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MEMORANDUM

TO: Honorable Mayor and Council Members
FROM: Law Office of Avi S. Rocklin, LLC ^{AS}
DATE: October 25, 2024
RE: Natural Medicine Businesses

In November of 2022, the Colorado voters passed Proposition 122, legalizing the personal use of natural medicine by persons over 21 years of age and the cultivation, manufacturing, testing, storage, distribution, transportation, transfer and dispensation of natural medicine at state-licensed facilities. While the definition may be expanded after June 1, 2026, “natural medicine” currently means psilocybin and psilocin (in other words, mushrooms). To implement the voter approved measure, the Colorado legislature adopted the Colorado Natural Medicine Code, codified at §§ 44-50-101 through 904, C.R.S. (“Code”), and the Department of Revenue adopted rules and regulations.

Unlike liquor or marijuana regulations, the state is the sole licensing agency for natural medicine facilities. There are four primary types of licenses that may be issued: (i) a natural medicine healing center license; (ii) a natural medicine cultivation facility license; (iii) a natural medicine products manufacturer license; and (iv) a natural medicine testing facility license.

A “natural medicine healing center” is a facility that permits a “facilitator” to provide and supervise natural medicine services to a participant. The facilitator must be licensed and have the qualifications, training and experience to provide natural medicine services. A natural medicine healing center may be akin, in certain aspects, to a medical office.

The Code provides that a licensed facility must be at least 1,000 feet from the property line of childcare centers, preschools, elementary, middle, junior or high schools or residential childcare facilities. A local government may vary the distance restrictions or may eliminate one or more types of schools or facilities from the application of the distance restrictions. § 44-50-302(d)(I), C.R.S.

Importantly, a municipality is not entitled to prohibit the establishment or operation of state-issued natural medicine licenses within its jurisdiction. The municipality may, however, enact “reasonable” ordinances or regulations governing the time, place, and manner of the operation of the state-issued licenses. § 44-50-104(5), C.R.S. The scope of what is “reasonable” has yet to be determined by courts.

The state will commence issuing licenses on and after January 1, 2025. If the Town Council desires to enact local regulations, the Town Council should do so prior to such date.