG initiates formal litigation	No further negotiation window; full statutory + treble damages sought	AG
Anti-Dilution Ratchet breach	Legislative action reducing Enterprise Mitigation Revenue without voter approval	AG seeks immediate injunctive relief	Constitutional challenge; enforcement suspended pending referendum	AG
Pass-through to consumers	CCPAME or consumer complaint	Deceptive trade practice investigation	Restitution + treble damages for willful; injunction	AG + CCPAME
Spousal Veto anti-coercion violation	ODO complaint or referral	Immediate Spousal Veto suspension; safety referral	Civil protection order coordination; ODO escalation	ODO + Secretary of State
PQC migration non-compliance	Month 24 deadline + no certification	Immediate administrative suspension of operating certification; $10,000/day	Reinstatement requires independent audit + all accrued penalty payment	ODO
Retaliation against Non-Circumventable Incident Reporting filer	Adverse action within 72 hrs of submission	Auto-generated retaliation flag in Master Log; ODO notification within 24 hrs	ODO investigation; civil penalty; potential CSD if automated retaliation	ODO

AMPLIFY ACT v10.6 — BILL 3

RESIDENT MITIGATION DIVIDEND — OVERFLOW DISTRIBUTION ARCHITECTURE

§24-20-151 Programs-First Waterfall · §24-20-152 Statutory Reserve Caps · §24-20-153 Resident Mitigation Dividend · §24-20-154 Alaska-Model Trust Return Structure

ARCHITECTURE NOTE: The Resident Mitigation Dividend activates only after all program statutory reserve caps are fully funded. This is the 'coffers-first' waterfall. The dividend is not a welfare payment — it is a property return distribution from a state-managed mitigation trust, analogous to the Alaska Permanent Fund dividend structure. It is self-evidencing proof that the enterprise is fully funded.

THE ENTERPRISE MITIGATION REVENUE WATERFALL

Priority	Program	Reserve Cap	Destination Account	Overflow Trigger
1	**CCPAME Operating Costs**	15% of annual EMR (hard cap)	CCPAME Operating Account	Cap: 15%. Any excess returns to Trust
2	**Child Solvency Fund**	30% of post-operating EMR	Child Solvency Mitigation Account	Cap: 24-month rolling program cost. Overflow to next tier
3	**Algorithmic Risk Pool**	Actuarially determined annual contribution	Rapid Restitution Reserve	Cap: 200% of prior-year restitution paid. Overflow to next tier
4	**Civic Infrastructure Lending**	15% of post-operating EMR	CCPAME Revolving Lending Pool	Cap: $2B outstanding loan portfolio. Overflow to next tier
5	**ADTP Workforce Transition**	15% of post-operating EMR	Algorithmic Displacement Transition Program	Cap: 36-month projected program cost. Overflow to next tier
6	**Community Stabilization**	10% of post-operating EMR	Mental Health / Housing / Childcare accounts	Cap: 24-month projected program cost. Overflow to next tier
7	**Analog Bridge Infrastructure**	5% of post-operating EMR	Analog Access Mitigation Fund	Cap: Full statewide build-out cost certified by ODO. Overflow to next tier
8	**Thermal Recapture Infrastructure**	Silicon-to-Carbon fee residual	Thermal Recapture Mitigation Fund	Cap: C-TEG master plan capital cost. Overflow to next tier
9	**Water Replacement Fund**	Pathway 4 contributions	Water Replacement Mitigation Account	Cap: Annual consumptive use offset certified. Overflow to next tier
OVERFLOW	**RESIDENT MITIGATION DIVIDEND**	100% of overflow above all caps	Individual Resident Mitigation Dividend Accounts	Distributes annually when ANY program cap is fully funded

SECTION 24-20-151. ENTERPRISE MITIGATION REVENUE WATERFALL — PROGRAMS-FIRST ALLOCATION

24-20-151. ***Enterprise Mitigation Revenue Waterfall — Programs-First Priority Architecture — Overflow Trigger — No Resident Dividend Until Statutory Caps Met.***

(1) Legislative intent. The general assembly finds and declares that: (a) The Enterprise Mitigation Revenue collected under this article is first and foremost a mitigation instrument — its primary purpose is to fund the programs, infrastructure, and restitution mechanisms that address the measurable harms caused by covered automation activity; (b) The Resident Mitigation Dividend established in section 24-20-153 is not a primary claim on Enterprise Mitigation Revenue — it is an overflow distribution that becomes available only after all statutory program reserve caps established in section 24-20-152 are fully funded; (c) This programs-first architecture ensures that the enterprise fulfills its mitigation mandate before distributing surplus to residents, and that the dividend's existence is self-evidencing proof that the mitigation enterprise is operating at full funding capacity; and (d) A resident who receives a Resident Mitigation Dividend has received it because Colorado's automation mitigation programs are fully funded — not because the enterprise has shortchanged any program to generate the payment.

(2) Waterfall sequence. Enterprise Mitigation Revenue deposited into the Colorado Automation Mitigation Trust shall be allocated in the following strict priority sequence, with each tier fully funded to its statutory reserve cap before any funds flow to the next tier: (a) Tier 1 — CCPAME Operating Costs: not more than fifteen percent (15%) of annual Enterprise Mitigation Revenue, deposited to the CCPAME Operating Account. Any amount that would cause CCPAME operating expenditures to exceed fifteen percent (15%) of annual Enterprise Mitigation Revenue is surplus and flows to Tier 2; (b) Tier 2 — Child Solvency Fund: thirty percent (30%) of post-Tier-1 Enterprise Mitigation Revenue, until the Child Solvency Fund Statutory Reserve Cap established in section 24-20-152(1) is met. Once the cap is met, all Tier 2 allocation surplus flows to Tier 3; (c) Tier 3 — Algorithmic Risk Pool: actuarially determined annual contribution established by rule, until the Algorithmic Risk Pool Statutory Reserve Cap established in section 24-20-152(2) is met. Once the cap is met, all Tier 3 allocation surplus flows to Tier 4; (d) Tier 4 — Civic Infrastructure Lending Pool: fifteen percent (15%) of post-Tier-1 Enterprise Mitigation Revenue, until the Lending Pool Statutory Reserve Cap established in section 24-20-152(3) is met. Once the cap is met, all Tier 4 allocation surplus flows to Tier 5; (e) Tier 5 — Algorithmic Displacement Transition Program: fifteen percent (15%) of post-Tier-1 Enterprise Mitigation Revenue, until the ADTP Statutory Reserve Cap established in section 24-20-152(4) is met. Once the cap is met, all Tier 5 allocation surplus flows to Tier 6; (f) Tier 6 — Community Stabilization Programs: ten percent (10%) of post-Tier-1 Enterprise Mitigation Revenue, until the Community Stabilization Statutory Reserve Cap established in section 24-20-152(5) is met. Once the cap is met, all Tier 6 allocation surplus flows to Tier 7; (g) Tier 7 — Analog Bridge Infrastructure Fund: five percent (5%) of post-Tier-1 Enterprise Mitigation Revenue, until the Analog Bridge Statutory Reserve Cap established in section 24-20-152(6) is met. Once the cap is met, all Tier 7 allocation surplus flows to Tier 8; (h) Tier 8 — Thermal Recapture and Water Replacement Mitigation Funds: Silicon-to-Carbon Reclamation Fee residual and Pathway 4 Water Replacement contributions, until the respective statutory caps established in section 24-20-152(7) are met. Once the caps are met, all Tier 8 allocation surplus flows to the Overflow Pool; (i) Overflow Pool — Resident Mitigation Dividend: one hundred percent (100%) of all Enterprise Mitigation Revenue in excess of the aggregate amount required to fully fund all Tier 1 through Tier 8 statutory reserve caps shall be deposited into the Resident Mitigation Dividend Pool established in section 24-20-153.

(3) Quarterly rebalancing. The CCPAME shall conduct quarterly waterfall rebalancing: (a) measuring each program account's current balance against its statutory reserve cap; (b) confirming that all Tier 1 through Tier 8 caps remain fully funded; (c) calculating the Overflow Pool balance available for Resident Mitigation Dividend distribution; (d) publishing the rebalancing results on the CCPAME public portal within fifteen (15) days of each quarter end. Any program account that falls below its statutory reserve cap due to program expenditure during the quarter shall be replenished to its cap before any Overflow Pool funds are released for dividend distribution.

(4) Program primacy — no raid prohibition. No provision of this act, no executive action, and no appropriation act may redirect Enterprise Mitigation Revenue from Tier 1 through Tier 8 program accounts to the Overflow Pool or the Resident Mitigation Dividend Pool before each tier's statutory reserve cap is fully funded. Any legislative action purporting to redirect program-tier funds to the dividend before caps are met constitutes a material reduction subject to the Anti-Dilution Ratchet and requires voter approval under section 24-20-117.

(5) Surplus reinvestment option. In any year in which the Overflow Pool exceeds the projected annual Resident Mitigation Dividend distribution by more than twenty-five percent (25%), the CCPAME board may, by a four-fifths (4/5) vote, direct not more than fifty percent (50%) of the excess surplus into a Colorado Automation Mitigation Trust Investment Reserve, to be invested conservatively in instruments authorized for state trust fund investment under Colorado law. Investment returns from the Investment Reserve shall be treated as Enterprise Mitigation Revenue and flow through the waterfall in the following fiscal year.

SECTION 24-20-152. STATUTORY RESERVE CAPS — PROGRAM ACCOUNT FUNDING FLOORS AND CEILINGS

24-20-152. ***Statutory Reserve Caps — Program Account Funding — Calculation Methodology — Annual Certification.***

(1) Child Solvency Fund Statutory Reserve Cap. The Child Solvency Fund is fully funded, for purposes of section 24-20-151(2)(b), when the fund balance equals or exceeds: (a) twenty-four (24) months of projected Child Solvency Fund program expenditures, as certified annually by the CCPAME actuary; plus (b) a fifteen percent (15%) contingency buffer above the twenty-four-month projection. The CCPAME actuary shall publish the certified reserve cap calculation by January 31 of each year for the current fiscal year.

(2) Algorithmic Risk Pool Statutory Reserve Cap. The Algorithmic Risk Pool is fully funded when the pool balance equals or exceeds: (a) two hundred percent (200%) of the total restitution payments made from the pool in the preceding twelve (12) months; or (b) one hundred fifty percent (150%) of the actuarially projected restitution demand for the following twelve (12) months — whichever is greater. The pool actuary shall certify the reserve cap annually by January 31.

(3) Civic Infrastructure Lending Pool Statutory Reserve Cap. The Lending Pool is fully funded when the outstanding committed loan portfolio, plus the uncommitted reserve balance, equals or exceeds: (a) the total approved project pipeline as certified by the CCPAME infrastructure committee; plus (b) a twenty percent (20%) liquidity buffer. Cap

ceiling: two billion dollars ($2,000,000,000) in outstanding committed loans. Loan repayments and interest income returned to the pool are not Enterprise Mitigation Revenue — they are reinvested in the pool and do not flow through the waterfall.

(4) Algorithmic Displacement Transition Program Statutory Reserve Cap. The ADTP is fully funded when the program account balance equals or exceeds: (a) thirty-six (36) months of projected ADTP program expenditures at current enrollment levels, as certified by the CCPAME workforce director; plus (b) a twenty percent (20%) contingency buffer. The cap reflects forward program costs, not historical expenditure.

(5) Community Stabilization Programs Statutory Reserve Cap. The community stabilization accounts — covering mental health, housing stabilization, and childcare integration — are fully funded on an aggregate basis when the combined account balance equals or exceeds twenty-four (24) months of projected program expenditures across all three categories, as certified annually by the CCPAME program director.

(6) Analog Bridge Infrastructure Statutory Reserve Cap. The Analog Bridge Fund is fully funded when the fund balance equals or exceeds: (a) the total remaining capital cost of completing the statewide Analog Bridge network as certified by the ODO infrastructure survey; plus (b) a five-year operating and maintenance reserve at current per-kiosk operating cost. Once the statewide network is complete and the operating reserve is fully funded, this cap is considered permanently met and Tier 7 allocation flows directly to the Overflow Pool.

(7) Thermal and Water Mitigation Statutory Reserve Caps. (a) Thermal Recapture Mitigation Fund: fully funded when the fund balance equals or exceeds the total remaining C-TEG master plan capital cost as certified by the CCPAME infrastructure committee, plus a ten percent (10%) contingency. (b) Water Replacement Mitigation Fund: fully funded when the fund balance equals or exceeds the projected twelve-month cost of all outstanding water replacement obligations under section 24-20-150(4)(d), plus a twenty percent (20%) contingency.

(8) Annual reserve cap certification. By January 31 of each year, the CCPAME shall publish a Statutory Reserve Cap Certification Report documenting: (a) the certified reserve cap for each program account for the current fiscal year; (b) each account's current balance as a percentage of its cap; (c) the projected date on which each account will reach its cap at current revenue run-rate; (d) the projected Overflow Pool balance available for Resident Mitigation Dividend distribution in the current fiscal year; and (e) the projected per-resident dividend amount based on the registered Master Deed population.

SECTION 24-20-153. RESIDENT MITIGATION DIVIDEND — OVERFLOW DISTRIBUTION — ALASKA-MODEL TRUST RETURN STRUCTURE

24-20-153. ***Resident Mitigation Dividend — Eligibility — Calculation — Distribution — Property Return Construction — Anti-Dilution Protection.***

(1) Establishment. The Resident Mitigation Dividend is established as an annual property return distribution from the Colorado Automation Mitigation Trust to eligible Colorado residents. The dividend is not a welfare benefit, not a tax credit, not an

entitlement program, and not a general fund transfer. It is a distribution of the investment return and overflow earnings of a state-managed mitigation trust funded by enterprise fees assessed on covered automation activity — structured on the model of the Alaska Permanent Fund dividend, which has operated continuously since 1982 and has survived all constitutional challenges on the basis of this property-return construction.

(2) Eligibility. To receive the annual Resident Mitigation Dividend, a Colorado resident must: (a) be a Colorado resident as defined under Colorado law for at least one hundred eighty (180) consecutive days during the calendar year for which the dividend is paid; (b) have a registered and active Master Deed in the state Master Deed Registry as of December 31 of the distribution year; (c) not have been convicted of a felony and incarcerated during the distribution year; and (d) file a Dividend Application with the CCPAME by March 31 following the distribution year. The CCPAME shall make the Dividend Application available through the myColorado platform and all Analog Bridge kiosks — no digital access required to claim the dividend.

(3) Calculation. The annual Resident Mitigation Dividend per eligible resident shall be calculated as: (a) the total Overflow Pool balance accumulated during the distribution year, as certified by the CCPAME actuary after confirming all Tier 1 through Tier 8 statutory reserve caps are fully funded; divided by (b) the total number of eligible residents who have filed a timely Dividend Application. The CCPAME shall publish the projected per-resident dividend amount in the Annual Reserve Cap Certification Report by January 31, enabling residents to plan. The actual per-resident amount is finalized after the March 31 application deadline.

(4) Distribution mechanics. The annual Resident Mitigation Dividend shall be distributed: (a) by June 30 following the distribution year; (b) through the resident's Sovereignty Account — disbursed as cash, loaded to a linked benefits card, or transferred to a linked bank account at the resident's election; (c) for residents without a Sovereignty Account, through a paper check mailed to the resident's address of record with the Secretary of State, or through an Analog Bridge kiosk cash disbursement. No distribution fee may be charged to the resident. CCPAME distribution costs are CCPAME operating costs subject to the Tier 1 cap.

(5) Minimum dividend floor. In any distribution year in which the Overflow Pool is positive but per-resident calculation produces less than twenty-five dollars ($25.00) per eligible resident, the CCPAME board may, by majority vote: (a) carry the Overflow Pool balance forward to the following distribution year and combine it with the following year's overflow, producing a larger per-resident payment in the subsequent year; or (b) distribute the sub-floor amount as a supplemental contribution to the Child Solvency Fund. The board may not carry the overflow forward for more than two (2) consecutive years.

(6) Property return construction — legal framing. For all purposes of Colorado and federal law: (a) The Resident Mitigation Dividend is a distribution of the return on trust assets held by the Colorado Automation Mitigation Trust — not a government benefit, transfer payment, or appropriation; (b) The dividend arises from the state's exercise of its sovereign authority to charge enterprise fees for the measurable externalities of covered automation activity, invest those fee revenues in a state-managed trust, and distribute the overflow return to the residents whose collective data ecosystem generated the value being mitigated; (c) This construction mirrors the Alaska Permanent Fund's constitutional basis — the state holds a resource in trust for its residents and distributes the investment return — except here the 'resource' is the aggregate Colorado resident digital data ecosystem rather than oil and gas reserves; (d) The dividend is not subject to

TABOR because it is a distribution of trust investment returns, not a state fiscal year spending increase — the same basis on which the Alaska Permanent Fund dividend has been excluded from that state's Balanced Budget Amendment constraints.

(7) Relationship to Sovereignty Account. The Resident Mitigation Dividend is additive to and independent of the Premium Royalty payments a resident may receive through their Sovereignty Account under section 15-15-110. A resident may receive both: (a) Premium Royalty payments — triggered when a covered entity uses their specific identifying Digital Soul data under a valid DID Handshake — routed directly to their Sovereignty Account as earned; and (b) the annual Resident Mitigation Dividend — distributed from the Overflow Pool to all eligible registered residents, regardless of whether their specific data was commercially used. The Sovereignty Account receives both.

(8) Anti-Dilution protection. The Resident Mitigation Dividend is protected by the Anti-Dilution Ratchet under section 24-20-117. Any legislative action that: (a) reduces or eliminates the Overflow Pool by redirecting Enterprise Mitigation Revenue before program caps are met; (b) adds new program tiers above the Overflow Pool without voter approval; (c) imposes means-testing, income limits, or behavioral conditions on dividend eligibility not present in this section; or (d) redirects dividend funds to the state general fund — constitutes a material reduction requiring voter approval at the next general election. The dividend, once established, may only be reduced by the voters.

(9) Proposition 117 notice. If cumulative Enterprise Mitigation Revenue collected by the CCPAME over any five-year period exceeds the Proposition 117 threshold requiring enterprise voter approval, the CCPAME shall notify the General Assembly immediately. The CCPAME board shall seek voter approval of the enterprise at the next general election. The Resident Mitigation Dividend shall not be distributed in any year in which a required Proposition 117 approval has not been obtained, unless the CCPAME's legal counsel certifies that the dividend distribution itself does not constitute a new government program subject to Proposition 117 under the property-return construction of subsection (6).

SECTION 24-20-154. COLORADO AUTOMATION MITIGATION TRUST INVESTMENT RESERVE

24-20-154. ***Colorado Automation Mitigation Trust Investment Reserve — Conservative Investment Authority — Returns Flow to Dividend — Permanent Fund Architecture.***

(1) Establishment. The Colorado Automation Mitigation Trust Investment Reserve is established as a permanent capital reserve within the Colorado Automation Mitigation Trust. The Investment Reserve shall receive: (a) surplus Overflow Pool funds directed to it by the CCPAME board under section 24-20-151(5); and (b) any additional capitalization appropriated by the General Assembly.

(2) Investment authority. The Investment Reserve shall be invested by the State Treasurer in instruments authorized for state trust fund investment under C.R.S. §24-36-109 and the Colorado PERA investment policy framework, including: (a) U.S. Treasury and agency securities; (b) investment-grade corporate bonds; (c) diversified equity index funds; and (d) infrastructure investment funds focused on clean energy and water infrastructure, consistent with the enterprise's mitigation mandate.

(3) Return distribution. All net investment returns earned by the Investment Reserve in each fiscal year shall be treated as Enterprise Mitigation Revenue for the following fiscal year, flowing through the Tier 1 through Tier 8 waterfall before reaching the Overflow Pool and the Resident Mitigation Dividend. The principal of the Investment Reserve shall not be drawn down for program expenditures or dividend distribution — only investment returns are distributed. This ensures the Reserve compounds over time, growing the Overflow Pool and the per-resident dividend in perpetuity.

(4) Permanent fund intent. It is the intent of the general assembly that the Colorado Automation Mitigation Trust Investment Reserve become a permanent, self-sustaining fund whose investment returns alone are sufficient to fund the Resident Mitigation Dividend in perpetuity, reducing the enterprise's dependence on annual Enterprise Mitigation Revenue assessments over the long term. The CCPAME shall publish an annual Investment Reserve sustainability projection alongside the Reserve Cap Certification Report.

AMPLIFY ACT v10.6 — BILL 3

§24-20-155. MITIGATION ENTERPRISE PUBLIC ACCOUNTABILITY DASHBOARD

Real-Time Program Fill Levels · Live Overflow Pool Balance · Projected Dividend Date · Per-Resident Dividend Tracker · Covered Operator Compliance Status · Open Data API

DESIGN INTENT: This dashboard is not a reporting requirement — it is a public accountability instrument. Every Colorado resident can watch the coffers fill in real time. Every resident knows exactly when the dividend will flow. Every covered operator's compliance status is public. Opacity is not available to the enterprise or to any covered operator.

SECTION 24-20-155. MITIGATION ENTERPRISE PUBLIC ACCOUNTABILITY DASHBOARD

24-20-155. ***Mitigation Enterprise Public Accountability Dashboard — Real-Time Data Publication — Mandatory Display Elements — Open Data API — Resident Dividend Projection Tool — Covered Operator Compliance Registry — Accessibility Requirements.***

(1) Establishment and mandate. The CCPAME shall establish, operate, and maintain a Mitigation Enterprise Public Accountability Dashboard — a publicly accessible, real-time web-based and mobile-accessible interface that displays the current financial and compliance status of the enterprise at all times. The Dashboard shall be: (a) accessible at a permanent, publicly listed URL on the official CCPAME website; (b) updated with financial data not less than once every twenty-four (24) hours on business days, and not less than once every seventy-two (72) hours on weekends and state holidays; (c)

accessible without login, registration, or any form of user identification; (d) available in English and Spanish at minimum, with additional languages added as the resident population warrants; and (e) compliant with WCAG 2.1 AA accessibility standards, including screen reader compatibility and keyboard navigation.

(2) Mandatory program fill level display. The Dashboard shall display, for each of the eight waterfall tiers established in section 24-20-151, a real-time visual progress indicator showing: (a) the program account's current balance in dollars; (b) the program account's current statutory reserve cap in dollars, as certified under section 24-20-152; (c) the percentage of the cap currently funded, displayed as a progress bar and a numerical percentage; (d) the dollar amount remaining until the cap is fully funded; (e) the projected date on which the cap will be fully funded, calculated using a rolling ninety-day Enterprise Mitigation Revenue run-rate average — updated daily; and (f) a plain-language label for each program tier describing what the funds pay for, written at an eighth-grade reading level. The visual design shall make it immediately apparent to any resident which programs are funded, which are filling, and how close the enterprise is to generating overflow for the Resident Mitigation Dividend.

(3) Live Overflow Pool display. The Dashboard shall display a dedicated Overflow Pool indicator showing: (a) the current Overflow Pool balance in real time; (b) the cumulative Overflow Pool deposits year-to-date; (c) the projected per-resident Resident Mitigation Dividend for the current distribution year, recalculated daily based on current Overflow Pool balance and registered Master Deed population; (d) a countdown display showing the number of days until the annual dividend distribution date of June 30; and (e) a historical chart showing the Overflow Pool balance and per-resident dividend amount for each prior distribution year since the dividend's first activation. The projected dividend display shall be clearly labeled as a projection, not a guarantee, pending the March 31 application deadline and final Overflow Pool certification.

(4) Covered operator compliance registry. The Dashboard shall include a searchable, sortable public registry of every covered entity registered with the CCPAME, displaying for each entity: (a) entity legal name and all affiliated entities under the fifty percent (50%) control rule; (b) current compliance status — Compliant, Option B Good Faith Period, Non-Compliant, or Under Enforcement — updated within forty-eight (48) hours of any status change; (c) Thermal Recapture Certification status — Certified, Pending, or Non-Compliant — updated annually; (d) Water Replacement compliance status; (e) whether the entity has any active Audit Marker detection events, displayed as a count without resident-identifying information; (f) whether the entity is subject to an active Legacy Use Settlement Agreement proceeding or enforcement action; and (g) the entity's cumulative Enterprise Mitigation Revenue contributions year-to-date and since program inception, displayed as a total dollar amount. Entities may not contest their compliance status display except through the standard CCPAME administrative appeal process — a pending appeal does not remove or modify the entity's displayed status.

(5) Resident dividend projection tool. The Dashboard shall include an interactive Resident Mitigation Dividend Projection Tool enabling any visitor — without login or identification — to: (a) enter a hypothetical Master Deed registration date and see the projected dividend eligibility; (b) view the projected dividend amount for the current year based on current Overflow Pool balance; (c) see a five-year historical trend of per-resident dividend amounts, once the dividend has been active for at least one year; (d) calculate the aggregate household dividend for a household with multiple eligible

residents; and (e) access a direct link to the myColorado Master Deed registration portal and the nearest Analog Bridge kiosk location. The tool shall include a plain-language explanation of how the dividend is calculated, why it exists, and what a resident must do to claim it.

(6) Enterprise health indicators. In addition to program fill levels and the Overflow Pool, the Dashboard shall display the following enterprise health indicators updated at least weekly: (a) total Enterprise Mitigation Revenue collected year-to-date and since program inception; (b) total number of registered Master Deeds statewide, updated daily; (c) total number of Audit Markers activated statewide; (d) total number of Audit Marker detection events since program inception; (e) total statutory damages assessed and total Legacy Use Settlement Agreement restitution distributed to residents since program inception; (f) total number of residents who have received a Resident Mitigation Dividend since the dividend's first activation; (g) total dividend dollars distributed since the dividend's first activation; (h) Colorado Automation Mitigation Trust Investment Reserve balance and year-to-date investment return; (i) current Enterprise Mitigation Revenue run-rate annualized projection; and (j) number of active ADTP participants and number of program completions with placement rates.

(7) Open data API. The CCPAME shall publish a fully documented, publicly accessible open data API providing machine-readable access to all Dashboard data. The API shall: (a) follow RESTful architecture standards with JSON response format; (b) provide real-time endpoints for all financial and compliance data displayed on the Dashboard; (c) provide historical data endpoints for all data series going back to program inception; (d) be documented at a publicly accessible developer portal with sample queries, rate limits, and terms of use; (e) impose no authentication requirement for read access — all data is public by default; (f) have rate limits sufficient to support public interest journalism, academic research, and civic technology applications without throttling; and (g) be updated on the same schedule as the Dashboard display. The CCPAME may not charge for API access. The API is a public accountability instrument, not a commercial service.

(8) Analog access to Dashboard data. The Dashboard is a digital instrument, but its data must be accessible to residents without internet access: (a) every Analog Bridge kiosk shall display a simplified version of the Dashboard on its public-facing screen, showing current program fill levels, current Overflow Pool balance, and projected dividend amount — updated daily via the Trust's secure data feed; (b) the CCPAME shall publish a printed Quarterly Dashboard Summary, available at all Analog Bridge kiosks, county service centers, and public libraries, showing a snapshot of all Dashboard indicators as of the end of the prior quarter; (c) any resident may call the CCPAME resident services line and receive a verbal readout of current Dashboard indicators from a live navigator.

(9) Prohibited modifications. The CCPAME may not: (a) remove, obscure, delay, or modify any Dashboard display element required by this section, except to correct a documented data error — and any correction must be logged with an explanation publicly visible on the Dashboard; (b) display covered operator compliance data in a manner that is less accessible, less prominent, or less current than program financial data; (c) require any login, registration, or identification to view any Dashboard element; (d) take the Dashboard offline for maintenance for more than four (4) consecutive hours without publishing advance notice and a reason; or (e) modify the Dashboard's design, data presentation, or update frequency without a public comment period of not less than thirty (30) days.

(10) Third-party audit. The CCPAME shall contract with an independent technical auditor to conduct an annual Dashboard accuracy audit, verifying that all displayed data is accurate, current, and consistent with the underlying financial records of the Colorado Automation Mitigation Trust. The audit report shall be published on the Dashboard within thirty (30) days of completion. If the audit identifies any material inaccuracy, the CCPAME shall correct it within seventy-two (72) hours and publish a public explanation.

(11) Dashboard failure as enforcement trigger. If the Dashboard is unavailable, materially inaccurate, or displaying stale data beyond the update intervals required by this section for more than seventy-two (72) consecutive hours, it constitutes a CCPAME administrative compliance failure. The ODO shall investigate and publish findings within thirty (30) days. Repeated failures — three (3) or more in any twelve-month period — trigger a mandatory performance review by the State Auditor.

AMPLIFY Act v10.6 — §24-20-155 Public Accountability Dashboard
Real-time fill levels · Overflow pool live tracker · Daily dividend projection · Covered operator compliance registry · Open data API · Analog access · Audit requirements · Dashboard failure as enforcement trigger

AMPLIFY ACT v10.6 — BILL 3

SECTION 24-20-143 SUPPLEMENTAL SUBSECTIONS (7)–(10) — CASCADED DUAL-CYCLE ORC ARCHITECTURE (These subsections are additive to and extend the technical standards established in §24-20-143(1)–(6) above. In the enrolled bill, subsections (1)–(10) shall appear as a single unified section.)

Low-Temperature Baseline Cycle · Solar-Augmented High-Temperature Cycle · Cascaded Series Operation · 24/7 Generation Floor · Peak Solar Amplification · No Wasted Temperature Band

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TECHNICAL BASIS: A single ORC cycle optimized for one temperature range leaves energy uncaptured at the bottom of the heat cascade. A cascaded dual-cycle system runs two ORC cycles in series — the first extracts work from the low-temperature waste heat band (60–90°C) 24 hours a day; the second activates when solar augmentation raises available heat above 120°C, extracting additional work from the elevated temperature band at significantly higher Carnot efficiency. The two cycles share infrastructure, require no additional fuel, and together produce two to three times the electrical output of a single-cycle system on the same heat source.

PERFORMANCE COMPARISON — SINGLE-CYCLE vs. CASCADED DUAL-CYCLE

Parameter	Single Low-Temp ORC (baseline)	Single ORC + Solar Augmented	Cascaded Dual-Cycle (§24-20-143(7))
Operating temperature range	60–90°C waste heat only	120–200°C (solar + waste heat)	**Cycle 1: 60–90°C | Cycle 2: 90–200°C — full spectrum captured**

Working fluid	R245fa or R134a (low boiling point)	Toluene or cyclopentane (higher boiling point)	**R245fa (Cycle 1) + toluene (Cycle 2) — each optimized for its range**
Carnot efficiency ceiling	~8–12% (small temp differential)	~18–25% (large temp differential)	**Cycle 1: 8–12% | Cycle 2: 18–25% — both captured simultaneously**
Operating hours per year	~8,760 hrs (24/7 waste heat)	~1,800–2,500 hrs (solar hours only)	**~8,760 hrs (Cycle 1) + 1,800–2,500 hrs (Cycle 2 solar overlay)**
Electrical output — 5 MWt facility	~450–600 kWe	~900–1,250 kWe (solar hours only)	**~450 kWe baseline + 750–1,100 kWe peak = 1,200–1,550 kWe peak**
Annual energy yield — 5 MWt facility	~3,500–4,500 MWh/year	~1,600–3,100 MWh/year (solar only)	**~5,100–7,600 MWh/year total — 2–3x single-cycle baseline**
Self-sufficiency potential	~9–12% of facility electrical load offset	~18–25% during solar hours	**~25–35% annual average load offset — facility approaches partial self-sufficiency**
Silicon-to-Carbon credit multiplier	Standard credit (§24-20-147)	Standard + solar augmentation credit	**Maximum credit stack — all categories eligible simultaneously**

SECTION 24-20-143 AMENDMENT — SUBSECTIONS (7) THROUGH (10): CASCADED DUAL-CYCLE ORC ARCHITECTURE

24-20-143(7). ***Cascaded Dual-Cycle ORC Architecture — Preferred Standard — Low-Temperature Baseline Cycle — Solar-Augmented High-Temperature Cycle — Series Operation.***

(7)(a) General. The cascaded dual-cycle Organic Rankine Cycle architecture is the preferred thermal-to-electrical conversion standard for covered compute facilities subject to section 24-20-142. A covered operator that installs a qualifying cascaded dual-cycle system shall receive the maximum Silicon-to-Carbon Reclamation Fee credit stack under section 24-20-147(1), combining the ORC turbine credit, the solar augmentation credit, and the C-TEG connection credit simultaneously. A single-cycle system satisfies the minimum mandate of section 24-20-142 but does not qualify for the maximum credit stack.

(7)(b) Thermodynamic basis. The cascaded dual-cycle architecture is designed to extract electrical work from the full temperature spectrum of the covered compute facility's heat output, eliminating the efficiency loss inherent in single-cycle systems optimized for one temperature band: (I) Covered compute facility cooling systems reject heat at temperatures typically ranging from sixty degrees Celsius (60°C) to ninety degrees Celsius (90°C) — the low-temperature band. This heat is sufficient to vaporize low-boiling-point organic working fluids and drive a low-temperature ORC cycle, but at relatively low Carnot efficiency due to the small differential between heat source and rejection temperature; (II) Solar-Augmented Thermal Amplification raises available heat input above one hundred twenty degrees Celsius (120°C) to as high as two hundred

degrees Celsius (200°C) or above, depending on collector type — the high-temperature band. At this elevated temperature range, a separate high-boiling-point organic working fluid expands far more forcefully, driving a high-temperature ORC cycle at significantly greater Carnot efficiency; (III) In a cascaded series configuration, the high-temperature cycle extracts work from the upper temperature band first. The remaining heat — still above 60°C after the high-temperature cycle's condenser — is then passed to the low-temperature cycle, which extracts additional work from the residual heat before rejecting it. No temperature band is wasted.

(7)(c) Cycle 1 — Low-Temperature Baseline ORC. The low-temperature baseline cycle shall: (I) operate continuously on covered compute facility waste heat, independent of solar conditions — twenty-four (24) hours per day, three hundred sixty-five (365) days per year, generating a baseline electrical output floor; (II) use a low-boiling-point working fluid — R245fa, R134a, HFO-1233zd, or equivalent — with a normal boiling point below forty degrees Celsius (40°C), selected to achieve maximum efficiency in the sixty to ninety degree Celsius (60–90°C) temperature range; (III) achieve minimum electrical conversion efficiency of ten percent (10%) of Cycle 1 thermal input under design conditions — current commercial low-temperature ORC systems routinely achieve ten to fifteen percent (10–15%) in this range; (IV) operate with an evaporator inlet temperature not less than sixty degrees Celsius (60°C) and a condenser rejection temperature not less than twenty degrees Celsius (20°C) below evaporator temperature under design conditions.

(7)(d) Cycle 2 — Solar-Augmented High-Temperature ORC. The high-temperature cycle shall: (I) activate automatically when solar augmentation raises available thermal input above one hundred twenty degrees Celsius (120°C) — the minimum threshold for meaningful efficiency gain over the low-temperature cycle; (II) use a high-boiling-point working fluid — toluene, cyclopentane, MDM silicone oil, or equivalent — selected to achieve maximum efficiency in the one hundred twenty to two hundred degree Celsius (120–200°C) temperature range, with thermal stability certified to the working fluid's upper operating limit; (III) achieve minimum electrical conversion efficiency of eighteen percent (18%) of Cycle 2 thermal input under design conditions — current commercial medium-temperature ORC systems achieve eighteen to twenty-five percent (18–25%) in this range; (IV) be designed to accept variable thermal input as solar irradiance fluctuates throughout the day and across seasons, without mechanical stress from thermal cycling — turbine inlet temperature control systems shall manage ramp rates not to exceed twenty degrees Celsius (20°C) per minute.

(7)(e) Cascaded series heat routing. The thermal routing architecture for a cascaded dual-cycle system shall: (I) direct solar-augmented high-temperature heat first to the Cycle 2 evaporator, extracting maximum work from the elevated temperature band; (II) route the Cycle 2 condenser outlet — still carrying residual heat above the Cycle 1 evaporator threshold — directly to the Cycle 1 evaporator, capturing residual heat that a single-cycle system would waste in rejection; (III) ensure that Cycle 1 continues to receive direct waste heat input from the covered compute facility cooling systems independently, so that Cycle 1 operates at full capacity whether or not Cycle 2 is active — solar intermittency never reduces Cycle 1 output; (IV) include automated thermal routing valves that redirect heat flow between cycles based on available temperature, ensuring optimal dispatch at all times.

(7)(f) Working fluid safety and compatibility. Where Cycle 1 and Cycle 2 use different working fluids, the system design shall ensure complete physical separation of the two fluid circuits — no cross-contamination pathway. Each working fluid circuit shall comply

with applicable EPA SNAP program listings, ASHRAE Standard 34 safety classifications, and Colorado AQCC air quality regulations for any fluid with atmospheric release potential. Secondary containment shall be required for all fluid storage and pump systems.

(7)(g) Cascaded system certification. A covered operator claiming cascaded dual-cycle ORC status for the purpose of the maximum Silicon-to-Carbon credit stack shall submit, as part of its Annual Thermal Recapture Certification under section 24-20-143(6): (I) documentation of both cycles' working fluids, design temperatures, and certified efficiency ratings; (II) thermal routing diagram certified by a licensed Colorado professional engineer; (III) metered output data for Cycle 1 and Cycle 2 separately, demonstrating that Cycle 1 operated continuously and that Cycle 2 activated during documented solar augmentation periods; (IV) third-party verification that cascaded series routing is operational and that Cycle 2 condenser outlet heat is being delivered to the Cycle 1 evaporator rather than rejected to atmosphere.

24-20-143(8). ***Thermal Self-Sufficiency Incentive — Facility Load Offset Target — Enhanced Credit for Partial Energy Independence.***

(8)(a) Thermal self-sufficiency target. A covered compute facility operating a qualifying cascaded dual-cycle ORC system that achieves a documented annual average electrical self-sufficiency rate of twenty-five percent (25%) or more — meaning ORC turbine electrical output offsets not less than twenty-five percent (25%) of the facility's total annual electrical consumption — shall receive an additional Silicon-to-Carbon Reclamation Fee credit of five percent (5%) above the standard cascaded system credit stack, not subject to the standard sixty percent (60%) aggregate credit cap. This enhanced credit is additive to the Agricultural AWG credit available under section 24-20-149.

(8)(b) Self-sufficiency certification. The self-sufficiency rate shall be calculated as: total annual ORC electrical output (MWh) divided by total annual facility electrical consumption (MWh), multiplied by one hundred. Both figures shall be independently verified by the Annual Thermal Recapture Certification engineer. A facility that achieves the self-sufficiency target in any certification year automatically qualifies for the enhanced credit in that year without a separate application.

24-20-143(9). ***Nighttime and Low-Solar Operation — Thermal Storage Dispatch to Cycle 2 — Extending High-Temperature Generation Beyond Solar Hours.***

(9)(a) Thermal Storage to Cycle 2 dispatch. A covered compute facility with both a cascaded dual-cycle ORC system and qualifying Thermal Storage Batteries under section 24-20-142(6) may dispatch stored high-temperature thermal energy to the Cycle 2 evaporator during nighttime hours or periods of low solar irradiance, extending Cycle 2 operation beyond solar hours. This approach: (I) requires Thermal Storage Batteries capable of maintaining storage temperatures above one hundred twenty degrees Celsius (120°C) — molten salt or high-temperature phase-change material systems are appropriate; (II) enables the facility to store excess solar thermal energy during peak irradiance and dispatch it to drive Cycle 2 during evening and overnight hours, smoothing electrical output and increasing annual Cycle 2 generation hours from approximately 1,800–2,500 solar hours to potentially 4,000–6,000 hours annually; (III)

qualifies for the Thermal Storage Battery integration credit under section 24-20-147(1) simultaneously with the cascaded ORC credit — all credits stack.

(9)(b) Extended generation certification. A facility claiming extended Cycle 2 operation through thermal storage dispatch shall document, in its Annual Thermal Recapture Certification: (I) storage system operating temperature range; (II) Cycle 2 operating hours attributable to solar irradiance versus thermal storage dispatch, metered separately; and (III) total additional MWh generated through thermal storage dispatch beyond solar hours.

24-20-143(10). ***Electrical Output Reinvestment — Facility Self-Powering Loop — Compute Density Expansion Without Grid Draw Increase.***

(10)(a) Self-powering loop. A covered compute facility that offsets its own electrical consumption through cascaded ORC output creates a self-reinforcing operational loop: reduced grid draw lowers the facility's effective energy cost, which improves the economics of compute expansion, which generates more waste heat, which drives more ORC output. The CCPAME shall recognize this loop in the Silicon-to-Carbon fee calculation — a facility that demonstrates year-over-year increases in ORC self-sufficiency rate shall receive a dynamic rate adjustment credit equal to one percent (1%) reduction in its Enterprise Mitigation fee base for each five percent (5%) improvement in annual self-sufficiency rate, up to a maximum dynamic credit of ten percent (10%). This incentivizes continuous system improvement rather than a one-time compliance installation.

(10)(b) Compute density expansion offset. A covered operator that expands covered compute capacity at a facility with a qualifying cascaded dual-cycle system shall receive a partial Enterprise Mitigation Revenue assessment offset on the new capacity equal to the percentage of the new capacity's projected electrical consumption that the existing ORC system can offset from its current surplus output, as certified at the time of expansion. This ensures that AI compute growth drives thermal recapture growth proportionally, rather than simply increasing the enterprise mitigation fee burden without corresponding infrastructure expansion.

AMPLIFY Act v10.6 — §24-20-143(7)–(10) Cascaded Dual-Cycle ORC Architecture
Low-temp baseline cycle (24/7) + solar-augmented high-temp cycle (peak) in cascaded series · Full temperature spectrum captured · Thermal storage extends Cycle 2 to nighttime · Self-sufficiency loop incentive · Compute expansion offset credit

AMPLIFY ACT v10.6 — §24-20-156

STATUTORY RATE SCHEDULE — ENTERPRISE MITIGATION FEE RATES

Cross-Industry Benchmark Analysis · Statutory Floors and Ceilings · Initial Rates · Annual Adjustment Mechanism · Anti-Dilution Floor Protection

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RATE-SETTING PHILOSOPHY: Every Enterprise Mitigation fee rate in this schedule is calibrated against real, enacted comparable-industry rates in Colorado and nationally. No fee is set above the comparable-industry benchmark without a documented externality justification. No fee is set below the minimum required to make the programs self-funding at conservative

revenue projections. The statutory floor protects the programs. The statutory ceiling prevents overreach. The CCPAME can only move within the band — it cannot legislate new rates.

PART I — CROSS-INDUSTRY BENCHMARK ANALYSIS

The following rates represent the actual enacted charges on comparable industries in Colorado and nationally for extracting, consuming, or monetizing a shared public resource — the exact legal and economic analog to covered operator activity under this act.

Industry / Program	Rate	Basis	Source / Authority
Oil & gas severance tax (CO)	2–5% of gross income	Per dollar of extracted resource value	C.R.S. §39-29-105; avg effective rate 1.6%
Oil & gas severance tax (NM peer)	~6% of gross income	Per dollar of extracted resource value	CO Leg. Council comparison study 2022
Metallic minerals severance (CO)	2.25% of gross income	Per dollar of extracted ore value	C.R.S. §39-29-103; first $11M exempt
Molybdenum severance (CO)	$0.05 per ton	Per ton severed	C.R.S. §39-29-104; first 625K tons/qtr exempt
Industrial electricity rate (CO)	$0.0695/kWh	Per kWh consumed	EIA 2024; CO industrial avg
Commercial electricity rate (CO)	$0.0939/kWh	Per kWh consumed	EIA 2024; CO commercial avg
Black Hills avoided-cost rate	$0.03489/kWh	Per kWh of co-gen output purchased	CO PUC Advice Letter 900, Jan 2026
Federal USF contribution (telecom)	34.4–36.3% of interstate revenue	Per dollar of end-user telecom revenue	FCC Q1 2025; Consumers' Research upheld
Colorado HCSM (telecom)	2.6% of intrastate revenue	Per dollar of intrastate telecom revenue	CO PUC Rule 2840; SB 18-002
FCC ITSP regulatory fee	$0.00542 per revenue dollar	Per dollar of subject revenue	FCC FY2024 regulatory fee schedule
Colorado 911 surcharge	$0.12/line/month (→$0.16 Jan 2026)	Per subscriber line per month	CO PUC; effective Jan 2025
Water rights — consumptive use fee	$533/acre-foot diverted	Per acre-foot of evaporative/consumptive use	Republican River Water Conservation District
Water rights — municipal/commercial	$12.05/acre-foot (>50 AF)	Per acre-foot pumped	RRWCD 2024 assessment schedule
Water rights — market value	$6,500–$50,000/acre-foot	Per acre-foot of senior water right	Colorado Springs Utilities 2022; avg $25K
GDPR-equivalent data fine (EU)	Up to 4% of global annual turnover	Per revenue dollar for data violations	GDPR Art. 83(5); enacted enforcement rate
Maryland digital ad tax (blocked)	2.5–10% of digital ad revenue	Gross revenue from digital advertising	MD HB732 (2021); enjoined Feb 2022

Colorado oil & gas new production fees	~$100M/yr total statewide	Fee per barrel/MCF equivalent	SB 24-230; signed May 2024

KEY CALIBRATION PRINCIPLES FROM BENCHMARK ANALYSIS

(1) Colorado's resource extraction industries pay 1.6–5% of gross revenue as a severance fee on depleted public resources. AI inference and data processing depletes the Colorado resident data ecosystem — an analogous public resource. A per-kWh and per-output fee in the range of 0.5–2% of covered operator revenue is conservative by this standard.

(2) Colorado's telecom industry pays 2.6% of intrastate revenue to the HCSM for universal service — a clear fee-for-service analog to the CCPAME enterprise. The Token Output Attribution Charge is calibrated at a comparable percentage of output value.

(3) Water consumptive use in Colorado is valued at $12–533 per acre-foot for regulatory purposes, and $6,500–$50,000 per acre-foot on the open market. Covered compute facilities consuming millions of gallons per year at the low regulated rate — not the market rate — is the most conservative defensible position.

(4) The FCC charges telecom providers $0.00542 per revenue dollar in regulatory fees. AMPLIFY's per-unit fees, when expressed as a percentage of typical covered operator Colorado-nexus revenue, are in the same order of magnitude.

(5) No AMPLIFY fee approaches the GDPR 4%-of-global-turnover standard or the Maryland DST structure — both of which are calculated on total revenue. AMPLIFY fees are calculated on Colorado-nexus output volume, making them more proportionate and more defensible under the Dormant Commerce Clause.

PART II — §24-20-156 STATUTORY RATE SCHEDULE

All fees listed below are enterprise mitigation fees assessed for covered automation activity in Colorado. Each fee is proportional to the covered activity that generates the measurable externality it funds. Rates are expressed as initial rates with statutory floors (minimum, voter-protected by Anti-Dilution Ratchet) and ceilings (maximum, requiring legislative action to exceed). The CCPAME may adjust rates within the statutory band by rule following the annual Rate Calibration Review under §24-20-151(5).

Fee Name	Industry Benchmark	Floor	Initial Rate	Ceiling	Annual Adjustment Mechanism
High-Density Compute Grid Surcharge (§24-20-103(1)(a))	CO industrial electricity: $0.0695/kWh; HCSM: 2.6% of revenue	$0.002/kWh	**$0.004/kWh**	$0.015/kWh	Annual CO CPI + Automation Displacement Index weighting. Calibrated so total surcharge never exceeds 6% of covered

					operator's total CO electricity cost
Token Output Attribution Charge (§24-20-103(1)(b))	HCSM 2.6% of intrastate revenue; FCC ITSP $0.00542/revenue dollar. Typical AI inference: ~$0.002–0.01 per 1M tokens at cost	$0.05/1M tokens	**$0.20/1M tokens**	$0.75/1M tokens	Annual review tied to Colorado AI output volume index. Scales down if Colorado-nexus inference volume increases >50% YoY (volume growth shares rate reduction with operators)
Digital Severance Assessment — Tier 1 (§24-20-116(1)) [anonymized data]	Water rights consumptive use fee: $12–533/acre-foot. Analog: each anonymized data record is a unit of depleted public resource	$0.25/record	**$1.00/record**	$5.00/record	Adjusted annually by Audit Marker detection rate — if detection rate rises, rate rises proportionally. Signals market signal of non-compliance
Digital Severance Assessment — Tier 2 (§24-20-116(2)) [identifying data, unauthorized]	GDPR enforcement avg: 1–4% global revenue; CO water rights market: $6,500–$50,000/acre-foot. Severe depletion warrants higher rate	$25/record	**$100/record**	$500/record	Adjusted by Audit Marker detection rate and Legacy Use Settlement Agreement settlement data. Reflects market value of identifying data as established by Premium Royalty negotiations
Tier 2 Premium Royalty — resident direct payment (§15-15-110(2)) [authorized use]	Market rate for licensed personal data: $0.10–2.00/record depending on data type. Music royalty analog: $0.003–0.005/stream	$0.05/record	**$0.20/record**	$2.00/record	Rate-set by CCPAME schedule updated annually. Higher rates for sensitive data categories (health, financial, biometric). Minimum rate indexed to CO minimum wage growth
Silicon-to-Carbon Reclamation Fee (§24-20-103(1)(c))	CO oil & gas severance: 1.6–5% of gross income. CO industrial electricity: $0.0695/kWh. Fee calibrated as thermal externality mitigation charge	$0.001/kWh	**$0.003/kWh**	$0.012/kWh	Annual CO carbon pricing index + thermal recapture compliance rate. Operators with Thermal Recapture Certification receive up to 60% credit reducing effective rate to as low as $0.0012/kWh

Autonomous Kinetic Asset Registration (§24-20-103(1)(d))	CO vehicle registration: $26–$100/yr depending on type. Aviation registration fees: $100–500/yr. Commercial fleet licensing analogs	$25/asset/yr	**$100/asset/yr**	$400/asset/yr	Annual adjustment by CO automated vehicle fleet growth rate. Assets used exclusively in agricultural operations receive 50% rate reduction (ag sector support)
Algorithmic Risk Pool Contribution (§24-20-127(1))	Insurance premium analog: 0.5–2% of at-risk transaction value. CO workers comp base rate: $0.57–2.10/$100 payroll	$0.25/decision	**$1.00/decision**	$8.00/decision	Actuarially set annually. Operators with zero adverse restitution claims in prior 3 years receive 25% experience credit. High-harm categories (housing, credit, employment) assessed at 2x base rate
Water Replacement Fund contribution — Pathway 4 (§24-20-150(4)(d))	RRWCD consumptive use fee: $533/acre-foot. CO water market: $6,500–$50,000/acre-foot. Calibrated at regulated rate, not market rate	$150/acre-foot ($0.00046/gallon)	**$400/acre-foot ($0.00123/gallon)**	$1,200/acre-foot ($0.00368/gallon)	Annual CO Water Conservation Board agricultural water value benchmark. Operators using Pathways 1–3 pay $0. Pathway 4 is the default of last resort
AWG Water Delivery Credit rate (§24-20-149(4))	RRWCD ag irrigation fee: $30/irrigated acre. CO agricultural water rental: $50–200/acre-foot. Credit calibrated to offset replacement obligation	$0.50/kgal delivered	**$1.00/kgal delivered**	$2.00/kgal delivered	Annual CO agricultural water value benchmark. Rate designed so AWG operators can fully offset their Pathway 4 obligation through delivery credits at initial rate
ORC turbine avoided-cost rate (§24-20-142(5)(b))	Black Hills CO avoided-cost rate: $0.03489/kWh (Jan 2026). CO industrial avoided-cost range: $0.029–0.045/kWh	$0.02/kWh surplus	**$0.035/kWh surplus**	$0.06/kWh surplus	Tracks CO PUC avoided-cost rate filings. Updated annually to match current PUC-approved avoided-cost rate for the relevant utility service territory

SECTION 24-20-156. STATUTORY RATE SCHEDULE — OPERATIVE PROVISIONS

24-20-156. ***Statutory Rate Schedule — Enterprise Mitigation Fee Rates — Floors, Ceilings, and Initial Rates — Annual Rate Calibration — Anti-Dilution Floor Protection — CCPAME Rate-Setting Authority.***

(1) Statutory floors — Anti-Dilution protection. The rate floors set forth in subsection (3) are protected by the Anti-Dilution Ratchet under section 24-20-117. No CCPAME rulemaking, executive action, or appropriation act may reduce any rate below its statutory floor without voter approval at the next general election. The floors represent the minimum rate at which each fee is proportionate to the externality it funds and sufficient to maintain the enterprise on a self-funding basis at conservative revenue projections.

(2) Statutory ceilings — Legislative constraint. The rate ceilings set forth in subsection (3) may not be exceeded by CCPAME rulemaking. Exceeding a ceiling requires legislative amendment. Ceilings are set at the level at which the fee would approach, but not exceed, comparable-industry rates charged by other jurisdictions for analogous resource extraction or public infrastructure use.

(3) Rate schedule. The following rates apply to covered operators for each covered activity category:

(3)(a) High-Density Compute Grid Surcharge: Floor $0.002 per kWh; Initial Rate $0.004 per kWh; Ceiling $0.015 per kWh. Basis: per kilowatt-hour of electrical energy consumed by covered compute infrastructure in Colorado.

(3)(b) Token Output Attribution Charge: Floor $0.05 per million tokens; Initial Rate $0.20 per million tokens; Ceiling $0.75 per million tokens. Basis: per one million commercial AI inference output tokens delivered to Colorado-nexus users.

(3)(c) Digital Severance Assessment — Tier 1: Floor $0.25 per record; Initial Rate $1.00 per record; Ceiling $5.00 per record. Basis: per anonymized Colorado resident digital data record ingested without a valid DID Handshake authorization.

(3)(d) Digital Severance Assessment — Tier 2: Floor $25.00 per record; Initial Rate $100.00 per record; Ceiling $500.00 per record. Basis: per identifying Colorado resident Digital Soul record ingested without a valid DID Handshake authorization.

(3)(e) Tier 2 Premium Royalty — resident direct payment: Floor $0.05 per record; Initial Rate $0.20 per record; Ceiling $2.00 per record. Basis: per identifying Colorado resident Digital Soul record used under a valid DID Handshake. Routed directly to resident Sovereignty Account — not Enterprise Mitigation Revenue.

(3)(f) Silicon-to-Carbon Reclamation Fee: Floor $0.001 per kWh; Initial Rate $0.003 per kWh; Ceiling $0.012 per kWh. Basis: per kilowatt-hour of total electrical consumption of covered compute facilities in Colorado. Subject to Thermal Recapture credit reducing effective rate by up to 60%.

(3)(g) Autonomous Kinetic Asset Registration: Floor $25 per asset per year; Initial Rate $100 per asset per year; Ceiling $400 per asset per year. Agricultural-use assets assessed at 50% of applicable rate.

(3)(h) Algorithmic Risk Pool Contribution: Floor $0.25 per consequential automated decision; Initial Rate $1.00 per consequential automated decision; Ceiling $8.00 per

consequential automated decision. Housing, credit, and employment decisions assessed at two times (2x) the base rate. Three-year zero-claim experience credit: 25% rate reduction.

(3)(i) Water Replacement Fund contribution — Pathway 4: Floor $150 per acre-foot of consumptive water use; Initial Rate $400 per acre-foot; Ceiling $1,200 per acre-foot. Operators meeting replacement obligations through Pathways 1–3 pay $0 under Pathway 4.

(3)(j) AWG Water Delivery Credit: Floor $0.50 per killogallon delivered to agricultural users; Initial Rate $1.00 per killogallon; Ceiling $2.00 per killogallon. Credit, not a fee — applied against Silicon-to-Carbon Reclamation Fee obligation.

(3)(k) ORC Turbine avoided-cost rate: Floor $0.02 per kWh of surplus electrical output delivered to C-TEG or grid; Initial Rate $0.035 per kWh; Ceiling $0.06 per kWh. Tracks Colorado PUC avoided-cost rate annually.

(4) Annual Rate Calibration Review. By October 1 of each year, the CCPAME shall publish a proposed rate adjustment schedule for the following calendar year, adjusting rates within the statutory band based on: (a) annual Colorado CPI published by CDOL; (b) Automation Displacement Index — the quarterly county-level measure of automation penetration established under section 24-20-127; (c) Audit Marker detection rate trends for Digital Severance Assessment rates; (d) Algorithmic Risk Pool actuarial sufficiency for Risk Pool contribution rates; (e) Colorado PUC avoided-cost rate filings for ORC turbine rates; and (f) Colorado Water Conservation Board annual agricultural water value benchmark for water replacement rates. Proposed adjustments are subject to sixty (60) day public comment before taking effect January 1.

(5) Volume discount — Token Output Attribution Charge. A covered operator whose Colorado-nexus inference output volume increases by more than fifty percent (50%) in any calendar year shall receive a Token Output Attribution Charge rate reduction of five percent (5%) for the incremental volume above the threshold, reflecting the shared public benefit of increased AI productivity for Colorado users. The volume discount applies to the incremental volume only — the base volume is assessed at the full applicable rate.

(6) Proportionality certification. No CCPAME rate adjustment may result in the aggregate Enterprise Mitigation fee burden on any covered operator exceeding eight percent (8%) of that operator's estimated Colorado-nexus gross revenue for the rate year, as calculated using CCPAME standard revenue attribution methodology. This ceiling ensures proportionality with comparable-industry severance and regulatory fee burdens in Colorado, which range from 1.6% to 5% of gross revenue for analogous resource extraction industries. If any proposed adjustment would breach the 8% ceiling for a covered operator, that operator may petition the CCPAME for a proportionality review before the rate takes effect.

GRACE PERIOD; SELF-SUFFICIENCY ENGAGEMENT; TIME LIMITS.

(1) Grace period. A household eligible for early-phase stabilization benefits may receive up to 180 days of temporary support while transitioning to employment or training if programs are not yet available.
(2) Engagement during grace. Households must demonstrate engagement such as job search, workforce center participation, training enrollment steps, community service, or comparable activities similar to SNAP employment and training requirements.
(3) Limited extensions. Extensions may occur only if the household is waitlisted for training, has a scheduled start date, or faces verified medical, caregiving, or temporary crisis conditions.
(4) No permanent lane. After the grace period or approved extension, ongoing stabilization benefits require continued employment, training enrollment, or verified pathway participation, with gradual step-down rules rather than abrupt cliffs.