

# Appendix: Municipal SB 26-189 Readiness Checklist

*This checklist is intended to assist CIRSA members in identifying and classifying existing and proposed AI and automated technologies, evaluating their uses and risks, reviewing procurement practices and vendor contracts, and developing compliance materials, policies, procedures, training, and governance practices in preparation for SB 26-189's effective date. The checklist is provided for general informational purposes only and does not constitute legal advice. CIRSA members should consult with their own legal counsel regarding specific legal questions and the drafting or review of policies, procedures, notices, and contracts related to the Act.*

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## 1. INVENTORY CURRENT TECHNOLOGY

- ☐ Identify all AI and automated tools used by municipal departments (including unapproved AI and automation tools used by individual employees).
- ☐ Identify AI and automated tools that include applicant-tracking, employee-monitoring, benefits, housing, utility, licensing, permitting, public-safety, fraud-detection, chatbot, scoring, ranking, and recommendation systems.
- ☐ Ask vendors whether recent software updates added automated scoring, ranking, recommendation, prediction, or classification features.

## 2. CLASSIFY EACH SYSTEM

For each tool, determine:

- ☐ What personal data does it process?
- ☐ What outputs does it generate?
- ☐ Does it score, rank, filter, classify, predict, flag, or recommend?
- ☐ What individual decision does the output affect?
- ☐ Does the decision involve employment, housing, financial services, insurance, health care, education, or essential government services and public benefits?
- ☐ Is the output a non-de minimis factor in the decision?
- ☐ Could the decision produce an adverse outcome?
- ☐ Does a statutory exclusion appear to apply?
- ☐ For the post-adverse outcome review process, who has the appropriate training, understands the system's intended use and material limitations, and has the authority to consider relevant primary evidence and approve, modify, or override the automated decision?

## 3. EVALUATE RISK AND HUMAN OVERSIGHT

- ☐ Determine whether the municipality should use the system for the proposed decision at all.
- ☐ Avoid automatic rejection in hiring, housing, benefits, and essential-service decisions where practicable.
- ☐ Confirm that employees do not merely rubber-stamp automated output.

- ☐ Designate trained reviewers with authority to approve, modify, or override decisions.
- ☐ Ensure reviewers can access relevant primary evidence and understand system limitations.
- ☐ Establish procedures for correction of inaccurate personal data and reconsideration of adverse outcomes.

#### **4. UPDATE PROCUREMENT MATERIALS AND CONTRACTS**

- ☐ Require vendors to identify intended and possible uses.
- ☐ Obtain documentation regarding data categories, limitations, risks, monitoring, and human review.
- ☐ Require notice of material updates and substantial modifications.
- ☐ Require information needed to prepare consumer notices and explanations.
- ☐ Address accessibility, language access, data security, records retention, audit rights, regulatory cooperation, insurance, and termination rights.
- ☐ Review liability and indemnification provisions for consistency with SB 26-189.

#### **5. PREPARE COMPLIANCE MATERIALS**

- ☐ Draft pre-use notices for relevant applications and portals.
- ☐ Draft adverse-outcome notices.
- ☐ Establish processes for personal data access and correction.
- ☐ Establish meaningful human review and reconsideration procedures.
- ☐ Retain records needed to explain decisions for at least three years.
- ☐ Ensure notices and procedures are accessible to individuals with disabilities and limited English proficiency.

#### **6. UPDATE POLICIES AND PROVIDE TRAINING**

- ☐ Adopt or update AI-use policies addressing approved and prohibited tools and uses.
- ☐ Provide training on AI-use policies.
- ☐ Prohibit unapproved use of AI for hiring, discipline, compensation, benefits, housing, licensing, and essential service and benefits decisions.
- ☐ Address privacy, confidentiality, cybersecurity, open records, accessibility, and records retention.
- ☐ Train employees to recognize when a routine tool begins influencing consequential decisions.
- ☐ Assign responsibility for AI governance and compliance.
- ☐ Monitor Attorney General rulemaking and revise practices as needed.