

City Council

Agenda

Tuesday, December 3, 2024
Council Chambers
749 Main Street
5:00 PM

Members of the public are welcome to attend and give comments remotely; however, the in-person meeting may continue even if technology issues prevent remote participation.

- You can call in to +1 719 359 4580 or 877 853 5247 (toll free)
Webinar ID #876 9127 0986.
- You can log in via your computer. Please visit the City's website here to link to the meeting: www.louisvilleco.gov/council

The Council will accommodate public comments during the meeting. Anyone may also email comments to the Council prior to the meeting at Council@LouisvilleCO.gov.

- 1. CALL TO ORDER & ROLL CALL**
- 2. PLEDGE OF ALLEGIANCE**
- 3. EXECUTIVE SESSION**

PERSONNEL MATTER

(Louisville Charter, Section 5-2(b) – Authorized Topics – Discussion of a personnel matter for informational purposes only and C.R.S 24-6-402(4)(f))

Mayor Requests the City Council Convene an Executive Session for the Purpose of Discussion of a Personnel Matter for Informational Purposes Only

REGULAR BUSINESS ITEMS SUSPENDED

Citizen Information

If you wish to speak at the City Council meeting in person, please fill out a sign-up card and present it to the City Clerk at the meeting; if you are attending remotely, please use the "raise hand" icon to show you wish to speak in public comments.

Persons planning to attend the meeting who need sign language interpretation, translation services, assisted listening systems, Braille, taped material, or special transportation, should contact the City Clerk's Office (303.335.4536 or 303.335.4574) or ClerksOffice@LouisvilleCO.gov. A forty-eight-hour notice is requested.

Si requiere una copia en español de esta publicación o necesita un intérprete durante la reunión del Consejo, por favor llame a la Ciudad al 303.335.4536 o 303.335.4574 o email ClerksOffice@LouisvilleCO.gov.

- **Requests for Executive Session**
- **City Clerk Statement**
- **City Attorney Statement of Authority**
- **City Council Action on Motion for Executive Session**
- **Council Convenes Executive Session**
- **Council Reconvenes in Open Meeting**

REGULAR BUSINESS ITEMS CONTINUED

4. REPORT – DISCUSSION/DIRECTION – PERSONNEL MATTER FOR INFORMATIONAL PURPOSES ONLY

***THE FOLLOWING MEETING ITEMS WILL START
NO EARLIER THAN 6 PM***

5. APPROVAL OF AGENDA

6. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA AND ITEMS ON THE CONSENT AGENDA

Public comments are limited to 3 minutes per speaker. When several people wish to speak on the same position on a given item, Council requests they select a spokesperson to state that position.

7. CONSENT AGENDA

The following items on the City Council Agenda are considered routine by the City Manager and shall be approved, adopted, accepted, etc., by motion of the City Council and voice vote unless the Mayor or a City Council person specifically requests an item be considered under "Regular Business." In such an event the item shall be removed from the "Consent Agenda" and Council action taken separately on said item in the order appearing on the Agenda. Those items so approved under the heading "Consent Agenda" will appear in the Council Minutes in their proper order.

- A.** Approval of Bills
- B.** Resolution No. 60, Series 2024 – A Resolution Approving an Amendment to the Intergovernmental Agreement with Boulder County for Law Enforcement Dispatch Services.
- C.** Acceptance of E-Bike Donation (PROS)
- D.** Purchase of Enterprise Grade Mobile Tablets for Public Works and Utilities Work Order and Asset Management
- E.** Authorization to Execute a Contract with CliftonLarsonAllen, LLP for Utility Billing Services
- F.** Resolution No. 61, Series 2024 – A Resolution Setting Certain Fees, Rates and Charges for the City of Louisville

8. COUNCIL INFORMATIONAL COMMENTS AND COMMITTEE REPORTS

9. CITY MANAGER'S REPORT

10. REGULAR BUSINESS

A. ORDINANCE NO. 1889, SERIES 2024 – AN ORDINANCE AMENDING TITLE 5 OF THE LOUISVILLE MUNICIPAL CODE CONCERNING LIQUOR AND MARIJUANA LICENSING – 1ST READING, SET PUBLIC HEARING FOR 12/17/24

- Introduction
- Action

B. ORDINANCE NO. 1887, SERIES 2024 – AN ORDINANCE AMENDING TITLE 17 OF THE LOUISVILLE MUNICIPAL CODE CONCERNING THE REGULATION OF NATURAL MEDICINE BUSINESSES IN THE CITY OF LOUISVILLE AND AMENDING TITLE 9 TO ESTABLISH PENALTIES FOR UNLAWFUL USE AND CULTIVATION OF NATURAL MEDICINE – 2ND READING, PUBLIC HEARING (advertised *Daily Camera* 11/10/2024)

- Mayor Opens Public Hearing
- Staff Presentation
- Public Comments (Please limit to three minutes each)
- Council Questions & Comments
- Additional Public Comments (Please limit to three minutes each)
- Mayor Closes Public Hearing
- Action

C. ORDINANCE NO. 1888, SERIES 2024 – AN ORDINANCE AMENDING THE LOUISVILLE MUNICIPAL CODE TO ADD A NEW CHAPTER 3.25 REGARDING ENHANCED ASSISTANCE FOR TARGETED BUSINESSES – 2ND READING, PUBLIC HEARING (advertised *Daily Camera* 11/24/24)

- Mayor Opens Public Hearing
- Staff Presentation
- Public Comments (Please limit to three minutes each)
- Council Questions & Comments
- Additional Public Comments (Please limit to three minutes each)
- Mayor Closes Public Hearing
- Action

D. FINAL AMENDMENTS TO THE CITY OF LOUISVILLE AND THE LOUISVILLE REVITALIZATION COMMISSION 2024 BUDGETS – PUBLIC HEARING (advertised *Daily Camera* 11/29/24)

- i. RESOLUTION NO. 62, SERIES 2024 – A RESOLUTION AMENDING THE CITY OF LOUISVILLE 2024 BUDGET BY AMENDING APPROPRIATIONS IN THE GENERAL FUND, GOLF FUND, OPEN SPACE FUND, PARKS FUND, OPEN SPACE AND PARKS FUND, CAPITAL PROJECTS FUND, STORM WATER UTILITY FUND, AND TECHNOLOGY MANAGEMENT FUND FOR ADDITIONAL APPROPRIATIONS WITHIN SUCH FUNDS AND ADJUSTING BUDGETED REVENUE IN THE GENERAL AND GOLF FUND**

- ii. RESOLUTION NO. 63, SERIES 2024 - A RESOLUTION AMENDING THE 2024 BUDGET BY AMENDING APPROPRIATIONS IN THE LOUISVILLE REVITALIZATION COMMISSION**
 - Mayor Opens Public Hearing
 - Staff Presentation
 - Public Comments (Please limit to three minutes each)
 - Mayor Closes Public Hearing
 - Council Questions & Comments
 - Action

E. CITY COUNCIL COMMITTEE ASSIGNMENTS

- City Council Economic Vitality Committee
- City Council Finance Committee
- Colorado Communities for Climate Action (CC4CA)
- Colorado Municipal League Policy Committee
- Commuting Solutions
- Consortium of Cities
- Downtown Business Association Street Faire Committee
- Denver Regional Council of Governments
- Superior/Louisville Joint Interest Committee
- Lafayette/Louisville Joint Interest Committee
- Revitalization Commission

11. CITY ATTORNEY'S REPORT

12. IDENTIFICATION OF FUTURE AGENDA ITEMS

13. ADJOURN

***ITEMS TENTATIVELY SCHEDULED FOR REGULAR MEETING
12/17/2024***

This list is not inclusive; items are subject to change; additional items may be added.

- Approve B/C Appointments
- Parks Irrigation Controller Purchase Agreement
- Impound Agreement with BoCo Humane Society
- Boulder County EnergySmart IGA Renewal
- Boulder County PACE IGA Renewals
- Colorado Energy Office Decarb Grant
- WWTP Expansion Contract
- Sewer Tap and Use Fees
- Law Enforcement Appreciation Day Proclamation
- IECC Update – 1st Reading
- Liquor/Marijuana Code Changes – 2nd Reading
- Open Space Management Update
- D/D 2025 Legislative Agenda
- 2024 Work Plan Close Out

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CASH ACCOUNT: 001000 101001		WARRANT: 111424	11/14/2024
VENDOR	VENDOR NAME	PURPOSE	AMOUNT
5255	FAMILY SUPPORT REGISTRY	Payroll Run 1 - Warrant 1	173.53
15381	HICKS CONTRACTORS SERVICES LLC	CHANGE OIL IN 9 MIXERS	860.00
99999	MARK JOHNSON	REIMBURSE MISAPPLIED FUND	768.98
15748	PRECISION DATA & FIBER	TEST AND CORRECT TWO NETW	200.00
15497	SENERGY PETROLEUM LLC	CUST ID #84627 2024 Fuel	18,252.52
10884	WORD OF MOUTH CATERING INC	LUNCHES SERVED 10/31/24 -	3,912.50
3875	XCEL ENERGY	ACCT #53-1879595-0	802.85
7 INVOICES		WARRANT TOTAL	24,970.38

CASH ACCOUNT: 001000 101001		WARRANT: 112124	11/21/2024
VENDOR	VENDOR NAME	PURPOSE	AMOUNT
15926	ALEXA KILGORE	ENTERTAINMENT 11/30/24	200.00
15004	INKSMITH TATTOO & PIERCING LLP	OVERPMT OF SALES TAX JUNE	8,559.50
1926	KATIE BEASLEY	COMPUTER LOAN	1,001.75
14097	L.A.W.S.	VehicleUplifting2023 Ford	29,848.97
7735	LINCOLN FINANCIAL GROUP	000010008470 DEC 2024 LTD	5,610.04
7735	LINCOLN FINANCIAL GROUP	000010008469 DEC 2024 LIF	8,381.89
7735	LINCOLN FINANCIAL GROUP	000400001000-26902 NOV 20	1,866.72
7735	LINCOLN FINANCIAL GROUP	B00000001696 NOV 2024 ACC	1,631.09
15921	MANY WINDS ENTERTAINMENT	DEPOSIT ENTERTAINMENT 1/1	400.00
99999	MICHELLE MEDEIROS	REFUND LOUISVILLE REC CEN	115.00
99999	CLEANERS SUPPLY INC.	PENALTY & INTEREST REFUND	31.36
15497	SENERGY PETROLEUM LLC	CUST ID #84628 GAS/DIESE	1,236.51
15935	TARA JON MANNING	HOLIDAY ORNAMENT MAKING P	300.00
10884	WORD OF MOUTH CATERING INC	LUNCHES SERVED 11/14/24 -	3,718.75
14 INVOICES		WARRANT TOTAL	62,901.58

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CASH ACCOUNT: 001000 101001

WARRANT: 120324 12/03/2024

VENDOR	VENDOR NAME	PURPOSE	AMOUNT
14599	120 WATER, INC.	Lead and Copper Sampling	2,597.91
13547	A G WASSENAAR INC	'24_'25 Geotechnical Prof	1,040.00
13547	A G WASSENAAR INC	'24_'25 Geotechnical Prof	2,565.00
13547	A G WASSENAAR INC	'24_'25 Geotechnical Prof	615.00
14121	ACUSHNET COMPANY	ACCT #US00002149\US000602	143.29
15333	AKILA ARUMUGAM	INDIAN RECIPE PRESENTATIO	250.00
4160	ALARM DETECTION SYSTEMS, INC.	ACCT #870159 - COAL CREEK	290.00
4160	ALARM DETECTION SYSTEMS, INC.	ACCT #870159 HISTORICAL	638.00
14737	ALEX THOELE	GUITAR LESSONS 10/29/24 -	1,120.00
14715	ALL TRAFFIC DATA SERVICES INC	2024 Citywide Traffic Cou	800.00
14715	ALL TRAFFIC DATA SERVICES INC	2024 Citywide Traffic Cou	1,000.00
14715	ALL TRAFFIC DATA SERVICES INC	2024 Citywide Traffic Cou	600.00
12150	ANIMAL & PEST CONTROL SPECIALI	2024 Prairie Dog Manageme	2,500.00
14623	ANOTHER MILESTONE LLC	YS CONTRACTOR SPORTS CAMP	1,680.00
15933	APRIL FLOWERS HAIR LLC	GREEN CIRCLE RECYCLING SY	1,000.00
13556	AQUATIC CHEMICAL SOLUTIONS INC	Replacement Valves for La	6,268.02
13556	AQUATIC CHEMICAL SOLUTIONS INC	Winterize Memory Square	1,350.00
13556	AQUATIC CHEMICAL SOLUTIONS INC	Memory Square Chemicals	2,579.73
15854	ASCENT GROUP INC.	STEINBAUGH PAVILION FINAL	775.00
13881	ASLAN CONSTRUCTION INC	WWTP Solids Handling Cons	64,960.05
500	BAKER AND TAYLOR	ACCT #415337 L121376 4 B0	72.16
500	BAKER AND TAYLOR	ACCT #415337 L121376 4 B0	44.96
500	BAKER AND TAYLOR	ACCT #415337 L121376 4 B0	112.17
500	BAKER AND TAYLOR	ACCT #415337 L121376 4 B0	41.64
15910	BOB MURRAY & ASSOCIATES	CITY MANAGER RECRUITING S	10,986.89
11605	BOBCAT OF THE ROCKIES LLC	ACCT #021884 PARKS-EQUIP	132.77
15204	BOULDER COUNTY PUBLIC WORKS	SEPT 2024 GATE FEES	1,249.92
15204	BOULDER COUNTY PUBLIC WORKS	OCT 2024 GATE FEES	1,795.36
15938	BOULDER PUBLIC LIBRARY DISTRIC	OVERDRIVE HOSTING COST SH	615.00
15609	BOX NINE DESIGN, LLC	Louisville Recreation Cat	2,215.00
13344	BROWNS HILL ENGINEERING & CONT	24-117 service work 2024	2,325.50

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CASH ACCOUNT: 001000 101001

WARRANT: 120324 12/03/2024

VENDOR	VENDOR NAME	PURPOSE	AMOUNT
15547	BSN SPORTS LLC	CUST #12149101	508.88
248	CDW GOVERNMENT	CUST #5143572 APC SMART-	413.15
248	CDW GOVERNMENT	CUST #5143572 Annual Co	19,781.30
248	CDW GOVERNMENT	CUST #5143572 TRIPP PDU	189.51
10773	CENTRIC ELEVATOR CORP	PD MONTHLY MAINT ACCT #	323.50
10773	CENTRIC ELEVATOR CORP	LIBRARY MONTHLY MAINT AC	624.07
10773	CENTRIC ELEVATOR CORP	REC CENTER MONTHLY MAINT	365.35
10773	CENTRIC ELEVATOR CORP	CITY HALL MONTHLY MAINT	371.98
15216	CHARLES D JONES CO	HEATER MOTOR - RISER ROOM	462.90
4785	CINTAS CORPORATION #66	CUST #12522401 STAFF SUP	354.85
4785	CINTAS CORPORATION #66	CUST #12522401 STAFF SUP	360.45
4785	CINTAS CORPORATION #66	CUST #12522401 STAFF SUP	354.85
12806	CITY AND COUNTY OF BROOMFIELD	Cust #172150867 MIB/GEOSM	1,200.00
12806	CITY AND COUNTY OF BROOMFIELD	Cust #172150867 MIB/GEOSM	400.00
1120	COLORADO ANALYTICAL LABORATORY	WWTP - INFLUENT - WEEKLY	180.20
1120	COLORADO ANALYTICAL LABORATORY	WWTP - REG 85 - MONTHLY	456.51
1120	COLORADO ANALYTICAL LABORATORY	WWTP - UPSTREAM - MONTHLY	314.10
1120	COLORADO ANALYTICAL LABORATORY	WWTP - EFFLUENT - MONTHLY	223.20
1120	COLORADO ANALYTICAL LABORATORY	WWTP - REUSE - MONTHLY	184.50
1120	COLORADO ANALYTICAL LABORATORY	WWTP - INFLUENT - MONTHLY	329.40
1120	COLORADO ANALYTICAL LABORATORY	WWTP - CTC LIFT STATION	319.50
1120	COLORADO ANALYTICAL LABORATORY	CITY OF LOUISVILLE CO0107	119.00
1120	COLORADO ANALYTICAL LABORATORY	CITY OF LOUISVILLE CO0107	126.00
1120	COLORADO ANALYTICAL LABORATORY	CITY OF LOUISVILLE CO0107	81.20
13859	COLORADO DEPT OF TRANSPORTATIO	PROJ #2023-PL-006 CORE A	1,338.00
14331	COLORADO RURAL WATER ASSOC	2024-2025 CRWA MEMBERSHIP	630.00
15190	DANIEL LASHER	EDI TRAINING 10/30/24	369.58
15190	DANIEL LASHER	NOV 2024 ASL INTERPRETATI	692.73
15149	DENALI WATER SOLUTIONS LLC	CUST #1120056 2024 WWTP	2,013.48
15149	DENALI WATER SOLUTIONS LLC	CUST #1120056 2024 WWTP	2,087.10
15683	DESIGN WORKSHOP, INC.	OCT 2024 Comprehensive p	16,255.00
1785	ECO-CYCLE INC	Acct #1641 - Louisville E	1,798.54
15916	EIDOS ARCHITECTS, PC	OCT 2024 SCWTP Admin Bu	1,286.55
11545	EVOQUA WATER TECHNOLOGIES LLC	CUST #1035400 Water Plan	12,795.00

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CASH ACCOUNT: 001000 101001

WARRANT: 120324 12/03/2024

VENDOR	VENDOR NAME	PURPOSE	AMOUNT
1945	FALCON ENVIRONMENTAL CORP	REPLACEMENT OF ICE CONTRO	625.00
1945	FALCON ENVIRONMENTAL CORP	HST CABINET COOLING FILTE	1,779.60
6761	FARIS MACHINERY CO	CUST #20050 STREETS #321	128.42
14896	FASTSIGNS OF BROOMFIELD	Library Frosted Glass	1,887.50
14606	FEHR AND PEERS	9/28/24 - 10/25/24 Signa	900.00
15678	FONTUS BLUE, INC.	Fontus Blue Program	24,000.00
10623	FRONT RANGE LANDFILL INC	9/30/24 ACCT #5305-10235	2,301.95
10623	FRONT RANGE LANDFILL INC	10/1/24 - 10/15/24 ACCT #	15,001.95
9637	GOBLE SAMPSON & ASSOCIATES INC	CUST ID #LOUISVILLE WATM	959.67
2310	GRAINGER	ACCT #802864512 BATTERY	638.72
2415	HARCROS CHEMICALS INC	CUST #01605450-GOL10 NWT	551.25
2415	HARCROS CHEMICALS INC	CUST #01605450-GOL10 SWT	465.50
2415	HARCROS CHEMICALS INC	CUST #01605450-GOL10 SAL	931.00
2415	HARCROS CHEMICALS INC	CUST #01605450-GOL10 SAL	931.00
15397	IC LEI LOCAL GOVERNMENTS FOR S	2016 & 2021 INVENTORY DAT	6,000.00
15397	IC LEI LOCAL GOVERNMENTS FOR S	ANNUAL MEMBERSHIP DUES	3,060.00
15261	WESTERN PAPER DISTRIBUTORS	CUST ID #244097 CITY SER	138.32
13778	INVISION GIS LLC	SEPT 2024 GIS Profession	1,785.00
13778	INVISION GIS LLC	OCT 2024 GIS Professional	3,351.25
14239	JC GOLF ACCESSORIES	Golf Gifts and Promotions	324.56
14239	JC GOLF ACCESSORIES	CUST #COALCRK Resale Me	945.01
14239	JC GOLF ACCESSORIES	ACCT #COALCRK RESALE ME	184.63
11289	JVA INC	JULY 2024 WWTP Expansion	6,336.40
11289	JVA INC	AUG 2024 WWTP Expansion	2,876.00
11289	JVA INC	SEPT 2024 WWTP Expansio	1,278.00
11289	JVA INC	OCT 2024 WWTP Expansion	1,863.00
11289	JVA INC	WWTP Solids Handling CM	13,287.00
11289	JVA INC	WWTP Solids Handling CM	8,877.00
11289	JVA INC	WWTP Solids Handling CM	6,386.80
15499	KATHRYN A MIHELIC	NOV 2024 PICKLEBALL CONT	980.00
14219	KIMLEY-HORN AND ASSOCIATES INC	CO42 Design & ROW	75,391.13
15415	LEVITATE JUMP ROPE T	JUMP ROPE CLUB 9/23/24 -	595.00
15754	LIGHTHOUSE TRANSPORTATION GROU	SEPT 2024 Traffic Signal	14,280.86

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CASH ACCOUNT: 001000 101001

WARRANT: 120324 12/03/2024

VENDOR	VENDOR NAME	PURPOSE	AMOUNT
15754	LIGHTHOUSE TRANSPORTATION GROU	OCT 2024 Traffic Signal M	8,485.00
3100	LOUISVILLE CHAMBER OF COMMERCE	2024 Parade of Lights Spo	2,000.00
6456	LOUISVILLE UNITED METHODIST CH	GRANT REIMB FOR HSA 741 J	9,000.00
15936	MAGNUM LAW GROUP, LLC	COURT APPOINTED ATTORNEY	184.00
14731	MARY MULCAHEY	REIMBURSE BLOOMIN SENIORS	169.93
11463	MATTHEW BENDER & CO INC	ACCT #2522381001 REFEREN	37.44
6939	MCCANDLESS TRUCK CENTER LLC	3204 Air Compressor CUST	3,744.11
15068	MODERN DAVINCI LLC	STEP MGMT DEVEL PROG SESS	3,620.00
14945	MOTUS THEATER	2ND HALF OF 2024 ART GRAN	1,000.00
99999	KATHY ISRAELSON	REFUND LOUISVILLE REC CEN	49.00
99999	KELLY FRAZIER	REFUND LOUISVILLE REC CEN	696.00
99999	JUNE BLOUCH	REFUND LOUISVILLE REC CEN	38.00
99999	ALANA KUNZELMAN	REFUND LOUISVILLE REC CEN	49.00
99999	MARK DAYAN	Marshall Fire Use Tax Cre	58.38
99999	MARK DAYAN	Marshall Fire Use Tax Cre	243.49
99999	RICHARD & CAROLYN BULLION	Marshall Fire Use Tax Cre	130.85
99999	MURPHY COMPANY	Refund for incorrect perm	1,940.00
99999	KATHERINE KUSTER	Partial Refund on Invoice	2,491.50
14899	OTAK INC	SERVICES ENDING 11/1/24 M	7,879.50
14899	OTAK INC	Proj #020108.A00 - Work t	14,192.25
13649	OVERDRIVE INC	CUST ID #1100-0005 EMATE	428.31
13649	OVERDRIVE INC	CUST ID #1100-1006 EMAT	446.18
13649	OVERDRIVE INC	CUST #1100-1006 EMATERIA	408.12
15254	NORTHSIDE TTC	AUG-OCT 2024 TABLE TENNIS	4,384.80
14675	POINT AND PAY LLC	SEPT 2024 CREDIT CARD FEE	10,745.10
13549	PUSH PEDAL PULL INC	Keiser studio spin bikes	14,750.00
11351	QUADIENT INC	12/1/24 - 2/28/25 ACCT #	134.96
14078	RANGE SERVANT AMERICA INC	CUST ID#COAL CREEK CART	652.00
14297	ROCKFAN ENTERTAINMENT	CUST ID #886 MICROPHONE	1,590.16
15714	ROSALIE OLSON	SPANISH CLASSES 9/11/24 -	1,680.00
14560	SAMEDAY OFFICE SUPPLY	Acct #A12877	2,842.25

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CASH ACCOUNT: 001000 101001

WARRANT: 120324 12/03/2024

VENDOR	VENDOR NAME	PURPOSE	AMOUNT
14818	SITEONE LANDSCAPE SUPPLY LLC	CUST #290129 ATHLETIC FI	1,760.88
14396	SPRONK WATER ENGINEERS INC	9/30/24 - 11/3/24 ENGINEE	14,000.00
13603	TOSHIBA BUSINESS SOLUTIONS INC	CUST #T0B5E4W OCT 2024	283.28
4875	UNIVAR SOLUTIONS USA INC	CUST #790754 Water Plant	2,778.30
15560	USABBLUEBOOK	CUST #69261 STANDARD VAL	157.07
15560	USABBLUEBOOK	CUST #69261 PVS BALL VAL	263.33
15560	USABBLUEBOOK	CUST #69261 PVC BALL VA	422.28
15560	USABBLUEBOOK	CUST #69261 80 PVC PIPE	11.75
15560	USABBLUEBOOK	CUST #69261 80 PVC 1" TH	147.99
14674	VAPEX ENVIRONMENTAL TECHNOLOGI	ADAPTER 1/8" FLOW METER S	1,450.00
15929	VOGEL SALES INC.	CIP purchase of Tommy Gat	5,774.87
15668	WELL GROUNDED ELECTRICAL SERVI	SERVICE CALLS 9/9/24 & 11	1,265.00
15891	WESTERN GOLF HOSPITALITY, LLC	1/2 REIMB FOR EQUIP SPLIT	492.50
14476	WILDLIFE SPECIALTIES LLC	WILDLIFE SURVEY FOR ENCLA	450.00
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143 INVOICES			
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WARRANT TOTAL			502,042.85
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**SUBJECT: RESOLUTION NO. 60, SERIES 2024 – A RESOLUTION
APPROVING AN AMENDMENT TO THE
INTERGOVERNMENTAL AGREEMENT WITH BOULDER
COUNTY FOR LAW ENFORCEMENT DISPATCH SERVICES**

DATE: DECEMBER 3, 2024

PRESENTED BY: RAFAEL GUTIERREZ, CHIEF OF POLICE

SUMMARY:

A proposed Amendment to an existing Intergovernmental Agreement between the City and Boulder County authorizing the City to utilize the Law Enforcement Dispatch services of the Communications Center for the dispatching of Police Department resources to respond to emergency and non-emergency public safety calls. The services also allowing for the tracking and recording of officer activity. The previously entered into agreement between the Boulder County Sheriff's Office and the City of Louisville Police Department was dated January 1, 2021. The City does not operate its own dispatch center.

This proposed amendment is to establish the dispatch service fee to be paid by the City for the period January 1, 2025 to December 31, 2025. The proposed fee for these services during this period is \$368,514.16.

The City's payment obligations under the IGA are payable in the fiscal year for which funds are appropriated for the payment thereof. The City's obligations under the IGA shall be from year to year only and shall not constitute a multiple-fiscal year direct or indirect debt or other financial obligation of the City within the meaning of Article X, Section 20 of the Colorado Constitution.

FISCAL IMPACT:

\$368,514.16 for 2025 (included in the City's 2025-2026 adopted budget)

PROGRAM/SUB-PROGRAM IMPACT:

Public Safety and Justice-Patrol and Investigation: maintains community safety capabilities to respond efficiently to public safety calls for service and manages officer initiated activity.

RECOMMENDATION:

Staff recommends approval of the agreement

ATTACHMENT(S):

1. Resolution No. 60, Series 2024
2. Exhibit A: Proposed Amendment to the Intergovernmental Agreement

STRATEGIC PLAN IMPACT:

☐	 Financial Stewardship & Asset Management	☒	 Reliable Core Services
☐	 Vibrant Economic Climate	☐	 Quality Programs & Amenities
☐	 Engaged Community	☐	 Healthy Workforce
☐	 Supportive Technology	☒	 Collaborative Regional Partner

**RESOLUTION NO. 60
SERIES 2024**

**A RESOLUTION APPROVING AN AMENDMENT TO THE INTERGOVERNMENTAL
AGREEMENT WITH BOULDER COUNTY FOR LAW ENFORCEMENT DISPATCH
SERVICES**

WHEREAS, Boulder County operates a Communications Center for 911 and non-emergency calls for law enforcement, fire, and emergency medical services in Boulder County and has the capacity to assist other jurisdictions within the County; and

WHEREAS, the City and County previously entered into an Intergovernmental Agreement dated January 1, 2021 authorizing the City to utilize the Communications Center for answering emergency and non-emergency public safety calls, dispatching its Police Department to those calls, and routine tracking and recording of officer activity, subject to payment of a service fee; and

WHEREAS, an amendment to the Intergovernmental Agreement has been proposed to establish the service fee to be paid by the City for January 1, 2025 to December 31, 2025; and

WHEREAS, the City and County are authorized to enter into this Agreement pursuant to state law, including but not limited to C.R.S. § 29-1-201 et seq., and the City Council by this Resolution desires to approve said Intergovernmental Agreement and authorize its execution;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY
OF LOUISVILLE, COLORADO:**

1. The Amendment to Intergovernmental Agreement for Law Enforcement Dispatch Services between the City of Louisville and the County of Boulder (the "Amendment"), is hereby approved in essentially the same form as the copy of such Amendment accompanying this Resolution.

2. The Mayor is authorized to execute the Amendment on behalf of the City, except that the Mayor is hereby further granted authority to negotiate and approve such revisions to said Amendment as the Mayor determines are necessary or desirable for the protection of the City, so long as the essential terms and conditions of the Amendment are not altered.

PASSED AND ADOPTED this 3rd day of December 2024.

Resolution No. 60, Series 2024
Page 1 of 2

Christopher M. Leh, Mayor

ATTEST:

Genny Kline, Interim City Clerk

AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT
DATED JANUARY 1, 2025 FOR LAW ENFORCEMENT DISPATCH SERVICES
BETWEEN THE BOULDER COUNTY SHERIFF'S OFFICE AND THE
CITY OF LOUISVILLE POLICE DEPARTMENT

EXHIBIT A
Adopted Budget

1. Term. The term of this Adopted Budget is January 1, 2025 through December 31, 2025.
2. Budget. The fees for service for the term of this Exhibit A for all services outlined in the Intergovernmental Agreement is \$368,514.16.

IN WITNESS WHEREOF, the Parties have executed this Exhibit A on the date last written below.

**COUNTY OF BOULDER,
STATE OF COLORADO**

Curtis Johnson
SHERIFF

Date: _____

Brian Zierlein
DIVISION CHIEF, SUPPORT SERVICES

Date: _____

**CITY OF LOUISVILLE,
STATE OF COLORADO**

Christopher M. Leh
MAYOR

Date: _____

Rafael Gutierrez
CHIEF OF POLICE

Date: _____

SUBJECT: ACCEPTANCE OF E-BIKE FUNDING DONATION (PROS)

DATE: DECEMBER 3, 2024

**PRESENTED BY: ADAM BLACKMORE, PROS DIRECTOR
EMBER BRIGNULL, OPEN SPACE SUPERINTENDENT**

OVERVIEW:

The City of Louisville Parks, Recreation, Open Space & Golf Department (PROS) is seeking Council's approval to accept a financial donation in the amount of \$5,500 to assist with the purchase of an e-bike or e-bikes to assist the PROS Ranger program with park and trail patrols. The donor wishes to remain anonymous. The City does not currently have a financial donation policy, thus it is the recommendation of the Finance & PROS Directors to submit this request to City Council for consideration.

ATTACHMENT(S):

None

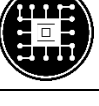
FISCAL IMPACT:

PROS does not currently have funding specifically allocated for e-bike purchases included in their budget but see a number of prospective benefits from having these equipment resources for the Ranger program. The donation will be deposited via the Finance Department directly into the relevant expense line of the Open Space 2024 budget where the e-bike(s) will be purchased from. Overall fiscal impact is anticipated to be neutral.

RECOMMENDATION:

Staff recommends accepting the anonymous donation and moving forward with the purchase of two (2) e-bikes for the PROS Ranger program.

STRATEGIC PLAN IMPACT:

☒		Financial Stewardship & Asset Management	☒		Reliable Core Services
☐		Vibrant Economic Climate	☒		Quality Programs & Amenities
☒		Engaged Community	☐		Healthy Workforce
☒		Supportive Technology	☐		Collaborative Regional Partner

**SUBJECT: PURCHASE OF ENTERPRISE GRADE MOBILE TABLETS FOR
PUBLIC WORKS AND UTILITIES WORK ORDER AND ASSET
MANAGEMENT**

DATE: DECEMBER 3, 2024

PRESENTED BY: KURT KOWAR, P.E., DIRECTOR OF PUBLIC WORKS

SUMMARY:

Staff recommends approval to purchase 14 Getac ZX10 rugged tablets from CDWG, a state-bid contracted seller, in the amount of \$30,964.08.

The Information Technology (IT) Department reviewed the Public Works and Utilities Department (PWU) mobile tablets and usage which led to recommendations to upgrade the equipment to enterprise grade standards. The current tablets utilized are consumer grade tablets that have been utilized as the Department implemented and evolved its asset management system since 2017. Consumer grade tablets were originally utilized to keep costs low and explore various operating systems to understand the best usability.

Currently PWU is fully digital for work order management and infrastructure asset management. Tablets are critical devices used daily to manage field operations and infrastructure. Upgrading to enterprise level tablets provides enhanced application capabilities, dual service provider coverage to mitigate communication gaps, and ruggedness to improve lifespan and wear and tear. These devices are core to the management of several hundred million dollars of infrastructure value and core services.

This purchase would include one device to remain on-site at the wastewater treatment facility and the other 13 devices in the field throughout the City of Louisville. After these new devices are operational, the current tablets will be offered to different departments within Louisville for use in centralized locations that are less exposed to the elements and demands of the Operations staff.

FISCAL IMPACT:

The approved 2024 Budget did not anticipate funding for the purchase of these assets. A budget amendment will be required and moving forward these assets will be placed on the City's 5-year replacement plan of tech items and will be included in future budgeting planning.

This recommended purchase will be allocated across multiple accounts outlined below, totaling \$31,964.08, including \$1,000.00 of contingency.

SUBJECT: MOBILE TABLET PURCHASE**DATE: DECEMBER 3, 2024****PAGE 2 OF 2**

Water Distribution	501463	521200	\$14,877.00
Wastewater Collections	502471	521200	\$8,925.00
Street Maintenance	101431	521200	\$2,975.00
Storm water Operations	503432	521200	\$2,975.00
Wastewater Plant Operations	502472	521200	\$2,212.08

PROGRAM/SUB-PROGRAM IMPACT:

A safe, well-maintained, effective and efficient transportation and wet utilities maintenance system at a reasonable cost.

RECOMMENDATION:

Approve the Public Works Director to purchase 14 Getac ZX10 rugged tablets from CDWG to support the maintenance of the City's infrastructure systems.

ATTACHMENT(S):

1. Sourcewell contract number
2. CDW quote

STRATEGIC PLAN IMPACT:

☒		Financial Stewardship & Asset Management	☒		Reliable Core Services
☐		Vibrant Economic Climate	☐		Quality Programs & Amenities
☐		Engaged Community	☐		Healthy Workforce
☒		Supportive Technology	☐		Collaborative Regional Partner

CDW-G

Managed services and staff augmentation

#071321-CDW

Maturity Date: 9/10/2025

Website: cdwg.com/sourcewell 

Products & Services



Products & Services

Sourcewell contract 071321-CDW gives access to the following types of goods and services:

- Amplified services
- Configuration services
- Digital velocity solutions
- Managed services
- Professional services
- ServiceNow
- Staff augmentation
- Project management

Buy Sourcewell

Login to unlock more
contract features.



Thank you for choosing CDW. We have received your quote.

Hardware

Software

Services

IT Solutions

Brands

Research Hub

QUOTE CONFIRMATION

DANIEL WOOLDRIDGE,

Thank you for considering CDW•G for your technology needs. The details of your quote are below. **If you are an eProcurement or single sign on customer, please log into your system to access the CDW site.** You can search for your quote to retrieve and transfer back into your system for processing.

For all other customers, click below to convert your quote to an order.

Convert Quote to Order

QUOTE #	QUOTE DATE	QUOTE REFERENCE	CUSTOMER #	GRAND TOTAL
NWWK733	5/20/2024	GETAC	5143572	\$30,964.08

QUOTE DETAILS				
ITEM	QTY	CDW#	UNIT PRICE	EXT. PRICE
Getac ZX10 - 1st generation - tablet - Android 12 - 128 GB - 10.1" Mfg. Part#: Z2A7DXWAAFBX Contract: MARKET	14	7530645	\$1,700.60	\$23,808.40
Getac Bumper-to-Bumper Warranty - extended service agreement - 2 years - 4t Mfg. Part#: GE-SVCRNFX5Y Electronic distribution - NO MEDIA Contract: MARKET	14	4762672	\$511.12	\$7,155.68

SUBTOTAL	\$30,964.08
SHIPPING	\$0.00
SALES TAX	\$0.00
GRAND TOTAL	\$30,964.08

PURCHASER BILLING INFO	DELIVER TO
Billing Address: CITY OF LOUISVILLE ACCTS. PAYABLE 749 MAIN ST LOUISVILLE, CO 80027-1829 Phone: (303) 666-6565 Payment Terms: NET 30-VERBAL	Shipping Address: CITY OF LOUISVILLE IT 749 MAIN ST LOUISVILLE, CO 80027-1829 Phone: (303) 666-6565 Shipping Method: DROP SHIP-GROUND
Please remit payments to:	
CDW Government 75 Remittance Drive Suite 1515 Chicago, IL 60675-1515	



Sales Contact Info

Ashton Sellers | (866) 811-6523 | ashtsel@cdwg.com

CC 12/03/24

LEASE OPTIONS			
FMV TOTAL	FMV LEASE OPTION	BO TOTAL	BO LEASE OPTION
\$30,964.08	\$894.86/Month	\$30,964.08	\$1,021.50/Month

Monthly payment based on 36 month lease. Other terms and options are available. Contact your Account Manager for details. Payment quoted is subject to change.

Why finance?

- Lower Upfront Costs. Get the products you need without impacting cash flow. Preserve your working capital and existing credit line.
- Flexible Payment Terms. 100% financing with no money down, payment deferrals and payment schedules that match your company's business cycles.
- Predictable, Low Monthly Payments. Pay over time. Lease payments are fixed and can be tailored to your budget levels or revenue streams.
- Technology Refresh. Keep current technology with minimal financial impact or risk. Add-on or upgrade during the lease term and choose to return or purchase the equipment at end of lease.
- Bundle Costs. You can combine hardware, software, and services into a single transaction and pay for your software licenses over time! We know your challenges and understand the need for flexibility.

General Terms and Conditions:

This quote is not legally binding and is for discussion purposes only. The rates are estimate only and are based on a collection of industry data from numerous sources. All rates and financial quotes are subject to final review, approval, and documentation by our leasing partners. Payments above exclude all applicable taxes. Financing is subject to credit approval and review of final equipment and services configuration. Fair Market Value leases are structured with the assumption that the equipment has a residual value at the end of the lease term.

Need Help?



My Account



Support



Call 800.800.4239

[About Us](#) | [Privacy Policy](#) | [Terms and Conditions](#)

This order is subject to CDW's Terms and Conditions of Sales and Service Projects at

<http://www.cdwg.com/content/terms-conditions/product-sales.aspx>

For more information, contact a CDW account manager.

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**SUBJECT: AUTHORIZATION TO EXECUTE A CONTRACT WITH
CLIFTONLARSONALLEN, LLP FOR UTILITY BILLING
SERVICES**

DATE: DECEMBER 3, 2024

PRESENTED BY: RYDER BAILEY, CPA, FINANCE DIRECTOR

SUMMARY:

Staff is proposing to extend the current agreement with CliftonLarsonAllen, LLP for Utility Billing Services through December 31, 2025.

BACKGROUND:

The City initially executed a contract with CliftonLarsonAllen, LLP (CLA) on June 25, 2013 for utility billing services in response to a vacancy in the Finance Department's single Utility Billing Technician position. On December 17, 2013, due to the success of the agreement, the City executed a longer-term agreement with an expanded scope of services. The City has continually renewed this annual agreement since 2014 under the sole source provisions within the City's Purchasing Policies. CLA performs similar utility billing services for other governmental entities in Colorado and their staff is trained on the City's utility billing software (ADG). The current agreement with CLA expires on December 31, 2024.

FISCAL IMPACT:

The cost of the proposed agreement for 2025 is \$8,900 per month, or \$106,800. This is a 5% increase over the 2024 Agreement.

Consistent with prior years, in addition to the base fee above, a "5% Technology and Client Support Fee" is added to the contract.

Costs will be split between the Utility Enterprise Funds, as follows:

- 50% = Water Utility Fund
- 25% = Wastewater Utility Fund
- 10% = Storm Water Utility Fund
- 15% = Solid Waste & Recycling Fund

PROGRAM/SUB-PROGRAM IMPACT:

The proposed contract impacts the Utilities Program and the Administrative & Support Services Program. The proposal offers a cost-effective option for utility billing services, which meets the Utility Program goal of competitive prices for all services and the Administrative Support Services Program goal of fiscally responsible, effective, and efficient governance.

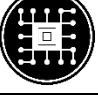
RECOMMENDATION:

Staff recommends the Council authorize execution of the contract with CLA for 2025 utility billing services.

ATTACHMENT(S):

1. Independent Contractor Agreement By and Between the City of Louisville and CliftonLarsonAllen LLP

STRATEGIC PLAN IMPACT:

☒	 Financial Stewardship & Asset Management	☒	 Reliable Core Services
☐	 Vibrant Economic Climate	☐	 Quality Programs & Amenities
☐	 Engaged Community	☐	 Healthy Workforce
☐	 Supportive Technology	☐	 Collaborative Regional Partner

**INDEPENDENT CONTRACTOR AGREEMENT
BY AND BETWEEN THE CITY OF LOUISVILLE
AND CLIFTONLARSONALLEN LLP
FOR UTILITY BILLING SERVICES**

1.0 PARTIES

This INDEPENDENT CONTRACTOR AGREEMENT (this "Agreement") is made and entered into this ____ day of _____, 20__ (the "Effective Date"), by and between the **City of Louisville**, a Colorado home rule municipal corporation, hereinafter referred to as the "City", and **CliftonLarsonAllen LLP** a limited liability partnership formed in Minnesota, hereinafter referred to as the "Contractor".

2.0 RECITALS AND PURPOSE

- 2.1 The City desires to engage the Contractor for the purpose of providing utility billing services as further set forth in the Contractor's Scope of Services (which services are hereinafter referred to as the "Services").
- 2.2 The Contractor represents that it has the special expertise, qualifications, and background necessary to complete the Services.

3.0 SCOPE OF SERVICES

The Contractor agrees to provide the City with the specific Services and to perform the specific tasks, duties and responsibilities set forth in Scope of Services attached hereto as Exhibit "A" and incorporated herein by reference. Contractor shall furnish all tools, labor and supplies in such quantities and of the proper quality as are necessary to professionally and timely perform the Services. Contractor acknowledges that this Agreement does not grant any exclusive privilege or right to supply Services to the City.

4.0 COMPENSATION

- 4.1 The City shall pay the Contractor for Services under this Agreement a total not to exceed the amounts set forth in Exhibit "A" attached hereto and incorporated herein by this reference. For Services compensated at hourly or per unit rates, or on a per-task basis, such rates or costs per task shall not exceed the amounts set forth in Exhibit A. The City shall not pay mileage and other reimbursable expenses (such as meals, parking, travel expenses, necessary memberships, etc.), unless such expenses are (1) clearly set forth in the Scope of Services, and (2) necessary for performance of the Services ("Pre-Approved Expenses"). The foregoing amounts of compensation shall be inclusive of all costs of whatsoever nature associated with the Contractor's efforts, including but not limited to salaries, benefits, overhead, administration, profits, expenses, and outside Contractor fees. The Scope of Services and payment therefor shall only be changed by a properly authorized amendment to this Agreement. No City employee has the authority to bind the City with regard to any payment for any Services which exceeds the amount payable under the terms of this Agreement.
- 4.2 The Contractor shall submit monthly an invoice to the City for Services rendered and a detailed expense report for Pre-Approved Expenses incurred during the previous month. The invoice shall document the Services provided during the preceding month, identifying

by work category and subcategory the work and tasks performed and such other information as may be required by the City. The Contractor shall provide such additional backup documentation as may be required by the City. The City shall pay the invoice within thirty (30) days of receipt unless the Services or the documentation therefor are unsatisfactory. Payments made after thirty (30) days may be assessed an interest charge of one percent (1%) per month unless the delay in payment resulted from unsatisfactory work or documentation therefor.

5.0 PROJECT REPRESENTATION

- 5.1 The City designates Ryder Bailey as the responsible City staff to provide direction to the Contractor during the conduct of the Services. The Contractor shall comply with the directions given by Ryder Bailey and such person's designees.
- 5.2 The Contractor designates Matt Urkoski as its project manager and as the principal in charge who shall be providing the Services under this Agreement. Should any of the representatives be replaced, particularly Matt Urkoski, and such replacement require the City or the Contractor to undertake additional reevaluations, coordination, orientations, etc., the Contractor shall be fully responsible for all such additional costs and services.

6.0 TERM

- 6.1 The term of this Agreement shall be from the Effective Date to December 31, 2025, unless sooner terminated pursuant to Section 13, below. The Contractor's Services under this Agreement shall commence on [(the Effective Date) or (on another date desired by the City, after the Effective Date)] and Contractor shall proceed with diligence and promptness so that the Services are completed in a timely fashion consistent with the City's requirements.
- 6.2 Nothing in this Agreement is intended or shall be deemed or construed as creating any multiple-fiscal year direct or indirect debt or financial obligation on the part of the City within the meaning of Colorado Constitution Article X, Section 20 or any other constitutional or statutory provision. All financial obligations of the City under this Agreement are subject to annual budgeting and appropriation by the Louisville City Council, in its sole discretion. Notwithstanding anything in this Agreement to the contrary, in the event of non-appropriation, this Agreement shall terminate effective December 31 of the then-current fiscal year.

7.0 INSURANCE

- 7.1 The Contractor agrees to procure and maintain, at its own cost, the policies of insurance set forth in Subsections 7.1.1 through 7.1.3. The Contractor shall not be relieved of any liability, claims, demands, or other obligations assumed pursuant to this Agreement by reason of its failure to procure or maintain insurance, or by reason of its failure to procure or maintain insurance in sufficient amounts, durations, or types. The coverages required below shall be procured and maintained with forms and insurers acceptable to the City. All coverages shall be continuously maintained from the date of commencement of Services hereunder. The required coverages are:

- 7.1.1 Workers' Compensation insurance as required by the Labor Code of the State of Colorado and Employers Liability Insurance. Evidence of qualified self-insured status may be substituted.
- 7.1.2 General Liability insurance with minimum combined single limits of \$1,000,000 each occurrence and \$2,000,000 aggregate. The policy shall include the City of Louisville, its officers and its employees, as additional insureds, with primary coverage as respects the City of Louisville, its officers and its employees, and shall contain a severability of interests provision.
- 7.1.3 Comprehensive Automobile Liability insurance with minimum combined single limits for bodily injury and property damage of not less than \$400,000 per person in any one occurrence and \$1,000,000 for two or more persons in any one occurrence, and auto property damage insurance of at least \$50,000 per occurrence, with respect to each of Contractor's owned, hired or non-owned vehicles assigned to or used in performance of the Services. If the Contractor has no owned automobiles, the requirements of this paragraph shall be met by each officer or employee of the Contractor providing services to the City of Louisville under this contract.
- 7.2 The Contractor's general liability insurance and automobile liability and physical damage insurance shall be endorsed to include the City, and its elected and appointed officers and employees, as additional insureds, unless the City in its sole discretion waives such requirement. Every policy required above shall be primary insurance, and any insurance carried by the City, its officers, or its employees, shall be excess and not contributory insurance to that provided by the Contractor. Such policies shall contain a severability of interests provision. The Contractor shall be solely responsible for any deductible losses under each of the policies required above.
- 7.3 Certificates of insurance shall be provided by the Contractor as evidence that policies providing the required coverages, conditions, and minimum limits are in full force and effect, and shall be subject to review and approval by the City. No required coverage shall be cancelled, terminated or materially changed until at least 30 days prior written notice has been given to the City. The City reserves the right to request and receive a certified copy of any policy and any endorsement thereto.
- 7.4 Failure on the part of the Contractor to procure or maintain policies providing the required coverages, conditions, and minimum limits shall constitute a material breach of contract upon which the City may immediately terminate this Agreement, or at its discretion may procure or renew any such policy or any extended reporting period thereto and may pay any and all premiums in connection therewith, and all monies so paid by the City shall be repaid by Contractor to the City upon demand, or the City may offset the cost of the premiums against any monies due to Contractor from the City.
- 7.5 The parties understand and agree that the City is relying on, and does not waive or intend to waive by any provision of this contract, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, § 24-10-101 et seq., C.R.S., as from time to time amended, or otherwise available to the City, its officers, or its employees.

8.0 INDEMNIFICATION

To the fullest extent permitted by law, the Contractor agrees to indemnify and hold harmless the City, and its elected and appointed officers and its employees, from and against all liability, claims, and demands, on account of any injury, loss, or damage, which arise out of or are connected with the Services hereunder, if such injury, loss, or damage is caused by the negligent act, omission, or other fault of the Contractor or any subcontractor of the Contractor, or any officer, employee, or agent of the Contractor or any subcontractor, or any other person for whom Contractor is responsible. The Contractor shall investigate, handle, respond to, and provide defense for and defend against any such liability, claims, and demands. The Contractor shall further bear all other costs and expenses incurred by the City or Contractor and related to any such liability, claims and demands, including but not limited to court costs, expert witness fees and attorneys' fees if the court determines that these incurred costs and expenses are related to such negligent acts, errors, and omissions or other fault of the Contractor. The City shall be entitled to its costs and attorneys' fees incurred in any action to enforce the provisions of this Section 8.0. The Contractor's indemnification obligation shall not be construed to extend to any injury, loss, or damage which is caused by the act, omission, or other fault of the City.

9.0 QUALITY OF WORK

- 9.1 Contractor's Services shall be performed in accordance with the highest professional workmanship and service standards in the field to the satisfaction of the City
- 9.2 Contractor shall not be liable for the negligent acts or omissions of the City, its officers, or employees
- 9.3 In no event shall Contractor, its partners, principals, directors, officers, employees, and agents (each a "Contractor party") be liable to the City for any indirect, special, incidental, consequential, punitive, or exemplary damages, or for loss of profits or loss of goodwill. The foregoing limitation is not applicable for any audit or examination services provided to the City
- 9.4 To the extent permitted by law, the parties agree that, notwithstanding any statute or law of limitations that might otherwise apply to a dispute, including one arising out of this Agreement or the Services performed under this agreement, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by one Party against the other Party must be commenced within twenty-four (24) months ("Limitation Period") of the date when Contractor delivers the Services under this Agreement to the City, or the Party shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery. The Limitation Period applies and begins to run even if the Party has not suffered any damage or loss or has not become aware of the existence or possible existence of a dispute. The foregoing time limitation is not applicable for any audit or examination services provided to the City

10.0 INDEPENDENT CONTRACTOR

It is the expressed intent of the parties that the Contractor is an independent contractor and not the agent, employee or servant of the City, and that:

- 10.1. **CONTRACTOR SHALL SATISFY ALL TAX AND OTHER GOVERNMENTALLY IMPOSED RESPONSIBILITIES INCLUDING, BUT NOT LIMITED TO, PAYMENT OF STATE, FEDERAL AND SOCIAL SECURITY TAXES, UNEMPLOYMENT TAXES, WORKERS' COMPENSATION AND SELF-EMPLOYMENT TAXES. NO STATE, FEDERAL OR LOCAL TAXES OF ANY KIND SHALL BE WITHHELD OR PAID BY THE CITY.**
- 10.2. **CONTRACTOR IS NOT ENTITLED TO WORKERS' COMPENSATION BENEFITS EXCEPT AS MAY BE PROVIDED BY THE INDEPENDENT CONTRACTOR NOR TO UNEMPLOYMENT INSURANCE BENEFITS UNLESS UNEMPLOYMENT COMPENSATION COVERAGE IS PROVIDED BY THE INDEPENDENT CONTRACTOR OR SOME ENTITY OTHER THAN THE CITY.**
- 10.3. Contractor does not have the authority to act for the City, or to bind the City in any respect whatsoever, or to incur any debts or liabilities in the name of or on behalf of the City.
- 10.4. Contractor has and retains control of and supervision over the performance of Contractor's obligations hereunder and control over any persons employed by Contractor for performing the Services hereunder.

- 10.5. The City will not provide training or instruction to Contractor or any of its employees regarding the performance of the Services hereunder.
- 10.6. Neither the Contractor nor any of its officers or employees will receive benefits of any type from the City.
- 10.7. Contractor represents that it is engaged in providing similar services to other clients and/or the general public and is not required to work exclusively for the City.
- 10.8. All Services are to be performed solely at the risk of Contractor and Contractor shall take all precautions necessary for the proper and sole performance thereof.
- 10.9. Contractor will not combine its business operations in any way with the City's business operations and each party shall maintain their operations as separate and distinct.

11.0 ASSIGNMENT

Contractor shall not assign or delegate this Agreement or any portion thereof, or any monies due to or become due hereunder without the City's prior written consent.

12.0 DEFAULT

Each and every term and condition hereof shall be deemed to be a material element of this Agreement. In the event either party should fail or refuse to perform according to the terms of this Agreement, such party may be declared in default.

13.0 TERMINATION

- 13.1 This Agreement may be terminated by either party for material breach or default of this Agreement by the other party not caused by any action or omission of the other party by giving the other party written notice at least thirty (30) days in advance of the termination date. Termination pursuant to this subsection shall not prevent either party from exercising any other legal remedies which may be available to it.
- 13.2 In addition to the foregoing, this Agreement may be terminated by the City for its convenience and without cause of any nature by giving written notice at least fifteen (15) days in advance of the termination date. In the event of such termination, the Contractor will be paid for the reasonable value of the Services rendered to the date of termination, not to exceed a pro-rated daily rate, for the Services rendered to the date of termination, and upon such payment, all obligations of the City to the Contractor under this Agreement will cease. Termination pursuant to this Subsection shall not prevent either party from exercising any other legal remedies which may be available to it.

14.0 INSPECTION AND AUDIT

The City and its duly authorized representatives shall have access to any books, documents, papers, and records of the Contractor that are related to this Agreement for the purpose of making audits, examinations, excerpts, and transcriptions.

15.0 DOCUMENTS

All computer input and output, analyses, plans, documents photographic images, tests, maps, surveys, electronic files and written material of any kind generated in the performance of this Agreement or developed for the City in performance of the Services are and shall remain the sole and exclusive property of the City. All such materials shall be promptly provided to the City upon request therefor and at the time of termination of this Agreement, without further charge or expense to the City and in hardcopy or an electronic format acceptable to the City, or both, as the City shall determine. Contractor shall not provide copies of any such material to any other party without the prior written consent of the City. Contractor shall not use or disclose confidential information of the City for purposes unrelated to performance of this Agreement without the City's written consent.

16.0 ENFORCEMENT

- 16.1 In the event that suit is brought upon this Agreement to enforce its terms, the parties shall each bear and be responsible for their own attorneys' fees and court costs.
- 16.2 This Agreement shall be deemed entered into in Boulder County, Colorado, and shall be governed by and interpreted under the laws of the State of Colorado. Any action arising out of, in connection with, or relating to this Agreement shall be filed in the courts of Boulder County or the federal district court for the District of Colorado, and in no other court. [If out of state contractor: Contractor hereby waives its right to challenge the personal jurisdiction of the courts of Boulder County and the federal district court for the District of Colorado over it.] Colorado law shall apply to the construction and enforcement of this Agreement.

17.0 COMPLIANCE WITH LAWS

Contractor shall be solely responsible for compliance with all applicable federal, state, and local laws, including the ordinances, resolutions, rules, and regulations of the City; for payment of all applicable taxes; and obtaining and keeping in force all applicable permits and approvals.

18.0 INTEGRATION AND AMENDMENT

This Agreement represents the entire Agreement between the parties and there are no oral or collateral agreements or understandings. This Agreement may be amended only by an instrument in writing signed by the parties.

19.0 NOTICES

All notices required or permitted under this Agreement shall be in writing and shall be given by hand delivery, by United States first class mail, postage prepaid, registered or certified, return receipt requested, by national overnight carrier, or by email transmission, addressed to the party for whom it is intended at the following address:

If to the City:

City of Louisville
Attn: Ryder Bailey
749 Main Street

Louisville, CO 80027
e-mail: rbailey@louisvilleco.gov

If to the Contractor:

CliftonLarsonAllen, LLP
Attn: Matthew J. Urkoski
8390 E. Crescent Pkwy, Ste 300
Greenwood Village, CO 80111
e-mail: Matt.Urkoski@claconnect.com

Except for notices by email transmission, any notice required or permitted under this Agreement shall be effective when received as indicated on the delivery receipt, if by hand delivery or overnight carrier; on the United States mail return receipt, if by United States mail. Notices by email transmission shall be effective on transmission, so long as no message of error or non-receipt is received by the party giving notice. Either party may by similar notice given, change the address to which future notices or other communications shall be sent.

20.0 EQUAL OPPORTUNITY EMPLOYER

- a) Contractor will not discriminate against any employee or applicant for employment because of age 40 and over, race, sex, color, religion, national origin, disability, genetic information, sexual orientation, veteran status, or any other applicable status protected by state or local law. Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to any status set forth in the preceding sentence. Such action shall include but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notice to be provided by an agency of the federal government, setting forth the provisions of the Equal Opportunity Laws.
- b) Contractor shall be in compliance with the applicable provisions of the American with Disabilities Act as enacted and from time to time amended and any other applicable federal, state, or local laws and regulations. A signed, written certificate stating compliance with the Americans with Disabilities Act may be requested at any time during the life of this Agreement or any renewal thereof.

21.0 NO THIRD PARTY BENEFICIARIES

It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to City and Contractor, and nothing contained in this Agreement shall give or allow any such claim or right of action by any other third party on such Agreement. It is the express intention of the parties that any person other than City or Contractor receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

22.0 SUBCONTRACTORS

Contractor may utilize subcontractors identified in its qualifications submittal to assist with non-specialized works as necessary to complete projects. Contractor will submit any proposed subcontractor and the description of its services to the City for approval. The City will not work directly with subcontractors.

23.0 AUTHORITY TO BIND

Each of the persons signing below on behalf of any party hereby represents and warrants that such person is signing with full and complete authority to bind the party on whose behalf of whom such person is signing, to each and every term of this Agreement.

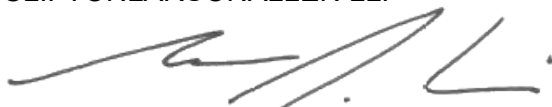
In witness whereof, the parties have executed this Agreement to be effective as of the day and year first above written.

CITY OF LOUISVILLE

By: _____
Mayor

Attest: _____
City Clerk

CLIFTONLARSONALLEN LLP

A handwritten signature in dark ink, appearing to read 'M. J. Urkoski', written over a horizontal line.

By: Matthew J. Urkoski
Title: Principal - CLA

Exhibit A – Scope of Services

[See Following Page(s)]

Mr. Ryder Bailey, Director of Finance
City of Louisville
749 Main Street
Louisville, CO 80027

Date: 10/7/2024

Dear Ryder:

Thank you for the opportunity to provide you with the attached agreement for utility billing accountant services for the City of Louisville.

CLA staff will be based primarily out of the Denver Tech Center (DTC) for client servicing purposes during the 2025 calendar year. CLA will maintain limited on-site office hours, up to 3 hours per week. The day and time of the office hours will continue to be mutually agreed upon by both parties on an ongoing basis.

The scope of work that we will provide is as follows:

- Import of bi-weekly meter read upload data
- Prepare bi-weekly cycle bills for customers
- Print and mail billing to customers
- Monthly AR reporting
- Review delinquent reports prior to processing red tags and shut offs for accuracy
- Interface and assist the Operations department and Front Desk with the delinquent processes based on City's established process and policies
- Communication with title companies for transfer procedures
- Assist with customer service dispute resolution
- Provide Finance Director with monthly Utility Billing call volume reports
- Interface with Operations department
- General oversight of system maintenance (billing system)
 - Any system maintenance mutually agreed to be above and beyond the standard scope of our contract (listed above) will be billed in addition to the standard contract. Such an arrangement will be agreed upon prior to initiation of the project
 - *The City Meter Replacement Project will be considered out of scope and charged at 50% of the hourly rate of the specific CLA team member performing the work*

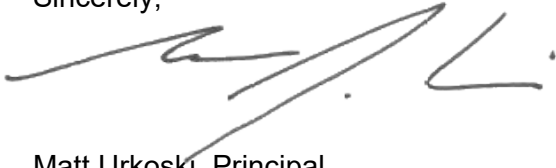
This engagement shall also provide that more than one person within CLA will be familiar with the operations of the City of Louisville's utility billing system.

The fee to provide the aforementioned services is \$8,900 per month. This fee is inclusive of maintaining at least one staff person available to service the City from 8am to 5pm MT, Monday through Friday, as well as limited on-site office hours up to 3 hours per week. Exceptions to the availability listed above shall only include regularly scheduled holidays, in which CLA will be closed. CLA's regular holiday schedule consists of New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, Day after Thanksgiving, Christmas Eve, Christmas Day, New Years Eve.

A "Technology and Client Support Fee" of five percent (5%) in addition of all professional fees billed will also remain as part of our engagement.

We deeply value our relationship with the City and look forward to providing this essential service to your community.

Sincerely,

A handwritten signature in dark ink, appearing to read 'M. Urkoski', with a stylized flourish at the end.

Matt Urkoski, Principal
CliftonLarsonAllen, LLP

**SUBJECT: RESOLUTION NO. 61, SERIES 2024 – A RESOLUTION
SETTING CERTAIN FEES, RATES, AND CHARGES FOR THE
CITY OF LOUISVILLE**

DATE: DECEMBER 3, 2024

**PRESENTED BY: RYDER BAILEY, CPA, FINANCE DIRECTOR
SAMMA FOX, INTERIM CITY MANAGER**

SUMMARY:

Each year, the City Council sets certain fees, rates and charges for the upcoming year by resolution. City Council, through Ordinance 1603, Series 2011, also authorized the City Manager to set certain fees, rates and charges not otherwise set by the Council.

The fees set by the City Manager include such things as fees for photo copies, maps and documents, development application reviews, recreation center programs and classes, rental rates for various facilities, and charges for cemetery plots and services. The City Manager sets these fees and charges in effort to recover costs and defray operational expenses.

For 2024, certain fees include a 2.0% adjustment which is based on the regional Denver-Aurora- Lakewood - Consumer Price Index for July 2024.

Of the total 293 City Manager Fees, 104 fees (35%) are to remain constant, 164 fees (56%) are proposed to be adjusted by an inflationary factor or CPI, while 25 fees (9%) were adjusted by another methodology. Other adjustments to fees include aligning with the State, benchmarking fees to other jurisdictions, or administrative corrections.

FINANCE COMMITTEE:

Finance Committee reviewed and supported the proposed fees/fines for 2025 at their November 21st, 2024 meeting.

FISCAL IMPACT:

As a whole, charges for services make up a significant portion of the City's revenue.

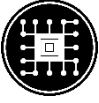
RECOMMENDATION:

Staff recommends approval of Resolution No. 61, Series 2024, setting certain fees, rates, and charges for the City of Louisville.

ATTACHMENTS:

1. Resolution No. 61, Series 2024
2. Schedule of 2024 and 2025 City Manager Fee Comparisons
3. Impact Fee Attachment
4. Schedule of 2024 and 2025 City Council Fee Comparisons
5. Council Fees

STRATEGIC PLAN IMPACT:

☒	 Financial Stewardship & Asset Management	☒	 Reliable Core Services
☐	 Vibrant Economic Climate	☐	 Quality Programs & Amenities
☐	 Engaged Community	☐	 Healthy Workforce
☐	 Supportive Technology	☐	 Collaborative Regional Partner

**RESOLUTION NO. 61
SERIES 2024**

**A RESOLUTION SETTING CERTAIN FEES, RATES, AND CHARGES FOR
THE CITY OF LOUISVILLE, COLORADO**

WHEREAS, pursuant to the Louisville Municipal Code, the City Council is authorized to establish certain fees, rates, and charges by resolution; and

WHEREAS, the City Council wishes to establish by this resolution the amounts of certain fees, rates, and charges effective January 1, 2025.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF LOUISVILLE, COLORADO:**

SECTION 1. Pursuant to authorization in the Louisville Municipal Code, the Louisville City Council hereby establishes certain fees, rates, and charges in accordance with the schedules and tables attached and made a part hereof.

SECTION 2. The fees, rates, and charges set by this resolution shall be effective January 1, 2025 and may thereafter be amended from time to time by resolution of the City Council.

SECTION 3. The fees, rates, and charges set by this resolution shall supersede and replace any fees, rates, or charges previously set or adopted by the City Council for the same purpose. However, the same shall not be deemed to release, extinguish, alter, modify, or change in whole or in part any liability which shall have been previously incurred, and the superseded or replaced provision shall be treated and held as still remaining in force for the purpose of sustaining any judgment, decree, or order.

SECTION 4. If any portion of this resolution is held to be invalid for any reason, such decisions shall not affect the validity of the remaining portions hereof.

PASSED AND ADOPTED this 3rd day of December 2024.

Christopher M Leh, Mayor

ATTEST:

Genny Kline, Interim City Clerk

FEES ESTABLISHED BY CITY MANAGER
TO BE EFFECTIVE JANUARY 1, 2025

Control #	Fee Category	Fee Description	Detail	2024 Fee	Proposed 2025 Fee	Actual % Change
1		Copies	8.5" x 11" B/W - per page	\$ 0.10	\$ 0.10	0.00%
2		Copies	11" x 17" B/W - per page	\$ 0.25	\$ 0.25	0.00%
3		Copies	8.5" x 11" Color - per page	\$ 0.75	\$ 0.75	0.00%
4		Copies	11" x 17" Color - per page	\$ 2	\$ 2	0.00%
5		Copies	Certified Copies - per page	\$ 2	\$ 2	0.00%
6		Copies	24" x 36" B/W - per page	\$ 4	\$ 4	0.00%
7		City Maps	Custom Maps-Black and White - per SF	\$ 5	\$ 5	0.00%
8		Notary Fee	First 3 seals free, additional seals \$6 per seal	\$ 6	\$ 6	0.00%
9		Mylar Printing	Per page	\$ 5		-100.00%
10		Police Report/Traffic Accident	\$7.00 for first 10 pages (no charge for victims & those involved in accidents). Additional pages are \$.25 each.	\$ 7	\$ 7	0.00%
11		Police Address Activity Report	\$5.00 per address	\$ 10	\$ 10	0.00%
12		Police CAD Report				
13		Police Photographs	\$5.00 per CD			
14		City Maps	Zoning Map (24" x 36")	\$ 6	\$ 6	0.00%
15		Copies of CD/DVDs		\$ 6	\$ 6	0.00%
16		City Maps	City Street Map (small/color)	\$ 8	\$ 8	0.00%
17		City Maps	Centerline Map (small)	\$ 8	\$ 8	0.00%
18		City Maps	Traffic Count Map (free on website)	\$ 8	\$ 8	0.00%
19		City Maps	Utility Atlas Plots - per SF	\$ 8	\$ 8	0.00%
20		City Maps	Custom Maps – Color Mylar Printing - per SF	\$ 8	\$ 8	0.00%
21		Police Background/History Check		\$ 15	\$ 15	0.00%
22		City Maps	City Street Map (large)	\$ 17	\$ 17	0.00%
23		Photographs	CC & PL (does not include cost of copies)	\$ 15	\$ 15	0.00%
24		City Maps	Centerline Map (large)	\$ 25	\$ 26	4.00%
25		Public Records Research Fee	First 2 hours free, then charged in 15-minute increments	\$ 26	\$ 41	59.12%
26		Police BWC Research/Redaction	\$30 per hour for BWC research/redaction. If placed on thumb drive an additional \$10 device fee would apply. No device fee if sent	\$ 30	\$ 31	3.33%
27		Technical Data	City Standard Details – CD	\$ 34	\$ 35	2.94%
28		Technical Data	G.I.S. Information – ½ hr. minimum charge of \$25	\$ 40	\$ 41	2.50%
29		Technical Data	Storm Drainage Standards	\$ 54	\$ 55	1.85%
30		Special Event Permit - Small Impact Right-of-Way Closure		\$ 66	\$ 67	1.52%
31		Technical Data	City Design Standards	\$ 66	\$ 67	1.52%
32		Special Event Permit - Standard		\$ 527	\$ 538	2.09%
33		Patio Rental	Per 12-Foot Section	\$ -	\$ 1,000	
34		Extra Duty Officers/Supervisor/Police Vehicle	Per hour	\$ 80	\$ 82	2.50%
35		Extra Duty Supervisor	Per hour	\$ 99	\$ 101	2.02%
36		Extra Duty Police Vehicle	Vehicle Per Day Cost	\$ 53	\$ 54	1.89%
37	General	City Maps	Electronic Copies	\$ -	\$ -	
38		Police Reports (Non-electronic)	No charge for paper or electronic copies for victims and those involved in accidents/dispatch tapes subject to then current charge from Boulder County	\$ -	\$ -	
39		Police Reports Requiring Research	City's standard hourly research fee. Dispatch tapes subject to then current charge from Boulder County Sheriff's Communications Center.	\$ 30	\$ 31	3.33%
40		Postage – Mailing	Charged at standard postal/shipping rate			

Control #	Fee Category	Fee Description	Detail	2024 Fee	Proposed 2025 Fee	Actual % Change
41	Library	Borrowing late fees	Art prints, Audio books, Books, CDs, Magazines - per day	\$ 0.10	\$ 0.10	0.00%
42		Borrowing late fees	DVDs, Book club bags, Special Items (telescopes, dolls, etc.) - per day	\$ 0.50	\$ 0.50	0.00%
43		Collection Agency	Referral Fee - per action, plus cost of item	\$ 15	\$ 15	0.00%
44		Meeting Room	Non-profit, Non-resident - per hour	\$ 35	\$ 35	0.00%
45		Meeting Room	Non-profit, Resident Groups - No charge			
46		Meeting Room	"For profit" enterprises - per hour	\$ 55	\$ 55	0.00%
47		Board Room - Upstairs	Non-profit, Non-resident - per hour	\$ 21	\$ 21	0.00%
48		Board Room - Upstairs	"For profit" enterprises - per hour	\$ 42	\$ 42	0.00%
49		Study Room	No charge	-	-	
49.1*	-	Meeting Room - Children's Area	Non-profit, Non-resident - per hour	\$ 21		
49.2*		Meeting Room - Children's Area	"For profit" enterprises - per hour	\$ 42		
51		Reproduction Fee	Per image	\$ 20	\$ 20	0.00%
52	Historic Photographs	Commercial Use Fees:		-		
53		Published use, less than 5,000 copies	Per image	\$ 20	\$ 20	0.00%
54		Published use, more than 5,000 copies	Per image	\$ 40	\$ 40	0.00%
55		Display in a business or at an event	Per image	\$ 15	\$ 15	0.00%
56		Advertise or promotion	Per image	\$ 120	\$ 120	0.00%
57		Website/Internet	Per year	\$ 65	\$ 65	0.00%
58		Film/video production	Per image	\$ 125	\$ 125	0.00%
59		Performance or presentation	Per image	\$ 65	\$ 65	0.00%
60	Cemetery Fees	Cemetery Burial Space - Full Size	Resident	\$ 1,350	\$ 1,350	0.00%
61		Cemetery Burial Space - Full Size	Non-Resident	\$ 3,859	\$ 3,859	0.00%
62		Cremation Burial Space	Resident	\$ 735	\$ 735	0.00%
63		Cremation Burial Space	Non-Resident	\$ 2,147	\$ 2,147	0.00%
64		Infant Burial Space	Resident	\$ 735	\$ 735	0.00%
65		Infant Burial Space	Non-Resident	\$ 2,415	\$ 2,415	0.00%
66		Graves - Open & Close	Full Burial	\$ 1,397	\$ 1,397	0.00%
67		Graves - Open & Close	Infant Size Burial	\$ 683	\$ 683	0.00%
68		Graves - Open & Close	Cremation Burial	\$ 504	\$ 504	0.00%
69		Graves - Disinterment		\$1,650-\$3,300	\$1,650-\$3,300	0.00%
70		Graves - Open & Close	Less Than 48 Hours Notice	\$ 604	\$ 604	0.00%
71		Graves - Open & Close	Overtime for Saturday Burial	\$ 604	\$ 604	0.00%
72		Poly Vault	Cremation Burial	\$ 163	\$ 163	0.00%
73		Concrete Vault	Cremation Burial	\$ 357	\$ 357	0.00%
74	Facility Rentals (Parks & Rec, Cultural Services)	Birthday party package - Turf Gym	Resident BASIC	\$ 138	\$ 142	2.90%
75			Resident PLUS	\$ 198	\$ 204	3.03%
76		Birthday party package - Turf Gym	Non-resident BASIC	\$ 177	\$ 204	15.25%
77			Non-Resident PLUS	\$ 249	\$ 256	2.81%
78		Birthday party package - Pool	Resident BASIC	\$ 117	\$ 121	3.42%
79			Resident PLUS	\$ 198	\$ 204	3.03%
80		Birthday party package - Pool	Non-resident BASIC	\$ 145	\$ 149	2.76%
81			Non-Resident PLUS	\$ 250	\$ 255	2.00%
82		Parks - All Other Park Shelters	Resident - 1st (4) hours	\$ 83	\$ 83	0.00%
83		Parks - All Other Park Shelters	Non-Resident - 1st (4) hours	\$ 110	\$ 110	0.00%
84		Parks - All Other Park Shelters	Resident - Each additional hour	\$ 23	\$ 23	0.00%

Control #	Fee Category	Fee Description	Detail	2024 Fee	Proposed 2025 Fee	Actual % Change
85		Parks - All Other Park Shelters	Non-Resident - Each additional hour	\$ 28	\$ 28	0.00%
86		Parks - All Other Park Shelters	Large Group Rates (>150) - Additional fee	\$ 122	\$ 122	0.00%
87		Parks - Community Park Shelter <100	Resident - 1st (4) hours	\$ 132	\$ 132	0.00%
88		Parks - Community Park Shelter <100	Non-Resident - 1st (4) hours	\$ 166	\$ 166	0.00%
89		Parks - Community Park Shelter <100	Resident - Each additional hour	\$ 28	\$ 28	0.00%
90		Parks - Community Park Shelter <100	Non-Resident - Each additional hour	\$ 41	\$ 41	0.00%
91		Parks - Community Park Shelter >100	Resident - 1st (4) hours	\$ 244	\$ 244	0.00%
92		Parks - Community Park Shelter >100	Non-Resident - 1st (4) hours	\$ 305	\$ 305	0.00%
93		Parks - Community Park Shelter >100	Non-Resident - Each additional hour	\$ 61	\$ 61	0.00%
94		Parks - Community Park Shelter >100	Non-Resident Resident - Each additional	\$ 78	\$ 78	0.00%
95		Rooms - Arts Center	Resident non-profit rate per hour	\$ 40	\$ 40	0.00%
96		Rooms - Arts Center	Non-resident non-profit rate per hour	\$ 50	\$ 55	10.00%
97		Rooms - Arts Center	Resident rate per hour (4 hour minimum)	\$ 65	\$ 65	0.00%
98		Rooms - Arts Center	Non-resident rate per hour (4 hour minimum)	\$ 80	\$ 85	6.25%
99		Rooms - Grand or Summit	Resident - per hour	\$ 56	\$ 58	3.57%
100		Rooms - Grand or Summit	Non-Resident - per hour	\$ 72	\$ 74	2.78%
101		Rooms - Brooks or Crown	Resident - per hour	\$ 61	\$ 63	3.28%
102		Rooms - Brooks or Crown	Non-resident - per hour	\$ 78	\$ 80	2.56%
103		Rooms - Garibaldi, Imperial,	Resident - per hour	\$ 44	\$ 45	2.27%
104		Rooms - Garibaldi, Imperial,	Non-resident - per hour	\$ 56	\$ 58	3.57%
105		Rooms - Heritage Street Parking Area	Use of Heritage Street Parking Area			
106		Rooms - Kitchen	Resident - per hour	\$ 28	\$ 29	3.57%
107		Rooms - Kitchen	Non-resident - per hour	\$ 34	\$ 35	2.94%
108		Rooms - South Gym	Resident - per hour	\$ 61	\$ 63	3.28%
109		Rooms - South Gym	Non-resident - per hour	\$ 83	\$ 85	2.41%
110		MAC Gym	Resident - per hour	\$ 94	\$ 97	3.19%
111		MAC Gym	Non-Resident per hour	\$ 116	\$ 119	2.59%
112		Rooms - Steinbaugh Pavillion <100 attendees	1st (4) hours	\$ 255	\$ 260	1.96%
113		Rooms - Steinbaugh Pavillion <100 attendees	Each additional hour	\$ 60	\$ 65	8.33%
114		Rooms - Steinbaugh Pavillion >100 attendees	1st (4) hours	\$ 340	\$ 350	2.94%
115		Rooms - Steinbaugh Pavillion >100 attendees	Each additional hour	\$ 90	\$ 100	11.11%
116		Rooms - Steinbaugh Pavillion Non-Profit/Educational	Non-profit or Educational group - per hour (2 hour min)	\$ 50	\$ 50	0.00%
117	Sports Complex	Drag, Line, and/or Change Bases		\$ 28	\$ 30	7.14%
118		Field Supervisor	Per hour (to be determined by LRC, if	\$ 19	\$ 20	5.26%
119		Hourly Rate per Field	Resident	\$ 33	\$ 34	3.03%
120		Hourly Rate per Field	Non-Resident	\$ 46	\$ 43	-6.52%
121		Sat/Sun - Daily Rental (includes all four fields, initial line and drag and lights)	Resident	\$ 1,245	\$ 1,282	2.97%
122		Sat/Sun - Daily Rental (includes all four fields, initial line and drag and lights)	Non-Resident	\$ 1,540	\$ 1,603	4.06%
123		Usage of Lights	Per hour/Per field	\$ 39	\$ 40	2.00%
124		Weekday - Daily Rental (includes all four fields, initial line and drag and lights)	Resident	\$ 660	\$ 680	3.03%
125		Weekday - Daily Rental (includes all four fields, initial line and drag and lights)	Non-Resident	\$ 820	\$ 850	3.66%
126	Other City Sports Fields	Any day - Daily Rental	Resident	\$ 220	\$ 227	3.18%
127		Any day - Daily Rental	Non-Resident	\$ 275	\$ 284	3.27%
128		Drag, Line, and/or Change Bases per	Each occurrence	\$ 28	\$ 30	7.14%
129		Field Supervisor	Per hour (to be determined by LRC, if	\$ 19	\$ 20	5.26%
130		Hourly Rental	Resident	\$ 28	\$ 29	3.57%
131		Hourly Rental	Non-Resident	\$ 35	\$ 36	2.86%
132		Tennis Courts		\$ 6	\$ 7	16.67%
133	Other Recreation Fees	Harper Lake Boat Permit - 1 boat/1	Resident	\$ 27	\$ 28	3.70%
134		Harper Lake Boat Permit - 1 boat/1	Non-Resident	\$ 49	\$ 52	6.12%
135		Recreation Ctr Sales -- Misc items	Cost plus 40%			

Control #	Fee Category	Fee Description	Detail	2024 Fee	Proposed 2025 Fee	Actual % Change
136	Recreation Center	Recreational Vehicle Sanitary Waste	Resident - per calendar year/per RV	\$ 23	\$ 23	0.00%
137		Recreational Vehicle Sanitary Waste	Non-resident - per calendar year/per RV	\$ 35	\$ 36	2.86%
138		10 Visit Pass	Resident Youth (3-17)	\$ 45	46.50	3.33%
139		10 Visit Pass	Non-Resident Youth (3-17)	\$ 85	\$ 91	7.06%
140		20 Visit Pass	Resident Youth (3-17)	\$ 90	\$ 93	3.33%
141		20 Visit Pass	Non-Resident Youth (3-17)	\$ 170	\$ 182	7.06%
142		10 Visit Pass	Resident Adult (18-59)	\$ 65	\$ 67	3.08%
143		10 Visit Pass	Non-Resident Adult (18-59)	\$ 110	117.50	6.82%
144		20 Visit Pass	Resident Adult (18-59)	\$ 130	\$ 134	3.08%
145		20 Visit Pass	Non-Resident Adult (18-59)	\$ 220	\$ 235	6.82%
146		10 Visit Pass	Resident Senior 60+	\$ 45	46.50	3.33%
147		10 Visit Pass	Non-Resident Senior 60+	\$ 85	\$ 91	7.06%
148		20 Visit Pass	Resident Senior 60+	\$ 90	\$ 93	3.33%
149		20 Visit Pass	Non-Resident Senior 60+	\$ 170	\$ 182	7.06%
150		Daily Admission	Resident Youth (3-17)	\$ 6	6.25	4.17%
151		Daily Admission	Non-Resident Youth (3-17)	\$ 9.50	\$ 10	5.26%
152		Daily Admission	Resident Adult (18-59)	\$ 8	8.25	3.13%
153		Daily Admission	Non-Resident Adult (18-59)	\$ 12	\$ 13	8.33%
154		Daily Admission	Resident Senior 60+	\$ 6	6.25	4.17%
155		Daily Admission	Non-Resident Senior 60+	\$ 9.50	\$ 10	5.26%
156		Monthly Pass	Youth (3-17) Resident	\$ 27.50	\$ 28	1.82%
157		Monthly Pass	Youth (3-17) Non-Resident	\$ 40	\$ 43	7.50%
158		Monthly Pass	Adult (18-59) Resident	\$ 46.50	\$ 48	3.23%
159		Monthly Pass	Adult (18-59) Non-Resident	\$ 66.50	\$ 71	6.77%
160		Monthly Pass	Senior 60+ Resident	\$ 27.50	\$ 28	1.82%
161		Monthly Pass	Senior 60+ Non-Resident	\$ 40	\$ 43	7.50%
162		Monthly Pass	Couple - Resident	\$ 70	\$ 72	2.86%
163		Monthly Pass	Couple - Non-Resident	\$ 89	\$ 95	6.74%
163.1		Monthly Pass	Single Head of Household - Resident	\$ 71	\$ 73	2.82%
163.2		Monthly Pass	Single Head of Household - Non-Resident	\$ 101	\$ 108	6.93%
164	LRC Childcare	Monthly Pass	Family - Resident	\$ 86.50	\$ 89	2.89%
165		Monthly Pass	Family - Non-Resident	\$ 116	\$ 124	6.90%
166		Monthly Pass	Business - Non - Resident Adult	\$ 52.75	\$ 56	6.16%
167		Monthly Pass	Business - Non - Resident Senior	\$ 35	\$ 36	2.86%
168		Annual Pass	Business - Non - Resident Adult	\$ 635	\$ 654	2.99%
169		Annual Pass	Business - Non - Resident Senior	\$ 411	\$ 423	2.92%
170		Annual Pass	Youth (3-17) Resident	\$ 264	\$ 272	3.03%
171		Annual Pass	Youth (3-17) Non-Resident	\$ 408	\$ 438	7.35%
172		Annual Pass	Adult (18-59) Resident	\$ 486	\$ 500	2.88%
173		Annual Pass	Adult (18-59) Non-Resident	\$ 706	\$ 755	6.94%
174		Annual Pass	Senior (60+) Resident	\$ 264	\$ 272	3.03%
175		Annual Pass	Senior (60+) Non - Resident	\$ 408	\$ 438	7.35%
176		Annual Pass	Couple - Resident	\$ 764	\$ 787	3.01%
177		Annual Pass	Couple - Non-Resident	\$ 982	\$ 1,051	7.03%
177.1		Annual Pass	Single Head of Household - Resident	\$ 672	\$ 692	2.98%
177.2		Annual Pass	Single Head of Household - Non-Resident	\$ 936	\$ 1,002	7.05%
178		Annual Pass	Family - Resident	\$ 819	\$ 844	3.05%
179		Annual Pass	Family - Non-Resident	\$ 1,048	\$ 1,121	6.97%
180		Annual Kids Corner Pass - First child	Resident	\$ 290	\$ 290	0.00%
181		Annual Kids Corner Pass - First child	Non-resident	\$ 363	\$ 363	0.00%
182		Annual Kids Corner Pass - Each additional child	Resident	\$ 58	\$ 58	0.00%
183		Annual Kids Corner Pass - Each additional child	Non-resident	\$ 73	\$ 73	0.00%
184	Other LRC Programs	Drop-in 1 hour	Resident	\$ 7	\$ 7	0.00%
185		Drop-in 1 hour	Non-resident	\$ 9	\$ 9	0.00%
186		Punch Card - 10 hours/40 punches	Resident	\$ 41	\$ 41	0.00%
187		Punch Card - 10 hours/40 punches	Non-resident	\$ 51	\$ 51	0.00%
188		American Red Cross CPR & AED	Resident	\$ 67	\$ 70	4.48%
189		American Red Cross CPR & AED	Non-Resident	\$ 80	\$ 93	16.25%
190		Aquatics Group Lessons	Resident	\$ 31	\$ 31	0.00%
191		Aquatics Group Lessons	Non-Resident	\$ 39	\$ 41	5.13%

Control #	Fee Category	Fee Description	Detail	2024 Fee	Proposed 2025 Fee	Actual % Change
192		Aquatics Private Lessons	Resident	\$ 32	\$ 33	3.13%
193		Aquatics Private Lessons	Non-Resident	\$ 40	43.25	8.13%
194		Aquatics Mini-Private Lessons	Resident	\$ 16	\$ 16	0.00%
195		Aquatics Mini-Private Lessons	Non-Resident	\$ 20	\$ 21	5.00%
196		Pool Rental (after hours) - Lap Pool per Hour	Resident	\$ 150	\$ 155	3.33%
197		Pool Rental (after hours) - Lap Pool per Hour	Non-Resident	\$ 190	\$ 196	3.16%
198		Pool Rental (after hours) - Progam Pool per Hour	Resident	\$ 150	\$ 155	3.33%
199		Pool Rental (after hours) - Progam Pool per Hour	Non-Resident	\$ 190	\$ 196	3.16%
200		Pool Rental (after hours) - Splash/Lazy River per Hour	Resident	\$ 110	\$ 113	2.73%
201		Pool Rental (after hours) - Splash/Lazy River per Hour	Non-Resident	137.50	\$ 141	2.55%
202		Pool Rental (after hours) - Hot Tub per Hour	Resident	\$ 25	\$ 26	4.00%
203		Pool Rental (after hours) - Hot Tub per Hour	Non-Resident	\$ 31	\$ 33	6.45%
204		Pool Rental Extra Guests - 41-80 guests		Daily Admission	Daily Admission	
205		Pool Rental Extra Guests - 81-120 guests		Daily Admission	Daily Admission	
206		Pool Rental Extra Guests - 121-160 guests		Daily Admission	Daily Admission	
207		Pool Rental Extra Guests - 161-200 guests		Daily Admission	Daily Admission	
208		Dance		\$80-\$120	\$80-\$120	
209		Fitness Wellness Classes		\$21-\$575	\$21-\$575	
210		Lifeguard training	Resident	\$ 42	\$ 43	2.38%
211		Lifeguard training	Non-Resident	\$ 42	\$ 45	7.14%
212		Senior Activities		\$0-\$125	\$0-\$125	
213		Sports/Adult		\$30-\$500	\$30-\$500	
214		Sports/Youth		\$32-\$90	\$32-\$90	
215		Yoga/ Martial Arts		\$46-\$75	\$46-\$75	
216		Youth Activities		\$13-\$934	\$13-\$934	
217	Coal Creek Golf Course	Standard Green Fees (may vary for promotions, etc. with approval of Parks and Rec. Dir.)	18 hole weekday	\$49-\$59	\$51-\$62	5.00%
218			18 hole weekend	\$60-\$70	\$63-\$73	5.00%
219			9 hole weekday	\$ 28	29.00	5.00%
220			9 hole weekend	\$ 30	32.00	5.00%
221			Twilight weekday	41		
222			Twilight weekend	42		
223			Annual Membership/Unlimited Golf	\$2,300-\$3,300	\$ 2,367 - \$3,802	5-15%
224	Water Tap Fees	By Demand in gpm/tap size: 0-22 ¾" tap		\$ 53,500	\$ 53,500	0.00%
225		(larger than 4" tap, fee by agreement with City Council)	23-45 1" tap	\$ 95,300	\$ 95,300	0.00%
226			46-80 1½" tap	\$ 214,000	\$ 214,000	0.00%
227			81-140 2" tap	\$ 380,500	\$ 380,500	0.00%
228			141-280 3" tap	\$ 856,000	\$ 856,000	0.00%
229			281-500 4" tap	\$ 1,521,700	\$ 1,521,700	0.00%
230	Storm Water Permit Fee		1 - 5 Acres	\$ 300	\$ 300	0.00%
231			6 - 25 Acres	\$ 625	\$ 625	0.00%
232			26 - 50 Acres	\$ 950	\$ 950	0.00%
233			51 - 100 Acres	\$ 1,250	\$ 1,250	0.00%
234			Above 101 Acres	\$ 1,500	\$ 1,500	0.00%
235	Development Review	Annexation & Zoning	Annexation & initial zoning	\$ 8,386	\$ 8,554	2.00%
236	All Fees set forth in	Annexation & Zoning	Rezoning	\$ 5,020	\$ 5,120	1.99%
236.5		Concept Plan Review	PUD, PLAT, GDP, & Rezoning		\$ 250	n/a
237		Wireless Communication Facility	Public review	\$ 3,439	\$ 3,508	2.01%
238		Wireless Communication Facility	Administrative review	\$ 659	\$ 672	1.97%
239		Other Land Use Fees	Municipal Code Amendment			

Control #	Fee Category	Fee Description	Detail	2024 Fee	Proposed 2025 Fee	Actual % Change
240		Other Land Use Fees	Easement or right-of-way vacation	\$ 2,312	\$ 2,358	1.99%
241		Other Land Use Fees	Floodplain development permit	\$ 587	\$ 599	2.04%
242		Other Land Use Fees	Historic Preservation Commission –	\$ -	\$ -	0.00%
243		Other Land Use Fees	Major Demo Permit Review	\$ 568	\$ 579	1.94%
244		Other Land Use Fees	Historic Preservation Commission –	\$ -	\$ -	0.00%
245		Other Land Use Fees	Minor Demo Permit Review	\$ 72	\$ 73	1.39%
246		Other Land Use Fees	Variance - Board of Adjustment	\$ 933	\$ 952	2.04%
247		Other Land Use Fees	Variance – Administrative	\$ 239	\$ 244	2.09%
248		Other Land Use Fees	Minor Impact Variance	\$ 108	\$ 110	1.85%
249		Other Land Use Fees	Oil & gas production permit	\$ 4,182	\$ 4,266	2.01%
250		Other Land Use Fees	1041 Permit	\$ 1,666	\$ 1,699	1.98%
251		Other Land Use Fees	Vested Right Request	\$ 1,990	\$ 2,030	2.01%
252		Other Land Use Fees	LP Gas Sales and Exchange	\$ 719	\$ 733	1.95%
253		Other Land Use Fees	Appeal of Zoning Administrator Decision	\$ 916	\$ 934	1.97%
254		Other Land Use Fees	Building Code Board of Appeals Appeal Application	\$ 916	\$ 934	1.97%
255		Other Land Use Fees	Nonconforming Use Certificate Request	\$ 2,301	\$ 2,347	2.00%
256		Planned Community Zone District	PCZD (≤ 100 acres)	\$ 6,459	\$ 6,588	2.00%
257		Planned Community Zone District	PCZD (> 100 acres)	\$ 7,272	\$ 7,417	1.99%
258		Planned Community Zone District	PCZD amendment	\$ 2,301	\$ 2,347	2.00%
259		Planned Unit Development	PUD – preliminary review (< 7 acres)	\$ 3,439	\$ 3,508	2.01%
260		Planned Unit Development	PUD – final review (≤ 7 acres)	\$ 3,439	\$ 3,508	2.01%
261		Planned Unit Development	PUD – preliminary review (> 7 acres)	\$ 4,182	\$ 4,266	2.01%
262		Planned Unit Development	PUD – final review (> 7 acres)	\$ 3,439	\$ 3,508	2.01%
263		Planned Unit Development	PUD – amendment	\$ 2,301	\$ 2,347	2.00%
264		Planned Unit Development	Administrative PUD amendment	\$ 666	\$ 679	1.95%
265		Special Review Use	Special Review Use (SRU)	\$ 1,521	\$ 1,551	1.97%
266		Special Review Use	SRU amendment	\$ 1,258	\$ 1,283	1.99%
267		Special Review Use	SRU (use only, no development)	\$ 629	\$ 642	2.07%
268		Special Review Use	SRU administrative	\$ 432	\$ 441	2.08%
269		Special Review Use	Day Care (Neighborhood 6 – 12 children)	\$ 441	\$ 450	2.04%
270		Subdivision	Preliminary plat (≤ 15 acres)	\$ 1,677	\$ 1,711	2.03%
271		Subdivision	Preliminary plat (> 15 acres)	\$ 4,277	\$ 4,363	2.01%
272		Subdivision	Final plat (all) & Final agreement(s) (with final PUD)	\$ 1,329	\$ 1,356	2.03%
273		Subdivision	Final plat (not accompanied by a PUD)	\$ 2,372	\$ 2,419	1.98%
274		Subdivision	Minor subdivision	\$ 2,372	\$ 2,419	1.98%
275		Temporary Uses	Temporary use permit (administrative)	\$ 239	\$ 244	2.09%
276		Temporary Uses	Temporary use permit (public review)	\$ 420	\$ 428	1.90%
277		Temporary Uses	Temporary sign permit	\$ 120	\$ 122	1.67%
278		Zoning Code Amendment		\$ 694	\$ 708	2.02%
279		Zoning Map Amendment		\$ 707	\$ 721	1.98%
280		Comprehensive Plan Amendment		\$ 707	\$ 721	1.98%
281		Public Hearing Notice Fee		\$150 for each public hearing plus actual mailing cost	\$150 for each public hearing plus actual mailing cost	0%
282	Impact Fees Revocable License Agreements		See Table 1 of Attachment 1			
283			Staff/Attorney Fees			
284			Fees may be charged to recoup city costs, including city attorney fees			
285	Public Works	Temporary Easements	Construction, Slope, etc.	\$ 13	\$ 13	0.00%
286		IPP Sampling Fees	Cost for sampling Industrial Users - Market Value	Market	Market	
287	Utility Fees	Re-use Water Fee - City Customer Class		\$ 0.87	\$ 0.87	0.00%
288		Re-use Water Fee - All Others		\$ 4.19	\$ 4.19	0.00%
289		Account Delinquent Fee	Charged when bill is 30 days past due	\$5 + 1% interest	\$5 + 1% interest	0%
290		Final Bill/Transfer Fee	Covers cost of final reading, final billing and transfer account. Charged to seller when property is sold	\$ 25	\$ 25	0%

Control #	Fee Category	Fee Description	Detail	2024 Fee	Proposed 2025 Fee	Actual % Change
291		Reconnect Fee for Utilities	1st occurrence			
292		Reconnect Fee for Utilities	Normal business hours	\$ 25	\$ 25	0%
293		Reconnect Fee for Utilities	After hours	\$ 50	\$ 50	0%
294		Reconnect Fee for Utilities	2nd occurrence			
295		Reconnect Fee for Utilities	Normal business hours	\$ 50	\$ 50	0%
296		Reconnect Fee for Utilities	After hours	\$ 75	\$ 70	0%
297		Reconnect Fee for Utilities	Subsequent occurrences			
298		Reconnect Fee for Utilities	Normal business hours	\$ 75	\$ 75	0%
299		Reconnect Fee for Utilities	After hours	\$ 100	\$ 100	0%
300		Red Tag Fee (Delinquency Notice)	Fee for hanging notice at time account is 30 days past due	\$ 15	\$ 15	0%
301		Service Fee for rejected payment		\$ 25	\$ 25	0%
302		Voluntary Disconnect & Reconnect Fee	Per disconnect and per reconnect	\$ 25	\$ 25	0%

Approved:
Samma Fox, Interim City Manager

Date: October 23, 2024

To: Samma Fox, Interim City Manager

CC: Ryder Bailey, Finance Director

From: Rob Zuccaro, Community Development Director

Re: November 1, 2024 Annual Adjustment to Impact Fees for Inflation

Municipal Code Section 3.18.040 requires an annual adjustment to the City's impact fees on November 1st of each year to reflect construction inflation.

Sec. 3.18.040.C.1.(a)

Annual adjustment of fees to reflect effects of inflation. The impact fees shown in Appendix A: Impact Fee Schedule, shall be adjusted annually to reflect the effects of inflation on those costs for city transportation capital facilities. On November 1, 2018, and on November 1 of each following year unless and until the Fees in Appendix A are revised or replaced, each impact fee amount set forth in Appendix A shall be adjusted for inflation, based on the most current Construction Cost Index published by Engineering News Record. Such adjustments in the Impact Fees shall become effective immediately upon calculation and certification by the city manager or manager's designee, and shall not require additional action by the city council to be effective.

The ordinance cites the most current Construction Cost Index published by Engineering News Record as the inflator. The most current Construction Cost Index published October 3, 2024 is +1.0% (attached). The table on the following page includes the current and adjusted fees based on this inflator (shown in yellow).

Per the ordinance, I am requesting that you certify the adjusted fees, which we will begin charging effective November 1, 2024.

Current and Adjusted Impact Fees Adjusted for Inflation

	Library	Parks and Trails	Parks and Trails Fee w/ 1.0% Inflator	Transportation	Transportation Fee w/ 1.0% Inflator
<i>Single-Family</i>					
1,100 sq. ft. of finished floor area or less	\$68	\$3,609.31	\$3,645.41	\$2,000.74	\$2,020.74
1,101 to 1,400	\$92	\$4,851.97	\$4,900.49	\$2,535.26	\$2,560.61
1,401 to 1,700	\$111	\$5,883.55	\$5,942.39	\$2,962.39	\$2,992.01
1,701 to 2,000	\$127	\$6,726.56	\$6,793.82	\$3,319.57	\$3,352.76
2,001 or more	\$149	\$7,899.28	\$7,978.27	\$3,811.64	\$3,849.75
<i>Multi-Family</i>					
750 or less	\$46	\$2,414.12	\$2,438.26	\$1,367.54	\$1,381.22
751 to 900	\$67	\$3,539.38	\$3,574.77	\$1,984.50	\$2,004.35
901 to 1,050	\$85	\$4,499.78	\$4,544.77	\$2,505.28	\$2,530.34
1,051 or more	\$110	\$5,836.10	\$5,894.46	\$3,229.64	\$3,261.94
<i>Nonresidential - per square foot</i>					
Commercial	\$0.00	\$0.00	\$0.00	\$3.87	\$3.90
Office	\$0.00	\$0.00	\$0.00	\$1.68	\$1.70
Institutional	\$0.00	\$0.00	\$0.00	\$2.33	\$2.35
Industrial	\$0.00	\$0.00	\$0.00	\$0.58	\$0.59

Certification of Impact Fee Adjustment Affective Nov. 1, 2024 to Nov. 1, 2025


 Samma Fox, Interim City Manager

Date: Oct. 23, 2023

Attachment: October 3, 2024 Engineering News Record Construction Cost Index

Resolution XX, Series 2024							
Exhibit A							
		1.05	1.02				
Code Section Ref.	Fee Description	2024 Fee (5%)	2025 Proposed Fee (2% incr.)	Exact % Change	Additional Fee Information	Staff Responsibility	Update Type
1.24.010	Credit on Fine or for time served	\$ 66	\$ 67	1.52%	Per 24hrs.	Deputy City Manager	Adjust Anually with CPI
3.20.402.C	Sales/Use Tax License	\$ 25	\$ 25	0.00%		Finance Director	No Change, Reviewed Annually
5.04.070	Business Registration-	\$ -	\$ -		Replaced by Sales/Use Tax License		Deleted Fee
5.08.040	Liquor Application and registration fee				List, see Table 1 (Fees Master PDF pgs 1 & 2 of 29)	Deputy City Manager	Adjust Anually with CPI
5.08.050	Liquor License annual fees (local)				List, see Table 1 (Fees Master PDF pgs 1 & 2 of 29)	Deputy City Manager	Adjust Anually with CPI
5.08.070	Liquor Special Event Permit fees				List, see Table 1 (Fees Master PDF pgs 1 & 2 of 29)	Deputy City Manager	Adjust Anually with CPI
5.10.060/5.11.060	Marijuana Establishment - Application fees	\$ 3,774	\$ 3,849	1.99%	plus \$100 for fingerprinting and background check	Deputy City Manager	Adjust Anually with CPI
5.10.090.C/5.11.100C	Marijuana Establishment - Late Renewal Application Fee	\$ 629	\$ 642	2.07%		Deputy City Manager	Adjust Anually with CPI
5.10.100/5.11.100/110	Marijuana Establishment - Annual Renewal/Operating License Fee	\$ 1,887	\$ 1,925	2.01%		Deputy City Manager	Adjust Anually with CPI
5.10.130.D/5.11.140D	Marijuana Establishment - Modification of Premises	\$ 1,887	\$ 1,925	2.01%		Deputy City Manager	Adjust Anually with CPI
5.10.110.B/5.11.120B	Marijuana Establishment - Change in Location Application Fee	\$ 1,887	\$ 1,925	2.01%		Deputy City Manager	Adjust Anually with CPI
5.10.130.C/5.11.140C	Marijuana Establishment - Transfer of Ownership Application Fee	\$ 3,774	\$ 3,849	1.99%		Deputy City Manager	Adjust Anually with CPI
5.12.020	Contractor's Licenses, application and fee	\$ -			List, see Table 2 (Fees Master PDF pg 3 of 29)	Planning Director	Adjust Anually with CPI
5.16.040	Massage Parlor, Application Fee	\$ 438	\$ 447	2.05%		Deputy City Manager	Adjust Anually with CPI
5.16.130	Massage Parlor, Initial fee, and annual renewal	\$ 438	\$ 447	2.05%	\$150 each renewal	Deputy City Manager	Adjust Anually with CPI
5.18.050	Sexually Oriented Businesses, License fee	\$ 251	\$ 256	1.99%	Annual	Planning Director	Adjust Anually with CPI
5.18.050	Sexually Oriented Businesses, Manager fee	\$ 66	\$ 67	1.52%		Planning Director	Adjust Anually with CPI
5.18.050	Sexually Oriented Businesses, Application Fee	\$ 629	\$ 642	2.07%		Planning Director	Adjust Anually with CPI
5.20.050	Cable TV system - New Application	\$ 1,258	\$ 1,283	1.99%		Deputy City Manager	Adjust Anually with CPI
5.20.050	Cable TV system - Transfer or Assignment	\$ 629	\$ 642	2.07%		Deputy City Manager	Adjust Anually with CPI
6.12.060	Dog License - Spayed or Neutered	\$ 14	\$ 14	0.00%		Deputy City Manager	No adjustment for 2025
	Dog License - Un-Spayed or Un-Neutered	\$ 20	\$ 20	0.00%		Deputy City Manager	No adjustment for 2025
6.20.010	Fowl running at large	\$ 0.25	\$ 0.25	0.00%	Per fowl		
						Police Chief	No Change, Adjust Anually with CPI
8.08.030	Cutting Weeds, recoup administrative costs	\$ 189	\$ 193	2.12%		Parks Director	Adjust Anually with CPI
8.12.200	Arborist License	\$ 41	\$ 42	2.44%	Annual	Parks Director	Adjust Anually with CPI
8.40.050	Pest Control, recoup administrative costs	\$ 64	\$ 65	1.56%		Police Chief	Adjust Anually with CPI
8.64.090	Residential Refuse and Recycling						
					List, see Table 6 (Fees Master PDF pgs 22-28 of 29)	Public Works Director	New contract, includes EV Trucks, Adjust Anually with CPI going frwd
9.40.050	Live Music event application fee	\$ 26	\$ 27	3.85%		Deputy City Manager	Adjust Anually with CPI
9.60.010	Failure to return library materials processing fee, plus cost of item	\$ 7	\$ 7	0.00%			
						Library Director	No Change, Adjust Anually with CPI
10.12.230	Bicycle License Fee	\$ -			No charge	Police Chief	No Charge
10.18.030	Parking Permit Fee	\$ -			No parking districts currently exist. Fee established by City Council.	City Manager	No Charge
12.12.030	Excavation Permit				List, see Table 7 (Fees Master PDF pg 29 of 29)	Public Works Director	Separate Process
13.08.130	Turn on water after the violation of supplying water to others	\$ 54	\$ 55	1.85%		Public Works Director	Adjust Anually with CPI
13.24.030	Sewer Tap (residential and non-residential)				List, see Table 3 (Fees Master PDF pg 3 of 29)	Public Works Director	Separate Process
13.12.090	Water Rates for Usage, (residential and non-residential)				List, see Table 5 (Fees Master PDF pg 7-15 of 29)		
						Public Works Director	Separate Process
	Inside City Limits					Public Works Director	Separate Process
	Outside City Limits				Double In-City rates from Table 5	Public Works Director	Separate Process
13.12.080	Bulk Water Rate:					Public Works Director	Separate Process
	Weekly Permit Fee	\$ 50	\$ 50	0.00%		Public Works Director	Separate Process
	Deposit for Meter	\$ 2,500	\$ 2,500	0.00%		Public Works Director	Separate Process
	Per 1,000 gallons	9.41	10.03	6.59%	List, see Table 5 (Fees Master PDF pg 21 of 29)		
						Public Works Director	Separate Process
13.28.030	Residential and Non-residential Sewer rates				List, see Table 5 (Fees Master PDF pg 16-18 of 29)	Public Works Director	Separate Process

Code Section Ref.	Fee Description	2024 Fee (5%)	2025 Proposed Fee (2% incr.)	Exact % Change	Additional Fee Information	Staff Responsibility	Update Type
13.32.110	Cost Recovery Fees for Wastewater (Annual):					Public Works Director	Separate Process
	Significant Contributor	\$ 1,000	\$ 1,000	0.00%	Annual, a user with a discharge permit requiring compliance rep	Public Works Director	Separate Process
	Small Significant Contributor	\$ 500	\$ 500	0.00%	Annual, a user with a discharge permit requiring compliance rep	Public Works Director	Separate Process
	Class A	\$ 500	\$ 500	0.00%		Public Works Director	Separate Process
	Class B	\$ 250	\$ 250	0.00%		Public Works Director	Separate Process
	Class C	\$ 100	\$ 100	0.00%		Public Works Director	Separate Process
	Class D	\$ 50	\$ 50	0.00%		Public Works Director	Separate Process
13.32.125	Surcharge rate for excess BOD and TSS (49 - 2017)	\$ 0.58	\$ 0.58	0.00%	BOD per pound	Public Works Director	Separate Process
	(Resolution 49, Series 2017)	\$ 0.58	\$ 0.58	0.00%	TSS per pound	Public Works Director	Separate Process
	(Resolution 49, Series 2017)	\$ 0.58	\$ 0.58	0.00%	Oil and Grease per pound	Public Works Director	Separate Process
13.37.040 F 1.	Storm water Utility Service Fee:				List, see Table 5 (Fees Master PDF pg 19 of 29)	Public Works Director	Separate Process
	Single Family Residential (Resolution 15, Series 2017)	\$ 6.70	\$ 7.64	14.03%	Per month - Single and Multi Family	Public Works Director	Separate Process
	All Others (Resolution 15, Series 2017)	\$ 6.70	\$ 7.64	14.03%	SF of impervious area/3,500 times \$4.23	Public Works Director	Separate Process
14.16.110	Parks, alcohol use				Deposit	Parks Director	Separate Process
Section 15, various	Building Permits, Inspections, and Review Fees:				List, see Table 4 (Fees Master PDF pgs 4-6 of 29)	Planning Director	Separate Process
15.20.040	Mobile Home, licenses, permits, deposits and fees	\$ 14	\$ 14	0.00%	Installer's License	Planning Director	Adjust Anually with CPI
	Mobile Home Water Deposit	\$ 40	\$ 41	2.50%	Water Deposit	Planning Director	Adjust Anually with CPI
15.24.030	Mobile Home Park operator license	\$ 14	\$ 14	0.00%	Operator License	Planning Director	Adjust Anually with CPI
17.20.025	Parking Improvement Fee - Downtown (Resolution 25, 2017)	\$ 23,521	\$ 24,227	3.00%	Per parking space	Planning Director	Adjust Annually by 3% (Constant)

2025 LIQUOR FEE SCHEDULE

Louisville Liquor Licensing - 303.335.4574

PROPOSED FOR USE IN 2025 - 2% INCREASE - DRAFT

Application Fees	City Fee		State Fee
	Current	Proposed	
Application Fee	\$757.00	\$772.00	\$1,100.00
Application Fee with Concurrent Review	\$757.00	\$772.00	\$1,200.00
Application Fee Transfer of Ownership	\$610.00	\$622.00	\$1,100.00
Application Fee Manager Permit	N/A		\$100.00
Application Late Renewal Fee (Not more than 90-days of license expiration date)	\$500.00		\$500.00
Application Reissue Fee (More than 90-days but less than 180-days of license expiration date)	\$500.00		\$500.00
Application Reissue Fine (More than 90-days but less than 180-days of license expiration date)	\$25.00 a day beyond 90-day expiration date		\$25.00 a day beyond 90-day expiration date
Annual Renewal Application Fee (Effective July 1, 2024)	See Below		\$250.00
Annual Art Gallery Fee	\$100.00		\$0.00

Retail License Fees		Current City Application Fee	Proposed City Application Fee	City License Fee *Set by state schedule	City Total	State Application Fee	State License Fee	State Total *Pay through portal
Art	New	\$757.00	\$772.00	\$41.25	\$813.25	\$1,100.00	\$308.75	\$1,408.75
	Transfer	\$610.00	\$622.00	\$41.25	\$663.25	\$1,100.00	\$308.75	\$1,408.75
	Renewal	\$58.00	\$59.00	\$41.25	\$100.25	\$250.00	\$308.75	\$558.75
Beer & Wine	New	\$757.00	\$772.00	\$48.75	\$820.75	\$1,100.00	\$351.25	\$1,451.25
	Transfer	\$610.00	\$622.00	\$48.75	\$670.75	\$1,100.00	\$351.25	\$1,451.25
	Renewal	\$58.00	\$59.00	\$48.75	\$107.75	\$250.00	\$351.25	\$601.25
Brew Pub	New	\$757.00	\$772.00	\$75.00	\$847.00	\$1,100.00	\$750.00	\$1,850.00
	Transfer	\$610.00	\$622.00	\$75.00	\$697.00	\$1,100.00	\$750.00	\$1,850.00
	Renewal	\$58.00	\$59.00	\$75.00	\$134.00	\$250.00	\$750.00	\$1,000.00
Club	New	\$757.00	\$772.00	\$41.25	\$813.25	\$1,100.00	\$308.75	\$1,408.75
	Transfer	\$610.00	\$622.00	\$41.25	\$663.25	\$1,100.00	\$308.75	\$1,408.75
	Renewal	\$58.00	\$59.00	\$41.25	\$100.25	\$250.00	\$308.75	\$558.75
Distillery Pub	New	\$757.00	\$772.00	\$75.00	\$847.00	\$1,100.00	\$750.00	\$1,850.00
	Transfer	\$610.00	\$622.00	\$75.00	\$697.00	\$1,100.00	\$750.00	\$1,850.00
	Renewal	\$58.00	\$59.00	\$75.00	\$134.00	\$250.00	\$750.00	\$1,000.00
Entertainment	New	\$757.00	\$772.00	\$75.00	\$847.00	\$1,100.00	\$500.00	\$1,600.00
	Transfer	\$610.00	\$622.00	\$75.00	\$697.00	\$1,100.00	\$500.00	\$1,600.00
	Renewal	\$58.00	\$59.00	\$75.00	\$134.00	\$250.00	\$75.00	\$325.00
Hotel & Restaurant	New	\$757.00	\$772.00	\$75.00	\$847.00	\$1,100.00	\$500.00	\$1,600.00
	Transfer	\$610.00	\$622.00	\$75.00	\$697.00	\$1,100.00	\$500.00	\$1,600.00
	Renewal	\$58.00	\$59.00	\$75.00	\$134.00	\$250.00	\$500.00	\$750.00
	Hotel Restaurant w/ one Optional Premises	\$0.00	\$0.00	\$75.00	\$75.00	\$250.00	\$600.00	\$850.00
	Each Additional OP License	\$0.00	\$0.00	\$0.00	\$0.00	\$250.00	\$100.00	\$350.00
	Resort Complex	\$0.00	\$0.00	\$75.00	\$75.00	\$250.00	\$500.00	\$750.00
	Campus Liquor Complex	\$0.00	\$0.00	\$75.00	\$75.00	\$250.00	\$500.00	\$750.00
	Related Facility – Resort Complex	\$0.00	\$0.00	\$15.00	\$15.00	\$250.00	\$160.00	\$410.00
	Related Facility – Campus Liquor Complex	\$0.00	\$0.00	\$15.00	\$15.00	\$250.00	\$160.00	\$410.00
Liquor-Licensed Drugstore	New	\$757.00	\$772.00	\$22.50	\$794.50	\$1,100.00	\$227.50	\$1,327.50
	Transfer	\$610.00	\$622.00	\$22.50	\$644.50	\$1,100.00	\$227.50	\$1,327.50
	Renewal	\$58.00	\$59.00	\$22.50	\$81.50	\$250.00	\$227.50	\$477.50
Lodging	New	\$757.00	\$772.00	\$75.00	\$847.00	\$1,100.00	\$500.00	\$1,600.00
	Transfer	\$610.00	\$622.00	\$75.00	\$697.00	\$1,100.00	\$500.00	\$1,600.00
	Renewal	\$58.00	\$59.00	\$75.00	\$134.00	\$250.00	\$500.00	\$750.00
Optional Premises		\$0.00	\$0.00	\$75.00	\$75.00	\$0.00	\$500.00	\$500.00
Racetrack	New	\$757.00	\$772.00	\$75.00	\$847.00	\$1,100.00	\$500.00	\$1,600.00
	Transfer	\$610.00	\$622.00	\$75.00	\$697.00	\$1,100.00	\$500.00	\$1,600.00
	Renewal	\$58.00	\$59.00	\$75.00	\$134.00	\$250.00	\$500.00	\$750.00
Retail Gaming Tavern	New	\$757.00	\$772.00	\$75.00	\$847.00	\$1,100.00	\$500.00	\$1,600.00
	Transfer	\$610.00	\$622.00	\$75.00	\$697.00	\$1,100.00	\$500.00	\$1,600.00
	Renewal	\$58.00	\$59.00	\$75.00	\$134.00	\$250.00	\$500.00	\$750.00
Retail Liquor Store	New	\$757.00	\$772.00	\$22.50	\$794.50	\$1,100.00	\$227.50	\$1,327.50
	Transfer	\$610.00	\$622.00	\$22.50	\$644.50	\$1,100.00	\$227.50	\$1,327.50
	Renewal	\$58.00	\$59.00	\$22.50	\$81.50	\$250.00	\$227.50	\$477.50
Tavern	New	\$757.00	\$772.00	\$75.00	\$847.00	\$1,100.00	\$500.00	\$1,600.00
	Transfer	\$610.00	\$622.00	\$75.00	\$697.00	\$1,100.00	\$500.00	\$1,600.00
	Renewal	\$58.00	\$59.00	\$75.00	\$134.00	\$250.00	\$500.00	\$750.00

Retail License Fees		Current City Application Fee	Proposed City Application Fee	City License Fee <i>*Set by state schedule</i>	City Total	State Application Fee	State License Fee	State Total <i>*Pay through portal</i>
Vintner's Restaurant	New	\$757.00	\$772.00	\$75.00	\$847.00	\$1,100.00	\$750.00	\$1,850.00
	Transfer	\$610.00	\$622.00	\$75.00	\$697.00	\$1,100.00	\$750.00	\$1,850.00
	Renewal	\$58.00	\$59.00	\$75.00	\$134.00	\$250.00	\$750.00	\$1,000.00
Fermented Malt Beverage On Premises	New	\$757.00	\$772.00	\$3.75	\$775.75	\$1,100.00	\$96.25	\$1,196.25
	Transfer	\$610.00	\$622.00	\$3.75	\$625.75	\$1,100.00	\$96.25	\$1,196.25
	Renewal	\$58.00	\$59.00	\$3.75	\$62.75	\$250.00	\$96.25	\$346.25
Fermented Malt Beverage & Wine Off Premises	New	\$757.00	\$772.00	\$3.75	\$775.75	\$1,100.00	\$96.25	\$1,196.25
	Transfer	\$610.00	\$622.00	\$3.75	\$625.75	\$1,100.00	\$96.25	\$1,196.25
	Renewal	\$58.00	\$59.00	\$3.75	\$62.75	\$250.00	\$96.25	\$346.25
Fermented Malt Beverage On/Off Premises	New	\$757.00	\$772.00	\$3.75	\$775.75	\$1,100.00	\$96.25	\$1,196.25
	Transfer	\$610.00	\$622.00	\$3.75	\$625.75	\$1,100.00	\$96.25	\$1,196.25
	Renewal	\$58.00	\$59.00	\$3.75	\$62.75	\$250.00	\$96.25	\$346.25

Local and State Issued Permit Fees		City Fee	State Fee
Retail Establishment Permit		\$3.75 plus \$25.00 app fee	\$93.25
Bed & Breakfast Permit		\$3.75	\$71.25
Each Resort-Complex-Related Facility Permit		\$15.00	\$160.00
Liquor Store Tasting Permit		\$50.00	\$0.00
Special Event Permit			
Malt, Vinous and Spirituous Liquor		Application	\$100.00
Fermented Malt Beverage (3.2% Beer)		Application	\$100.00
Festival Permit		Application	\$150.00
Mini Bar Permit with Hotel Restaurant License		New/Renewal	\$48.75
			\$276.25

Additional Fees	City Fee	State Fee
Alternating Proprietor Licensed Premises	N/A	\$150.00
Change of Location	\$150.00	\$150.00
Change of Trade Name/Corporate Name	N/A	\$50.00
Corporate/LLC Change (Per Person)	\$100.00	\$0.00
Manager Registration (Hotel & Restaurant; Tavern; Lodging & Entertainment; Campus Liquor Complex)	\$30.00	\$30.00
Master File Background	N/A	\$250.00
Master File Location Fee (Per Location)	N/A	\$25.00
Modification of Premises	N/A	\$150.00

Exhibit A

Table 2: Contractor's License, Application, and Fee (No Changes Proposed – Annual Inflator Not Applied)

Type	Class	Fee
GA	Building Contractor Class A*	\$175
GB	Building Contractor Class B*	\$116
GC	Building Contractor Class C*	\$88
D	Building Contractor Class D (Other)	\$88
P	Plumbing Contractor (both commercial and residential)	\$116
M	Mechanical Contractor (both commercial and residential)	\$116
PM	Plumbing & Mechanical Contractor (both commercial & residential)	\$116
PME	Plumbing, Mechanical, & Electrical (both commercial & residential)	\$116
E	Electrical Contractor Registration	\$-
S	Solar Contractor	\$88

*ICC Test required: General Building Contractor A, B, or C LICENSES require copy of corresponding passing test result of ICC National test prior to issuing license.

Table 3: Sewer Tap Fees (No Changes Proposed – Annual Inflator Not Applied)

Unit	Amount
Single Family Residential, per Unit	\$ 4,600
Multi-Family, per Unit (80% SFE)	\$ 3,680
Nonresidential, by Meter Size	
3/4"	\$ 4,600
1"	\$ 8,200
1 1/2 "	\$ 18,400
2"	\$ 32,800
3"	\$ 73,600
4"	\$130,900

Exhibit A

Table 4: Building Permits, Inspections, and Review Fees (Updated through Separate Process – Annual Inflation Not Applied)

BUILDING PERMIT FEES	
Total Valuation	Fees
\$0.00 to \$500.00	\$28.00 except as provided in Sec. 15.04.060.14 LMC for residential permits
\$501.00 to \$2,000.00	\$28.00 for the first \$500.00 plus \$4.00 for each additional \$100.00, or fraction thereof, to and including \$2,000.00
\$2,001.00 to \$25,000.00	\$82.00 for the first \$2,000.00 plus \$16.00 for each additional \$1,000.00, or fraction thereof, to and including \$25,000.00
\$25,001.00 to \$50,000.00	\$400.00 for the first \$25,000.00 plus \$12.00 for each additional \$1,000.00, or fraction thereof, to and including \$50,000.00
\$50,001.00 to \$100,000.00	\$700.00 for the first \$50,000.00 plus \$8.00 for each additional \$1,000.00, or fraction thereof, to and including \$100,000.00
\$100,001.00 to \$500,000.00	\$1000.00 for the first \$100,000.00 plus \$6.00 for each additional \$1,000.00, or fraction thereof, to and including \$500,000.00
\$500,001.00 to \$1,000,000.00	\$4,000.00 for the first \$500,000.00 plus \$5.00 for each additional \$1,000.00, or fraction thereof, to and including \$1,000,000.00
\$1,000,001.00 and up	\$6,000.00 for the first \$1,000,000.00 plus \$4.00 for each additional \$1,000.00, or fraction thereof

Exhibit A

Table 4 Continued: Building Permits, Inspections, and Review Fees (Updated through Separate Process – Annual Inflation Not Applied)

City of Louisville Valuation Data Table*	2024
1 Group (2018 International Building Code Louisville Colorado)	All
2 A-1 Assembly, theaters, with stage	273.51
3 A-1 Assembly, theaters, without stage	263.51
4 A-2 Assembly, nightclubs	233.39
5 A-2 Assembly, restaurants, bars, banquet halls	232.39
6 A-3 Assembly, churches	236.25
7 A-3 Assembly, general, community halls, libraries, museums	231.25
8 A-4 Assembly, arenas	272.51
9 B Business	240.93
10 E Educational	253.16
11 F-1 Factory and industrial, moderate hazard	142.51
12 F-2 Factory and industrial, low hazard	141.51
13 H-1 High Hazard, explosives	133.05
14 H234 High Hazard	133.05
15 H-5 HPM	240.93
16 I-1 Institutional, supervised environment	240.33
17 I-2 Institutional, hospitals	403.60
18 I-2 Institutional, nursing homes	280.29
19 I-3 Institutional, restrained	273.98
20 I-4 Institutional, day care facilities	240.33
21 M Mercantile	174.08
22 R-1 Residential, hotels	242.77
23 R-2 Residential, multiple family	203.34
24 R-3 Residential, one- and two-family	190.00
25 R-4 Residential, care/assisted living facilities	240.33
26 S-1 Storage, moderate hazard	132.05
27 S-2 Storage, low hazard	131.05
28 U Utility, miscellaneous	78.63
29 Basements Unfinished	55.00
30 Basements Finished	120.00
31 Pole Barns, Carports, Decks, Loafing Sheads, Covers	62.84
32 Private Garages	62.84

* Cost per sqft

Note: Minimum valuation shall be determined in accordance with the City of Louisville Building Valuation Data Table per square feet. The valuation is calculated based upon standard building valuation data and where the actual total contract construction cost differs, the higher of the two valuation figures shall be used to determine the building permit fee. The City has the right to audit any project to determine if the proper permit fee was paid.

Exhibit A

Table 4 Continued: Building Permits, Inspections, and Review Fees (Updated through Separate Process – Annual Inflation Not Applied)

OTHER INSPECTIONS AND FEES			
Item	Description	Cost	Note
1.	Inspection outside of normal business hours	\$200/ hour	Minimum charge: 2 hours
2.	Re-inspection fees assessed	\$200/ hour	
3.	Replacement of lost permit/inspection card	\$150	
4.	Administration fee for permit refund	\$75	
5.	For use of outside consultants for plan checking and inspections or both	Actual cost ¹	
6.	Temporary Certificate of Occupancy	\$175	
7.	Work without a permit – 1 st Offense	2 x Permit Fee	Minimum \$200
8.	Work without a permit – 2 nd Offense within 12 months	4 x Permit Fee	Minimum \$400

¹ Additional Administrative/Overhead Costs Required as Noted in Plan Review and Administration Fees Table.

PLAN REVIEW AND ADMINISTRATION FEES	
Type of Fees	Fees
In-House Plan Review Fee	65% of the building permit fee
Administrative/Overhead Costs of Outside Consultant Plan Reviews	20% of the building permit fee
Plan Review Fee for Phased Building Permit	100% of the building permit fee after issuance
Additional Plan Review Fee After Permit is Issued	\$150 per hour (minimum one hour)
Building Permit Requiring Zoning Verification Only	\$28.00

Table 5 - Water, Waste Water and Sewer Rates
MARCH 19, 2024 ADOPTED WATER, SEWER AND STORMWATER RATES



WATER RATES

Effective May 1, 2024, water rates for all accounts inside city limits are as follows (outside city limits = double these rates):

May 1, 2024 RESIDENTIAL WATER RATES - 3/4" METER	
GALLONS	RATE
Zero - 5,000	\$20.63 (minimum monthly charge)
5,001 - 20,000	\$20.63 for the first 5,000 gallons, plus \$5.95 for each additional 1,000 gallons (or fraction thereof)
20,001 - 30,000	\$109.88 for the first 20,000 gallons, plus \$14.80 for each additional 1,000 gallons (or fraction thereof)
30,001 - 40,000	\$257.88 for the first 30,000 gallons, plus \$15.98 for each additional 1,000 gallons (or fraction thereof)
40,001 - 50,000	\$417.68 for the first 40,000 gallons, plus \$17.08 for each additional 1,000 gallons (or fraction thereof)
50,001 and over	\$588.48 for the first 50,000 gallons, plus \$18.23 for each additional 1,000 gallons (or fraction thereof)

May 1, 2024 RESIDENTIAL WATER RATES - 1" METER	
GALLONS	RATE
Zero - 5,000	\$20.63 (minimum monthly charge)
5,001 - 20,000	\$20.63 for the first 5,000 gallons, plus \$5.95 for each additional 1,000 gallons (or fraction thereof)
20,001 - 30,000	\$109.88 for the first 20,000 gallons, plus \$14.80 for each additional 1,000 gallons (or fraction thereof)
30,001 - 40,000	\$257.88 for the first 30,000 gallons, plus \$15.98 for each additional 1,000 gallons (or fraction thereof)
40,001 - 50,000	\$417.68 for the first 40,000 gallons, plus \$17.08 for each additional 1,000 gallons (or fraction thereof)
50,001 and over	\$588.48 for the first 50,000 gallons, plus \$18.23 for each additional 1,000 gallons (or fraction thereof)

**May 1, 2024 COMMERCIAL, IRRIGATION, AND MULTIFAMILY
WATER RATES - 3/4" METER**

GALLONS	RATE
Zero - 20,000	\$11.36 (minimum monthly charge), plus \$3.29 for each 1,000 gallons (or fraction thereof)
20,001 - 30,000	\$77.16 for the first 20,000 gallons, plus \$8.15 for each additional 1,000 gallons (or fraction thereof)
30,001 - 40,000	\$158.66 for the first 30,000 gallons, plus \$8.80 for each additional 1,000 gallons (or fraction thereof)
40,001 - 50,000	\$246.66 for the first 40,000 gallons, plus \$9.41 for each additional 1,000 gallons (or fraction thereof)
50,001 and over	\$340.76 for the first 50,000 gallons, plus \$10.03 for each additional 1,000 gallons (or fraction thereof)

**May 1, 2024 COMMERCIAL, IRRIGATION, AND MULTIFAMILY
WATER RATES - 1" METER**

GALLONS	RATE
Zero - 40,000	\$22.71 (minimum monthly charge), plus \$3.29 for each 1,000 gallons (or fraction thereof)
40,001 - 60,000	\$154.31 for the first 40,000 gallons, plus \$8.15 for each additional 1,000 gallons (or fraction thereof)
60,001 - 80,000	\$317.31 for the first 60,000 gallons, plus \$8.80 for each additional 1,000 gallons (or fraction thereof)
80,001 - 100,000	\$493.31 for the first 80,000 gallons, plus \$9.41 for each additional 1,000 gallons (or fraction thereof)
100,001 and over	\$681.51 for the first 100,000 gallons, plus \$10.03 for each additional 1,000 gallons (or fraction thereof)

**May 1, 2024 COMMERCIAL, IRRIGATION, AND MULTIFAMILY
WATER RATES - 1-1/2" METER**

GALLONS	RATE
Zero - 80,000	\$34.06 (minimum monthly charge), plus \$3.29 for each 1,000 gallons (or fraction thereof)
80,001 - 120,000	\$297.26 for the first 80,000 gallons, plus \$8.15 for each additional 1,000 gallons (or fraction thereof)
120,001 - 160,000	\$623.26 for the first 120,000 gallons, plus \$8.80 for each additional 1,000 gallons (or fraction thereof)
160,001 - 200,000	\$975.26 for the first 160,000 gallons, plus \$9.41 for each additional 1,000 gallons (or fraction thereof)
200,001 and over	\$1,351.66 for the first 200,000 gallons, plus \$10.03 for each additional 1,000 gallons (or fraction thereof)

**May 1, 2024 COMMERCIAL, IRRIGATION, AND MULTIFAMILY
WATER RATES - 2" METER**

GALLONS	RATE
Zero - 160,000	\$45.36 (minimum monthly charge), plus \$3.29 for each 1,000 gallons (or fraction thereof)
160,001 - 240,000	\$571.76 for the first 160,000 gallons, plus \$8.15 for each additional 1,000 gallons (or fraction thereof)
240,001 - 320,000	\$1,223.76 for the first 240,000 gallons, plus \$8.80 for each additional 1,000 gallons (or fraction thereof)
320,001 - 400,000	\$1,927.76 for the first 320,000 gallons, plus \$9.41 for each additional 1,000 gallons (or fraction thereof)
400,001 and over	\$2,680.56 for the first 400,000 gallons, plus \$10.03 for each additional 1,000 gallons (or fraction thereof)

May 1, 2024 COMMERCIAL, IRRIGATION, AND MULTIFAMILY WATER RATES - 3" METER	
GALLONS	RATE
Zero - 320,000	\$90.85 (minimum monthly charge), plus \$3.29 for each 1,000 gallons (or fraction thereof)
320,001 - 480,000	\$1,143.65 for the first 320,000 gallons, plus \$8.15 for each additional 1,000 gallons (or fraction thereof)
480,001 - 640,000	\$2,447.65 for the first 480,000 gallons, plus \$8.80 for each additional 1,000 gallons (or fraction thereof)
640,001 - 800,000	\$3,855.65 for the first 640,000 gallons, plus \$9.41 for each additional 1,000 gallons (or fraction thereof)
800,001 and over	\$5,361.25 for the first 800,000 gallons, plus \$10.03 for each additional 1,000 gallons (or fraction thereof)

May 1, 2024 COMMERCIAL, IRRIGATION, AND MULTIFAMILY WATER RATES - 4" METER	
GALLONS	RATE
Zero - 640,000	\$181.67 (minimum monthly charge), plus \$3.29 for each 1,000 gallons (or fraction thereof)
640,001 - 960,000	\$2,287.27 for the first 640,000 gallons, plus \$8.15 for each additional 1,000 gallons (or fraction thereof)
960,001 - 1,280,000	\$4,895.27 for the first 960,000 gallons, plus \$8.80 for each additional 1,000 gallons (or fraction thereof)
1,280,001 - 1,600,000	\$7,711.27 for the first 1,280,000 gallons, plus \$9.41 for each additional 1,000 gallons (or fraction thereof)
1,600,001 and over	\$10,722.47 for the first 1,600,000 gallons, plus \$10.03 for each additional 1,000 gallons (or fraction thereof)

May 1, 2024 COMMERCIAL, IRRIGATION, AND MULTIFAMILY WATER RATES - 6" METER	
GALLONS	RATE
Zero - 1,280,000	\$363.37 (minimum monthly charge), plus \$3.29 for each 1,000 gallons (or fraction thereof)
1,280,001 - 1,920,000	\$4,574.57 for the first 1,280,000 gallons, plus \$8.15 for each additional 1,000 gallons (or fraction thereof)
1,920,001 - 2,560,000	\$9,790.57 for the first 1,920,000 gallons, plus \$8.80 for each additional 1,000 gallons (or fraction thereof)
2,560,001 - 3,200,000	\$15,422.57 for the first 2,560,000 gallons, plus \$9.41 for each additional 1,000 gallons (or fraction thereof)
3,200,001 and over	\$21,444.97 for the first 3,200,000 gallons, plus \$10.03 for each additional 1,000 gallons (or fraction thereof)



SEWER RATES

Effective May 1, 2024, sewer rates for all accounts inside city limits are as follows (outside city limits = double these rates):

May 1, 2024 SINGLE FAMILY RESIDENTIAL SEWER RATES	
RATE	DESCRIPTION
\$6.28	Monthly Volume Charge, \$ per 1,000 gallons of Average Winter Consumption (AWC). AWC =
\$3.61	Monthly Billing Charge, \$ per Bill
\$8.55	Monthly Readiness to Serve Charge, \$ per Bill

May 1, 2024 MULTI FAMILY RESIDENTIAL SEWER RATES	
RATE	DESCRIPTION
\$6.28	Monthly Volume Charge, \$ per 1,000 gallons of Average Winter Consumption (AWC). AWC =
\$3.61	Monthly Billing Charge, \$ per Bill
\$8.55	Monthly Readiness to Serve Charge, \$ per Dwelling Unit

May 1, 2024 COMMERCIAL SEWER RATES	
RATE	DESCRIPTION
\$6.28	Monthly Volume Charge, \$ per 1,000 gallons
\$3.61	Monthly Billing Charge, \$ per Bill
	Monthly Readiness to Serve Charge, \$ per Bill
\$8.55	3/4" Meter
\$14.90	1" Meter
\$32.65	1-1/2" Meter
\$57.80	2" Meter
\$129.05	3" Meter
\$228.71	4" Meter
\$334.79	6" Meter

**City of
Louisville** **STORMWATER RATES**

Effective May 1, 2024, stormwater rates for all accounts inside city limits are as follows (outside city limits = double these rates):

May 1, 2024 STORMWATER UTILITY RATES

RATE	DESCRIPTION
\$7.64	Monthly Billing Charge, \$ per Bill



REUSE RATES

Effective May 1, 2024, reuse water rates for all accounts inside city limits are as follows (outside city limits = double these rates):

May 1, 2024 REUSE WATER UTILITY RATES

RATE	DESCRIPTION
75% of Residential Rate (\$4.46)	All Non-City Customer Classes - Monthly Volume Charge, \$ per 1,000 gallons
\$0.93	City Customer Class - Monthly Volume Charge, \$ per 1,000 gallons



BULK RATES

Effective May 1, 2024, bulk water rates for all permits are as follows:

May 1, 2024 BULK WATER UTILITY RATES

GALLONS	RATE
Zero - 10,000	(included in rental rate)
10,001 and over	\$10.03 for each additional 1,000 gallons (or fraction thereof)

Louisville, CO service rates

The monthly cost of residential waste, recycling, and compost service

Effective October 1, 2024

Rates are based on your trash cart size and include the first bi-weekly recycling composting cart of any size up to 95-gallon.

Please select a cart size appropriate for your waste generation needs as all materials must be contained within the cart, lids closed.

Pricing includes a \$2.35 city administration fee.

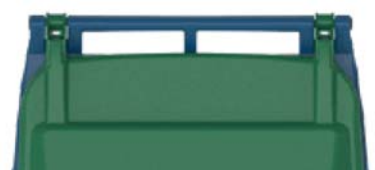
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H: 32" W: 18" D: 37"

\$22.91/month for trash

Holds three 13-gallon waste bags

Includes:

- 35-gallon Trash cart
- Up to one 95-gallon Compost cart
- Up to one 95-gallon Recycle cart



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65-gallon

H: 40 1/2" W: 27" D: 28 1/2"

\$38.11/month for trash

Holds six 13-gallon waste bags

Includes:

- 65-gallon Trash cart
- Up to one 95-gallon Compost cart
- Up to one 95-gallon Recycle cart

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H: 45" W: 29" D: 34"

\$53.31/month for trash

Holds ten 13-gallon waste bags

Includes:

- 95-gallon Trash cart
- Up to one 95-gallon Compost cart
- Up to one 95-gallon Recycle cart

Additional cart monthly rates

If you are currently using a large 95-gallon trash cart, additional carts are available if your needs require. Fees do apply and are price incrementally with the size of the extra cart needed.

- Extra 35-gallon Trash cart- \$15.20 per month
- Extra 65-gallon Trash cart- \$30.40 per month
- Extra 95-gallon Trash cart- \$45.60 per month
- Extra 35-gallon Recycling or Compost cart \$3.50 per month
- Extra 65-gallon Recycling or Compost \$7.00 per month
- Extra 95-gallon Recycling or Compost \$10.00per month

New Additional Service Option for Weekly Compost and/or Recycling Service by Opting in

Now residents have the option to Opted in to weekly Compost and/or Recycling Service. This service will invoice by directly to the resident by Republic Service on a quarterly basis at \$8.00 /mos. for Compost and \$8.00/mo. for Recycling service.

Residents do have the option to select one or both services. This service is optional, not a requirement.

Some U.S. state privacy laws offer their residents specific consumer privacy rights, which we respect as described in our [privacy statement](#). To opt-out of our making available to third parties information relating to cookies and similar technologies for advertising purposes, select "Opt-Out". To exercise other rights you may have related to cookies, select "More Info".

Extra material tag cost and where to purchase

If you periodically have extra waste but not enough to increase your cart size Trash Tags are available to purchase at City Hall located at 749 Main Street and/or the Recreation Center located at 900 Via Appia.

A Trash Tag cost \$3.75 and must be placed on each 35-gallon size trash bag out for collection. Bags with Tags will be collected on your normal service day/ Bags outside of your cart without a Trash Tag will not be collected.

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Exhibit A

Table 7: Excavation, Right-of-Way, and Easement Work Permit Fees (Updated Annually through Separate Process – Annual Inflation Not Applied)

All Right-of-Way permits shall require a base fee. Additional fees shall be assessed to the permit depending on the services required, the type of work, location of work, and the inspection requirements. Permit fees shall be paid prior to the issuance of the right-of-way permit. Fees shall be doubled if work has begun prior to issuing the permit.

Right-of-Way Base Fees

All Permits Applications	\$75.00/each
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Right-of-Way Inspection Service Fees

Initial Inspection	Included in permit fees
(A) Re-Inspections (2 nd , 3 rd , 4 th , etc.)	\$50.00/hr, 1 hour minimum
(B) Failure to Schedule Inspection	\$100.00/one-time fee
(C) Not ready for scheduled inspection	\$100.00/hr, 1 hour minimum
(D) After-Hours Inspection	\$100.00/ hr, 1 hour minimum

Utility Fees

Underground Dry Utilities (Gas, Communication, Electric)	\$0.30/Linear Foot
Underground Wet Utilities (Water, Sanitary, Storm)	\$1.00/Linear Foot
Water, Sanitary, Storm Main Connection Fee	\$80.00/each
Boring	\$0.30/Linear Foot
Dry Utility Appurtenances	\$5.50/each
Pothole Fee	\$11.00/each

Asphalt & Concrete Fees

Curb & Gutter, Sidewalk, Crossspan/Ramp Drive	\$0.30/Linear Foot, \$0.30/Square Foot
Asphalt Paving / Patching	\$20.00/Square Yard
Asphalt Patching New Asphalt (<5 years old)*	Additional \$10.00/Square Yard
Asphalt Patching Recent Surface Treatment (< 2 years old)*	Additional \$550.00/each cut

Other Applicable Fees

(E) No Permit for the job	2X permit Base Fee
(F) Emergency/ Expedite *	2X permit Base Fee
(G) Special Use*	\$75.00/week

*Refer to General Permit Requirements OR at the discretion of the Engineer

**SUBJECT: ORDINANCE NO. 1889, SERIES 2024 – AN ORDINANCE
AMENDING TITLE 5 OF THE LOUISVILLE MUNICIPAL CODE
CONCERNING LIQUOR AND MARIJUANA LICENSING**

DATE: DECEMBER 3, 2024

**PRESENTED BY: GENNY KLINE, INTERIM CITY CLERK / SECRETARY, LOCAL
LICENSING AUTHORITY**

SUMMARY:

The attached ordinance is to align Title 5 of the Louisville Municipal Code with Colorado State Statute and Rules that were enacted during the 2024 Colorado General Assembly Session.

Biennial vs. Annual License Renewal and Payment of Local Fees

The State will now allow Liquor and Marijuana License holders to renew their license on a biennial basis rather than an annual basis. Local jurisdictions have the authority to either align with the State or keep the requirement for an annual renewal.

The attached ordinance allows for a local biennial license renewal and the option to either pay their local fee in full at the time of renewal or to make one payment at time of renewal and a second payment 12 months after the renewal application is filed.

Changes to Marijuana Licensing Only

- **Persons Prohibited as Licensees**

The State changed language relating to persons prohibited from holding a marijuana license. The language in the attached ordinance aligns the municipal code with state statutes.

- **Modification of Premises**

The State no longer requires the marijuana establishment to apply for a modification of premises when making physical changes to the establishment. The State now asks the applicant to supply information as to the changes that were made at the time of the biennial renewal application. However, the State rules clarify that local jurisdictions may still require approval for modifications.

After consulting with the Director of Community Development, staff is recommending that the current requirements for a modification of premises be maintained at the local level. This will ensure that no material changes are being made to a marijuana establishment without the knowledge of the Local Licensing Authority and Community Development.

- **Retail Marijuana Store Changes**

Retail marijuana stores are now allowed to sell non-infused products (such as soda, chips, snacks, candy, etc.) as long as those food sales are not in excess of 20% of a store's annual gross revenue.

Retail marijuana stores are now allowed to sell marijuana products over the internet and to deliver marijuana or marijuana products to a person outside of the licensed premises.

The attached ordinance aligns the municipal code with the state language for these retail store changes.

The Local Licensing Authority (LLA) has been made aware of the above changes and recommendations and takes no formal position. The LLA will support any actions taken by Council.

FISCAL IMPACT:

None.

PROGRAM/SUB-PROGRAM IMPACT:

This ordinance supports the Clerk's Office goals by helping to ensure effective and efficient governance as it relates to liquor and marijuana licensing.

RECOMMENDATION:

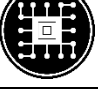
At second reading the Council may:

- Approve Ordinance No. 1889, Series 2024, as submitted
- Amend Ordinance No. 1889, Series 2024, as long as the amendments are not more restrictive than those found in state statutes.

ATTACHMENT(S):

1. Ordinance No. 1889, Series 2024

STRATEGIC PLAN IMPACT:

☐		Financial Stewardship & Asset Management	☒		Reliable Core Services
☐		Vibrant Economic Climate	☐		Quality Programs & Amenities
☐		Engaged Community	☐		Healthy Workforce
☐		Supportive Technology	☐		Collaborative Regional Partner

**ORDINANCE NO. 1889
SERIES 2024**

**AN ORDINANCE AMENDING TITLE 5 OF THE LOUISVILLE MUNICIPAL CODE
CONCERNING LIQUOR AND MARIJUANA LICENSING**

WHEREAS, the State Legislature has enacted various amendments to the State’s liquor and medical marijuana licensing statutes; and

WHEREAS, these amendments include, among other things, authorizing biennial liquor and marijuana licenses, allowing retail marijuana stores to sell limited food items and accept online payments, and revising the list of disqualifying factors for marijuana licensees; and

WHEREAS, City Council desires to amend the City’s liquor and marijuana licensing requirements to more closely align with State law.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOUISVILLE, COLORADO:

Section 1. Chapter 5.08 of the Louisville Municipal Code is hereby amended by the addition of a new Section 5.08.035 as follows:

Sec. 5.08.035. Biennial licenses authorized.

A licensee in good standing with the local licensing authority may file an application to renew its license for a two-year period. For purposes of this section, “good standing” shall have the meaning set forth in the Colorado Liquor Regulations.

Section 2. Section 5.08.050 of the Louisville Municipal Code is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken~~):

Sec. 5.08.050. Fees - License fees designated for each class of license.

License fees shall be paid to the city annually, in advance, based on premises located within the city. A licensee granted a biennial license may pay the applicable fee biennially, in advance, or annually as follows: (i) the first payment must be submitted with the biennial license application; and (ii) the second payment must be submitted twelve months after the biennial license application is filed. Fees for the various classes of licenses shall be as established by resolution of the city council.

Section 3. Section 5.10.080 of the Louisville Municipal Code is hereby repealed and reenacted to read as follows:

Sec. 5.10.080. Persons prohibited as licensees.

A. A license shall not be issued to or held by any person contrary to the Colorado Marijuana Code and the rules and regulations promulgated by the State of Colorado.

B. In investigating the qualifications of an applicant, licensee, owner, or manager o, the local licensing authority shall make a finding and determination as to the good moral character and criminal history of such persons in accordance with the standards and procedures set forth in the Colorado Marijuana Code and the rules and regulations promulgated thereunder. In so doing, the local licensing authority may incorporate any findings as to good character and criminal history previously made by the state licensing authority or may, in its sole discretion, make its own findings.

C. The city shall not be required to perform a criminal background check if the state licensing authority has already performed a criminal background check or may, in its sole discretion, perform its own background check. In such case, the local licensing authority may have access to criminal history record information furnished by a criminal justice agency subject to any restrictions imposed by such agency. In the event the local licensing authority considers the applicant's criminal history record, the local licensing authority shall also consider any information provided by the applicant regarding such criminal history record, including but not limited to evidence of rehabilitation, character references, and educational achievements, especially those items pertaining to the period of time between the applicant's last criminal conviction and the consideration of the application for a local license. If the city performs the criminal background check, a fee in the amount established by resolution of city council may be charged for the costs of each fingerprint analysis and background investigation undertaken to qualify new applicants, managers, and any other persons required to be qualified pursuant to the Colorado Marijuana Code, this chapter, and any related rules and regulations. The local licensing authority may verify any of the information an applicant is required to submit.

Section 4. Section 5.10.090 of the Louisville Municipal Code is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken~~):

Sec. 5.10.090. Duration of license; renewal.

A. Upon issuance of a license, the city shall provide the licensee with one original of such license for each medical marijuana business to be operated by the licensee in the city. Each such copy shall show the name and address of

the licensee, the type of facility or business for which it is issued, and the address of the facility at which it is to be displayed.

B. Each license issued pursuant to this chapter shall be valid for a period not to exceed two years ~~one year~~ from the date of issuance and may be renewed only as provided in this chapter. All renewals of a license shall be for no more than two years ~~one year~~. ~~An application for the renewal of an existing license shall be made to the local licensing authority not more than 60 days and not less than 45 days prior to the date of expiration of the license. No application for renewal shall be accepted by the local licensing authority prior to or after such date except as provided in subsection C of this section. The local licensing authority shall act on renewal applications received from the state licensing authority in accordance with the applicable provisions of the Colorado Marijuana Code and the rules and regulations promulgated thereunder.~~ The timely filing of a renewal application shall extend the current license until a decision is made on the renewal.

~~C. Notwithstanding subsection B, a licensee whose license has been expired for not more than 90 days may file a late renewal application upon the payment of a nonrefundable late application fee at the time the renewal application is submitted in the amount as established by resolution of the city council. A licensee who files a late renewal application and pays the requisite fee may continue to operate until a decision is made on the renewal.~~

Section 5. Section 5.10.100 of the Louisville Municipal Code is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken~~):

Sec. 5.10.100. ~~Annual~~ License fee.

Upon and as a condition of issuance of a license or any renewal of a license, the licensee shall pay to the city an annual license fee in an amount as established by resolution of the city council. A licensee granted a biennial license may pay the applicable fee biennially, in advance, or annually as follows: (i) the first payment must be submitted with the biennial license application; and (ii) the second payment must be submitted twelve months after the biennial license application is filed. The ~~annual~~ license fee may be refunded if the application is denied.

Section 6. Section 5.10.130.D of the Louisville Municipal Code is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken~~):

Sec. 5.10.130. Change in manager, employee; change in financial interest; modification of premises.

D. After a license is issued, the licensee shall make no physical change which materially or substantially alters the licensed premises or the usage of the licensed premises from the plans and specifications submitted at the time of obtaining the original license without the prior written consent of the local licensing authority. ~~For purposes of this subsection, physical changes, alterations or modifications of the licensed premises, or in the usage of the premises requiring prior written consent shall be as specified in the rules and regulations promulgated by the state licensing authority.~~ Each application for modification of premises shall be accompanied by an application fee in the amount as established by resolution of the city council. For purpose of this subsection, a modification requiring local licensing authority approval includes, but is not limited to the following:

1. Any increase or decrease in the total physical size or capacity of the licensed premises.

2. The sealing off, creation of, or relocation of a common entryway, doorway, passage, means of public ingress/egress, walk-up window, or drive-up window, to the extent that such modification alters or changes an area in which medical marijuana or marijuana products are sold, tested, or manufactured.

3. Any material change in the interior of the premises that affects the basic character or physical structure of the premises. However, the following types of modifications will not require prior approval: painting and redecorating; the installation or replacement of electric fixtures or equipment, plumbing, refrigeration, air conditioning or heating fixtures and equipment; the lowering of ceilings; the installation and replacement of floor coverings; the replacement of furniture, equipment, and security cameras; and any non-structural remodeling where the remodel does not expand or reduce an area in which medical marijuana or marijuana products are sold, tested, or manufactured.

4. The destruction or demolition, and subsequent reconstruction, of a building that contained the licensed premises.

Section 7. Section 5.11.100 of the Louisville Municipal Code is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken~~):

Sec. 5.11.100. Duration of license; renewal.

A. Upon issuance of a license, the city shall provide the licensee with one original of such license for each retail marijuana establishment to be operated

by the licensee in the city. Each such copy shall show the name and address of the licensee, the type of facility or business for which it is issued, and the address of the facility at which it is to be displayed.

B. Each license issued pursuant to this chapter shall be valid for a period not to exceed two years ~~one year~~ from the date of issuance and may be renewed only as provided in this chapter. All renewals of a license shall be for no more than two years ~~one year~~. The local licensing authority shall act on renewal applications received from the state licensing authority in accordance with the applicable provisions of the Colorado Retail Marijuana Code and the rules and regulations promulgated thereunder. The timely filing of a renewal application shall extend the current license until a decision is made on the renewal.

~~C. Notwithstanding subsection B, a licensee whose license has been expired for not more than ninety (90) days may file a late renewal application upon the payment of a nonrefundable late application fee in the amount established by city council by resolution to the local licensing authority. A licensee who files a late renewal application and pays the requisite fee may continue to operate until a decision is made on the renewal.~~

~~C. D.~~ The local licensing authority may deny a renewal application for good cause pursuant to section 5.11.260.

Section 8. Section 5.11.110 of the Louisville Municipal Code is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken~~):

Sec. 5.11.110. ~~Annual~~ Operating fee.

Upon and as a condition of issuance of a license or any renewal of a license, the licensee shall pay to the city an annual operating fee in an amount established by resolution of the city council. A licensee granted a biennial license may pay the applicable fee biennially, in advance, or annually as follows: (i) the first payment must be submitted with the biennial license application; and (ii) the second payment must be submitted twelve months after the biennial license application is filed. The ~~annual~~ operating fee may be refunded if the application is denied.

Section 9. Section 5.11.140.D of the Louisville Municipal Code is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken~~):

**Sec. 5.11.140. Change in manager; change in financial interest;
modification of premises.**

D. After a license is issued, the licensee shall make no physical change which materially or substantially alters the licensed premises or the usage of the

licensed premises from the plans and specifications submitted at the time of obtaining the original license without the prior written consent of the state and local licensing authorities. ~~For purposes of this subsection, physical changes, alterations or modifications of the licensed premises, or in the usage of the premises requiring prior written consent shall be as specified in the Colorado Retail Marijuana Code and the rules and regulations promulgated thereunder.~~ Each application for modification of premises shall be accompanied by an application fee in amount established by resolution of the city council. For purpose of this subsection, a modification requiring local licensing authority approval includes, but is not limited to the following:

1. Any increase or decrease in the total physical size or capacity of the licensed premises.

2. The sealing off, creation of, or relocation of a common entryway, doorway, passage, means of public ingress/egress, walk-up window, or drive-up window, to the extent that such modification alters or changes an area in which retail marijuana or marijuana products are sold, tested, cultivated, or manufactured.

3. Any material change in the interior of the premises that affects the basic character or physical structure of the premises. However, the following types of modifications will not require prior approval: painting and redecorating; the installation or replacement of electric fixtures or equipment, plumbing, refrigeration, air conditioning or heating fixtures and equipment; the lowering of ceilings; the installation and replacement of floor coverings; the replacement of furniture, equipment, and security cameras; and any non-structural remodeling where the remodel does not expand or reduce an area in which retail marijuana or marijuana products are sold, tested, cultivated, or manufactured.

4. The destruction or demolition, and subsequent reconstruction, of a building that contained the licensed premises.

Section 10. Section 5.11.210.B of the Louisville Municipal Code is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken~~):

Sec. 5.11.210. Prohibited acts.

B. It shall be unlawful for a retail marijuana store:

1. To sell or give away ~~any consumable product, including but not limited to,~~ cigarettes, or alcohol or to sell food in excess of twenty percent of the store's annual gross revenues, or edible products that do not contain marijuana (e.g., soda, candy, and baked goods).

~~2. To sell retail marijuana or retail marijuana products over the internet or to deliver marijuana or marijuana products to a person not physically present in the licensed premises.~~

Section 11. If any portion of this ordinance is held to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each part hereof irrespective of the fact that any one part be declared invalid.

Section 12. The repeal or modification of any provision of the Municipal Code of the City of Louisville by this ordinance shall not release, extinguish, alter, modify, or change in whole or in part any penalty, forfeiture, or liability, either civil or criminal, which shall have been incurred under such provision, and each provision shall be treated and held as still remaining in force for the purpose of sustaining any and all proper actions, suits, proceedings, and prosecutions for the enforcement of the penalty, forfeiture, or liability, as well as for the purpose of sustaining any judgment, decree, or order which can or may be rendered, entered, or made in such actions, suits, proceedings, or prosecutions.

Section 13. All other ordinances or portions thereof inconsistent or conflicting with this ordinance or any portion hereof are hereby repealed to the extent of such inconsistency or conflict.

**INTRODUCED, READ, PASSED ON FIRST READING AND ORDERED
PUBLISHED** this 3rd day of December 2024.

Christopher M. Leh, Mayor

ATTEST:

Genny Kline, Interim City Clerk

APPROVED AS TO FORM:

Kelly PC, City Attorney

Ordinance No. 1889, Series 2024
Page 7 of 8

PASSED AND ADOPTED ON SECOND AND FINAL READING, this ____ day of _____, 2024.

Christopher M. Leh, Mayor

ATTEST:

Genny Kline, Interim City Clerk

SUBJECT: ORDINANCE 1887, SERIES 2024 – AN ORDINANCE AMENDING TITLE 17 OF THE LOUISVILLE MUNICIPAL CODE CONCERNING THE REGULATION OF NATURAL MEDICINE BUSINESSES IN THE CITY OF LOUISVILLE AND AMENDING TITLE 9 TO ESTABLISH PENALTIES FOR UNLAWFUL USE AND CULTIVATION OF NATURAL MEDICINE – 2ND READING, PUBLIC HEARING (advertised *Daily Camera* 11/10/24)

DATE: DECEMBER 3, 2024

PRESENTED BY: MATT POST, SENIOR PLANNER

SUMMARY:

In November 2022, Colorado voters passed Proposition 122, a citizen initiative that, along with SB 23-290, decriminalized the personal possession, cultivation, sharing, and use of psilocybin and similar substances for individuals aged 21 and older. The new State law designates these and related substances as “Natural Medicine.”

This new State law also allows for the supervised use of Natural Medicine at licensed facilities referred to as “Natural Healing Centers.” A Natural Healing Center allows a licensed “facilitator” to administer Natural Medicine in a controlled setting. This law also permits the operation of other “Natural Medicine Businesses” that are engaged in the cultivation, manufacture, and testing of Natural Medicine.

This law states that a local jurisdiction may not prohibit Natural Medicine Healing Centers and Natural Medicine Businesses. However, a local jurisdiction may reasonably regulate the time, place, and manner of operation of these businesses.

The State has drafted a more detailed set of regulations for Natural Medicine Businesses and facilitators, focusing on licensing, certification, and safe practices. Additional information is attached to this staff report, including the SB 23-290 Summary (**Attachment C**), and the State’s Natural Medicine Know the Law brochure (**Attachment D**).

Staff presented a discussion and direction memorandum to City Council on September 3, 2024, to inform City Council of our obligations as a jurisdiction under SB 23-290 and receive feedback and direction in preparation for this draft ordinance. This staff report and the accompanying draft ordinance (**Attachment B**) incorporate the direction that staff received from City Council.

BACKGROUND AND ANALYSIS:

Under this law, Natural Medicine includes psilocybin/psilocyn and, if approved by the State under ongoing rulemaking, may also include dimethyltryptamine (DMT), ibogaine,

and mescaline. A “Natural Medicine Product” is defined as any product infused with Natural Medicine intended for consumption.

Natural Medicine Businesses may include a Natural Medicine Healing Center, a Natural Medicine Cultivation Facility, a Natural Medicine Products Manufacturer, and a Natural Medicine Testing Facility.

All Natural Medicine Businesses must be located at least 1,000 feet from licensed childcare centers, preschools, elementary, middle, junior, and high schools, as measured from the nearest property line. A map displaying the required buffer from allowed zone districts for Natural Medicine Business uses is included as **Attachment F**. The extent of the depicted buffers may change over time as schools and child care facilities close or open new locations.

The State plans to start accepting applications for Natural Medicine Businesses starting in 2025. Therefore, local regulations for Natural Medicine should be established by December 31, 2024. Following this Planning Commission hearing, a first reading at City Council is scheduled for November 4, and the second reading on December 3.

Natural Medicine Healing Centers

Under the new State law, the use of Natural Medicine for mental health treatment or other medicinal purposes is restricted to “Natural Medicine Healing Centers”, which operate similarly to licensed medical or therapy offices and allow for the supervised use of Natural Medicine administered by a trained and licensed facilitator. Natural Medicine Healing Centers will also provide consultation and follow-up sessions with patients before and after use of Natural Medicine. Sessions may last 4-6 hours, depending on the individual and the treatment provided.

To qualify for licensure as a facilitator, an applicant must complete a facilitator training program that has been certified by the Colorado Department of Regulatory Agencies. Facilitators must complete at least 150 hours of coursework on a range of topics including facilitator best practices, ethics, rules and regulations, drug effects, contraindications and interactions, and trauma informed care, among others.

This State law addresses impaired patients leaving a Natural Medicine facility with facilitator licensing standards that require a transportation plan be in place prior to a session where Natural Medicine is administered to a patient. Operating a motor vehicle while impaired by Natural Medicine remains illegal.

Natural Medicine Cultivation, Products Manufacturing, and Testing Facilities Summary

The cultivation, product manufacturing, and testing of Natural Medicine as defined in the State law are light industrial in nature. The activities include growing of Natural Medicines and use of related equipment such as humidifiers, specialized air handling systems, lighting, chemicals, storage, and other aspects necessary for cultivating

psilocybin mushrooms and producing related products. State rulemaking will include standards to ensure safe operation of these uses, with an emphasis on security requirements.

Licensing

Staff are not proposing any City of Louisville Natural Medicine-specific licensing requirement (except for standard sales and use tax licensing applicable to other Louisville businesses) as the State is developing and adopting comprehensive licensing standards and requirements for all relevant Natural Medicine Business types.

City Council Feedback

Staff presented a discussion and direction memorandum to City Council on September 3 to inform them of the City's obligations under SB 23-290 and receive feedback and direction in preparation for this draft ordinance.

Staff recommended the following updates to the Louisville Municipal Code (LMC) to City Council:

- Define Natural Medicine Healing Centers and Natural Medicine Cultivation, Production, and Testing Facilities as two new land uses in LMC Title 17 (Zoning) to align with the new State law.
- Allow Natural Medicine Healing Centers in the same zone districts as a "professional and medical office" in LMC Sec. 17.12.030 – Use Groups. See **Attachment F** that includes a map of such zoning districts.
- Allow Natural Medicine Cultivation, Manufacturing, and Testing Facilities in the same zone districts as a "manufacturing facility" in LMC Sec. 17.12.030 – Use Groups. See **Attachment F** that includes a map of such zoning districts.
- Provide supplemental regulations for both Natural Medicine Healing Centers and Natural Medicine Cultivation, Manufacturing, and Testing Facilities that align with the State law, including but not limited to the buffer requirements from schools and day cares.

Staff requested additional direction and discussion from City Council on the following topics:

1. Does City Council agree with the proposed zoning districts to allow both Natural Healing Centers and Natural Medicine Cultivation, Manufacturing, and Testing Facilities?
2. Does City Council agree with the approach to addressing Natural Healing Centers in Downtown Louisville? (see context below)
3. Does City Council wish to evaluate additional regulations for Natural Medicine Businesses beyond what the State bill sets forth to address impacts (e.g., additional buffering, hours of operation, etc.)?

On September 3, City Council provided direction to proceed with staff's recommendations to categorize Natural Medicine Healing Centers in the same manner as professional and medical offices and categorize Natural Medicine Cultivation, Production, and Testing Facilities in the same manner as light industrial and manufacturing uses.

Based on the existing buffer map (**Attachment F**), the majority of Downtown Louisville would not be eligible for a Natural Medicine Healing Center use. The buffer map is subject change as licensed childcare facilities and schools open or close. City Council did not provide direction to include any further restrictions for Downtown.

The City Council discussed limitations on the hours of operation for Natural Medicine Healing Centers. The City Council requested that staff further research hours of operation limitations for Natural Medicine Healing Centers.

Staff proposes a limitation on hours of operation for Natural Medicine Healing Centers from 8:00am – 10:00pm, which is the same as medical marijuana businesses in the City of Louisville. Staff are not aware of any studies that demonstrate any impacts of these businesses on the surrounding community. Given these current unknowns, staff are proposing these limitations with the understanding that the State has drafted comprehensive rules focused on operation and management of Natural Healing Centers (**Attachment E**).

PROPOSAL:

Natural Medicine Healing Centers

Based on the nature of the use, staff anticipates that Natural Medicine Healing centers will operate similar to medical offices, including therapy offices. As such, the use classification of a Natural Medicine Healing Centers is most appropriately aligned with a "professional or medical office", currently defined in the LMC as *the office of an engineer, dentist, doctor, attorney, real estate broker, insurance broker, architect, or other similar professional persons*.

Under this draft ordinance, Chapter 17 of the LMC will be updated to define Natural Medicine Healing Centers to align with the State law and permit the Natural Medicine Healing Center use in the following zone districts:

- Administrative Office (A-O)
- Administrative Office-Transition (AO-T)
- Business Office (B-O)
- Commercial Community (C-C)
- Commercial Business (C-B)
- Residential Mixed-Use (MU-R)

- Planned Community Commercial (P-C)
- Permitted with Special Review Use:
 - Commercial Neighborhood (C-N)
 - Industrial (I)

Natural Medicine Cultivation, Products Manufacturing, and Testing Facilities Summary

The potential impact of Natural Medicine Cultivation, Manufacturing, and Testing Facilities are likely to be similar to manufacturing and light industrial uses already present in the city's industrial zone districts. As such, staff recommends that the use classification of Natural Medicine Cultivation, Manufacturing, and Testing Facilities is most appropriately aligned with a "manufacturing facility", generally defined in the LMC as *facilities for the manufacturing, fabrication, processing, or assembly of products; provided that such facilities are completely enclosed and provided that no effects from noise, smoke, glare, vibration, fumes or other environmental factors are measurable at the property line.*

Under this draft ordinance, Chapter 17 of the LMC will be updated to define Natural Medicine Cultivation, Natural Medicine Products Manufacturing, and Natural Medicine Testing Facilities to align with State law and permit Natural Medicine Cultivation, Products Manufacturing, and Testing Facilities uses in the Industrial (I) and the Planned Community Industrial (P-I) zoning districts.

General Regulations

A new Section will be added to LMC Chapter 17.16 – General regulations, which will include the following updates:

- A purpose statement defining the relevant State Statute as the Regulatory Act.
- Requiring the 1,000-foot buffer from any child care center, preschool, elementary, middle, junior, or high school, or a residential child care facility, including a rule of measurement to determine compliance.
- Restricting the operating hours of Natural Medicine Healing Centers to 8:00 AM to 10:00 PM.
- Prohibiting Natural Medicine Businesses as a home occupation.

Offenses Relating to Natural Medicine

New Sections will be added to LMC Chapter 9 regarding offenses related to Natural Medicine as included in SB 23-290. The provisions address underage possession of Natural Medicine, unlawful display or consumption of Natural Medicine, and the unlawful cultivation of Natural Medicine. Review of these provisions is not within the purview of the Planning Commission.

PUBLIC COMMENTS:

Public comments are attached.

FISCAL IMPACT:

Implementation and administration of the Natural Medicine Ordinance will take additional staff time and city resources but will also include revenues from sales/use tax.

STAFF RECOMMENDATION:

Planning Commission recommended approval of the ordinance as presented in this staff report on October 10, 2024. The video is available here -

<https://louisville.ompnetwork.org/embed/sessions/301257/10-10-24-planning-commission-meeting>

Staff recommend approval of Ordinance XX, Series 2024 approval of an ordinance amending Title 9 and Title 17 of the Louisville Municipal Code to allow and regulate Natural Medicine Businesses

ATTACHMENTS:

1. Ordinance No. 1887, Series 2024
2. Planning Commission Resolution No. 11, Series 2024
3. State Bill 23-290 Summary
4. Natural Medicine Know the Law Brochure
5. Colorado Department of Revenue Regulated Natural Medicine Rules
6. School/Childcare Center Buffer Maps
7. Public Comment
8. Presentation

STRATEGIC PLAN IMPACT:

☐	 Financial Stewardship & Asset Management	☐	 Reliable Core Services
☐	 Vibrant Economic Climate	☐	 Quality Programs & Amenities
☒	 Engaged Community	☐	 Healthy Workforce
☐	 Supportive Technology	☐	 Collaborative Regional Partner

**ORDINANCE NO. 1887
SERIES 2024**

**AN ORDINANCE AMENDING TITLE 17 OF THE LOUISVILLE MUNICIPAL CODE
CONCERNING THE REGULATION OF NATURAL MEDICINE BUSINESSES IN THE
CITY OF LOUISVILLE AND AMENDING TITLE 9 TO ESTABLISH PENALTIES FOR
UNLAWFUL USE AND CULTIVATION OF NATURAL MEDICINE**

WHEREAS, the City of Louisville (the “City”), is a Colorado home rule municipal corporation duly organized and existing under laws of the State of Colorado and the City of Louisville Home Rule Charter (the “City Charter”);

WHEREAS, the People of the State of Colorado approved the citizens’ initiative known as “Proposition 122: Access to Natural Psychedelic Substances,” which is codified in Colo. Rev. Stat. § 12-170-101, et seq. (the “Enabling Act”) in November 2022;

WHEREAS, the Enabling Act decriminalizes the personal possession, growing, sharing, and use, but not the sale, of natural psychedelic mushrooms (psilocybin and psilocin) and plant-based psychedelic substances (dimethyltryptamine, ibogaine, and mescaline), hereby referred to as Natural Medicine;

WHEREAS, the Enabling Act allows for the supervised use of psychedelic mushrooms by individuals aged 21 and over at licensed facilities;

WHEREAS, the Enabling Act allows for the cultivation, product manufacture, and testing of Natural Medicine at licensed facilities;

WHEREAS, the State Legislature enacted Senate Bill 23-290, which is codified in Colo. Rev. Stat. § 44-50-101, et seq. (the “Regulatory Act”), which establishes licensing requirements and regulations for Natural Medicine businesses, including healing centers, cultivation facilities, and products manufacturers;

WHEREAS, the Regulatory Act prohibits local governments from banning Natural Medicine businesses within their boundaries, but allows them to adopt and enact ordinances governing the time, place, and manner of the operation of licensed businesses and further allows them to vary the distance restrictions imposed by the Regulatory Act;

WHEREAS, after a duly noticed public hearing held October 10, 2024, where evidence and testimony were entered into the record, including the Louisville Planning Commission Staff Report dated October 10, 2024, the Louisville Planning Commission has recommended the City Council adopt the amendments to the LMC set forth in this ordinance;

WHEREAS, City Council has provided notice of a public hearing on said ordinance by publication as provided by law and held a public hearing as provided in said notice;

WHEREAS, City Council desires to enact this ordinance to regulate the time, place, and manner of the operation of licensed Natural Medicine businesses by identifying the appropriate zoning districts in which Natural Medicine businesses may operate, by modifying the manner in which the distance restrictions under the Regulatory Act are computed, and by regulating the hours of operation for Natural Medicine businesses; and

WHEREAS, the City Council further desires to establish penalties for offenses relating to unlawful use and cultivation of natural medicine.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOUISVILLE, COLORADO:

Section 1. Louisville Municipal Code Chapter 17.08 (Definitions) is hereby amended by the addition of a new Section 17.08.338 and definitions as follows:

Sec. 17.08.338. – Natural medicine.

- A. *Natural medicine* means psilocybin or psilocyn and other substances described in the Regulatory Act as “natural medicine.”
- B. *Natural medicine business* includes a natural medicine healing center, a natural medicine cultivation facility, a natural medicine products manufacturer, or a natural medicine testing facility, or another licensed entity created by the state licensing authority.
- C. *Natural medicine cultivation facility* means a facility engaged in the cultivation of natural medicine.
- D. *Natural medicine healing center* means a facility licensed by the state licensing authority that permits a facilitator to provide and supervise natural medicine services for a participant.
- E. *Natural medicine products manufacturer* means a facility engaged in the manufacturing of natural medicine products.
- F. *Natural medicine testing facility* means a facility engaged in the testing of and research on natural medicine and natural medicine products.
- G. *Regulatory Act* means the Colorado Natural Medicine Code, as codified in Colo. Rev. Stat. § 44-50-101, et seq., as amended.

In addition to the foregoing definitions, other terms used in this title shall have the meanings ascribed to them in the Regulatory Act.

Section 2. Louisville Municipal Code Section 17.12.030 is hereby amended as follows (words to be added are underlined):

Sec. 17.12.030 – Use groups.

Use Groups		Districts																	
		A	A-O	B-O	A-OT	R-RR	SF-R	SF-E	R-R R-E R-L	SF-LD SF-MD SF-HD	R-M	R-H	C-N	C-C	C-B	I	PCZD	MU-R	OS

Section 3. Louisville Municipal Code Section 17.13.020 in Chapter 17.13 (Administrative office-transition zone district) is hereby amended as follows (words to be added are underlined):

Sec. 17.13.020 – Use groups

No land shall be used or occupied and no structure shall be designed, erected, altered, used, or occupied, except for one or more of the following uses by right, provided that a use by right may be accompanied by lawful accessory uses and buildings:

- A. Professional and business offices;
- B. Medical and dental offices and clinics;
- C. Studios for professional work or teaching (instruction limited to no more than ten students) of any form of fine arts, photography, music, drama, dance but not including a commercial gymnasium; and
- D. Natural medicine healing center.

Section 4. Louisville Municipal Code Section 17.14.050, Table 1 in Chapter 17.14 (Mixed use zone districts) is hereby amended as follows (words to be added are underlined):

Sec. 17.14.050 – Permitted uses and district specific regulations

* * *

TABLE 1: PRINCIPAL USES ALLOWED IN THE MIXED USE ZONE DISTRICTS		
Yes = Permitted By-Right	No = Not Permitted	
R = Permitted Subject to Special Review		
PRINCIPAL USES	CC	MU-R

* * *

Office Use Group		
Financial institutions—No drive through facility	Yes	Yes
Financial institutions with drive-through facility per CDDSG Section 2.1.2	Yes	No
General research facilities	No	No
Medical and dental clinics	Yes	Yes
Professional and businesses offices	Yes	Yes
Research and development	No	No
Small animal clinics (fully enclosed)	Yes	No
Natural medicine healing center	Yes	Yes

Section 5. Louisville Municipal Code Section 17.16.040 in Chapter 17.16 (General regulations) is hereby amended as follows (words to be added are underlined):

Sec. 17.16.040 – Home occupations

Home occupations shall be allowed as a permitted accessory use governed by the following regulations:

* * *

- H. The following uses, because of their tendency to go beyond the limits permitted for home occupations and thereby impair the use and value of the residential area, shall not be permitted as home occupations: auto repair or motorized implement repair; dance, music or other types of instruction (if more than four students being instructed at one time); dental offices; medical offices; natural medicine businesses; medical marijuana businesses; medical marijuana optional premises cultivation operations; retail marijuana establishments; retail marijuana cultivation facilities; the painting of vehicles, trailers or boats; private schools with organized classes; radio and television repair; barber and/or beauty shop; welding shops; nursing homes; massage therapy by a massage therapist; sexually oriented businesses; and, irrespective of whether the use may be categorized as a sexually oriented business, any retail or wholesale sales to consumers upon the premises of any types of materials specified in this title which describe or depict specified sexual activities or specified anatomical areas.

Section 6. Louisville Municipal Code Chapter 17.16 (General regulations) is hereby amended by the addition of a new Section 17.16.340 as follows:

Sec. 17.16.340 – Natural medicine businesses

- A. *Purpose.* The Colorado Natural Medicine Code, as codified in the Regulatory Act, specifically authorizes the governing body of a municipality to enact an ordinance to regulate the time, place, and manner of the operation of natural medicine businesses.
- B. *Distance from schools.* No natural medicine business may be located within one thousand (1,000) feet of a child care center; preschool, elementary, middle, junior, or high school; or a residential child care facility. The distance shall be determined by a direct measurement from the nearest property line of the land used for a school or for child care to the nearest property line of the site containing the natural medicine business.
- C. *Hours of operation.* The provision of natural medicine services at a natural medicine healing center shall only occur between the hours of 8:00am and 10:00pm.

Section 7. Louisville Municipal Code Title 9 (Public Peace and Welfare) is hereby amended by the addition of a new Chapter 9.42 as follows:

Chapter 9.42 Offenses Relating to Natural Medicine

Sec. 9.42.010. Definitions.

Natural medicine means dimethyltryptamine, mescaline, ibogaine, psilocybin, or psilocyn, or any other substance listed in Colo. Rev. Stat. § 18-18-434, as amended.

Natural medicine product means a product infused with natural medicine that is intended for consumption.

In addition to the foregoing definitions, other terms used in this chapter shall have the meanings ascribed to them in Colo. Rev. Stat. § 18-18-434, as amended.

Sec. 9.42.020. Underage possession of natural medicine.

(a) It is unlawful for a person under the age of twenty-one (21) to knowingly possess or consume natural medicine or a natural medicine product.

(b) A person convicted of violating this section shall be punished by a fine of not more than one hundred dollars (\$100) or not more than four (4) hours of substance abuse education or counseling; except that a second or subsequent conviction is subject to a fine of not more than two hundred dollars (\$200), not more than four (4) hours of substance use education or counseling, and not more than twenty-four (24) hours of useful public service.

Sec. 9.42.030. Unlawful display or consumption of natural medicine.

(a) It is unlawful for a person to openly and publicly display or consume natural medicine or a natural medicine product.

(b) A person convicted of violating this section shall be punished by a fine of not more than one hundred dollars (\$100) and not more than twenty-four (24) hours of useful public service.

Sec. 9.42.040. Unlawful cultivation of natural medicine.

(a) It is unlawful for a person to knowingly cultivate natural medicine that cumulatively exceeds an area of more than twelve (12) feet wide by twelve (12) feet long in one or more cultivation areas on private property, or for a person who owns, occupies, or controls private property to knowingly allow such cultivation.

(b) Except as provided in subsection (c), it is unlawful for any person to knowingly cultivate natural medicine on private property outside of an enclosed or locked space, or for any person who owns, occupies, or controls private property to knowingly allow such cultivation.

(c) It shall not be a violation of subsection (b), if the person cultivating the natural medicine is twenty-one (21) years of age or older, if the cultivation area is located in a dwelling on private property, and:

(1) If a person under the age of twenty-one (21) lives at the dwelling, the cultivation area itself is enclosed and locked; or

(2) If no person under the age of twenty-one (21) lives at the dwelling, the external locks on the dwelling constitute an enclosed and locked space, but if a person under the age of twenty-one (21) enters the dwelling, the person cultivating the natural medicine shall ensure that access to the cultivation area is reasonably restricted while the person under the age of twenty-one (21) is present on the private property.

(d) A person convicted of violating subsection (a) or (b) shall be punished by a fine of not more than one thousand dollars (\$1,000).

Section 8. If any portion of this ordinance is held to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each part hereof irrespective of the fact that any one part be declared invalid.

Section 9. The repeal or modification of any provision of the Municipal Code of the City of Louisville by this ordinance shall not release, extinguish, alter, modify, or change in whole or in part any penalty, forfeiture, or liability, either civil or criminal, which shall have been incurred under such provision, and each provision shall be treated and held as still

remaining in force for the purpose of sustaining any and all proper actions, suits, proceedings, and prosecutions for the enforcement of the penalty, forfeiture, or liability, as well as for the purpose of sustaining any judgment, decree, or order which can or may be rendered, entered, or made in such actions, suits, proceedings, or prosecutions.

Section 10. All other ordinances or portions thereof inconsistent or conflicting with this ordinance or any portion hereof are hereby repealed to the extent of such inconsistency or conflict.

INTRODUCED, READ, PASSED ON FIRST READING AND ORDERED PUBLISHED this 11th day of November 2024.

Christopher M. Leh, Mayor

ATTEST:

Genny Kline, Interim City Clerk

APPROVED AS TO FORM:

Kelly PC, City Attorney

PASSED AND ADOPTED ON SECOND AND FINAL READING, this 3rd day of December 2024.

Christopher M. Leh, Mayor

ATTEST:

Genny Kline, Interim City Clerk

**PLANNING COMMISSION RESOLUTION NO. 11
SERIES 2024**

**A RESOLUTION RECOMMENDING APPROVAL OF AN ORDINANCE AMENDING
THE LOUISVILLE MUNICIPAL CODE TO ALLOW AND REGULATE NATURAL
MEDICINE BUSINESSES**

WHEREAS, the City of Louisville (the “City”), is a Colorado home rule municipal corporation duly organized and existing under laws of the State of Colorado and the City of Louisville Home Rule Charter (the “City Charter”);

WHEREAS, the People of the State of Colorado approved the citizens’ initiative known as “Proposition 122: Access to Natural Psychedelic Substances,” which is codified in Colo. Rev. Stat. § 12-170-101, et seq. (the “Enabling Act”) in November 2022;

WHEREAS, the Enabling Act decriminalizes the personal possession, growing, sharing, and use, but not the sale, of natural psychedelic mushrooms (psilocybin and psilocin) and plant-based psychedelic substances (dimethyltryptamine, ibogaine, and mescaline), hereby referred to as Natural Medicine;

WHEREAS, the Enabling Act allows for the supervised use of psychedelic mushrooms by individuals aged 21 and over at licensed facilities;

WHEREAS, the Enabling Act allows for the cultivation, product manufacture, and testing of Natural Medicine at licensed facilities;

WHEREAS, the State Legislature enacted Senate Bill 23-290, which is codified in Colo. Rev. Stat. § 44-50-101, et seq. (the “Regulatory Act”), which establishes licensing requirements and regulations for Natural Medicine businesses, including healing centers, cultivation facilities, and products manufacturers;

WHEREAS, the Regulatory Act prohibits local governments from banning Natural Medicine businesses within their boundaries, but allows them to adopt and enact ordinances governing the time, place, and manner of the operation of licensed businesses and further allows them to vary the distance restrictions imposed by the Regulatory Act;

NOW THEREFORE, BE IT RESOLVED that the Planning Commission of the City of Louisville, Colorado does hereby recommend approval of an ordinance amending Louisville Municipal Code to allow and regulate Natural Medicine Businesses

PASSED AND ADOPTED this 10th day of October, 2024.

By: _____
Steve Brauneis, Chair
Planning Commission

Attest: _____
Jeffrey Moline, Secretary
Planning Commission



SB23-290 Natural Medicine Regulation & Legalization

NOTICE: This document reflects a summary and outline of SB23-290 prepared by the Department of Revenue and is for informational purposes only. The content herein should not be relied upon or construed as legal advice and does not represent the interpretation of any other agency.

I. BACKGROUND - PROPOSITION 122

- A. In November 2022 Colorado voted to pass [Proposition 122](#), the Natural Medicine Health Act, which (a) directed the establishment of a regulatory program for access to natural medicine; and (b) decriminalized personal use for adults
- B. Assigned the Department of Regulatory Agencies (DORA) with all regulatory responsibilities, including establishment of the [Natural Medicine Advisory Board](#)

II. SB23-290 REGULATORY PROGRAM

- A. **DORA** maintains the role of licensing and regulating Facilitators (persons licensed to provide natural medicine and related services). SB290 also maintained and added the following duties for DORA:
 - 1. Natural Medicine Advisory Board
 - 2. Federally Recognized Tribes & Indigenous Community Work Group
 - 3. Annual Reporting (in coordination with DOR)
- B. **The Department of Revenue (DOR)** is responsible for licensing and regulating healing centers, cultivations, manufacturers, and testing facilities under a new [Natural Medicine Division](#) and assigned the following duties to DOR:
 - 1. Testing and certification program (in coordination with CDPHE)
 - 2. Data collection (**LE incidents, adverse health events, healthcare system impacts, consumer protection claims, behavioral health impacts**)
 - 3. Public education campaigns
 - 4. Training materials for first and multi-responders
 - 5. Annual Reporting (in coordination with DORA)
- C. **Natural Medicine** defined to include only Psilocybin & Psilocyn initially

III. SB23-290 PERSONAL USE PROVISIONS

- A. **Natural Medicine** defined to include Psilocybin, Psilocyn, Ibogaine, Mescaline, and Dimethyltryptamine (DMT)
- B. **Personal Cultivation:** Not more than 12x12 feet (can be non-contiguous) on Private Property (defined) in enclosed & locked space
 - 1. Local authority to exceed the space limit
- C. **Personal Possession & Use:** No personal possession limit
 - 1. May share with an adult (21+) in context of counseling, spiritual guidance, community-based use, supported use, or related services
 - 2. No Remuneration (except allowed for bona fide harm reduction or support services used concurrently with sharing, subject to the following:
 - a) No advertisement related to sharing or services
 - b) Person sharing must inform if not a licensed Facilitator
 - 3. No manufacturing with Inherently Dangerous Substances (defined)
 - 4. No open and public display or consumption
 - 5. Personal testing by unlicensed labs allowed, subject to requirements
 - 6. Establishes [offenses](#) for violations

SB23-290 NATURAL MEDICINE REGULATION & LEGALIZATION

Detailed Bill Outline

- IV. **Department of Regulatory Agencies (DORA) - Title 12**
 - A. Definitions
 - B. Powers & Duties - Rulemaking Authority
 - C. Natural Medicine Board - Members & Duties
 - D. American Tribes & Indigenous Community Working Group
 - E. Facilitator Licensing - Requirements & Restrictions
 - F. Grounds for Discipline & Proceedings
 - G. Local Jurisdiction / Preemption
 - H. Protections
- V. **Department of Public Health & Environment (CDPHE) - Title 25**
 - A. Rulemaking - Testing & Certification
- VI. **Department of Revenue (DOR) - Title 44**
 - A. Definitions
 - B. Application Procedures
 - C. Protections - Employer, Schools, Hospitals, Detention Facilities
 - D. Local Jurisdiction Authority & Limitations
 - E. State Licensing Authority - Powers & Duties
 - 1. Licensing & Enforcement
 - 2. Reporting, Data Collection, Public Education, Training
 - F. Rulemaking - Mandatory & Permissive
 - G. Confidentiality
 - H. Application & Distance Restrictions
 - I. Classes of Licenses (Additional Rulemaking)
 - J. Protections
- VII. **Code of Criminal Procedure - Title 16 / Criminal Code - Title 18**
 - A. Class 1 & Class 2 Public Nuisance
 - B. Offenses
 - C. New Personal Use Provisions
- VIII. **Other - Additional Provisions**
 - A. Prohibiting Discrimination for Health Benefit Plan Coverage
 - B. Division of Adult Parole, State Board Parole, Conditions of Probation
 - C. Juvenile Court Jurisdiction
 - D. Child Neglect
 - E. Sealing of Criminal Conviction Records
 - F. Public Assistance Considerations
 - G. Organ Transplants
 - H. Farm Products - Defined (exclusion)
 - I. Income Tax & Net Income of Corporation

Natural Medicine Regulation & Legalization

SB23-290

Summary Based on - 4.24.23 [Version of Bill](#)

Department of Regulatory Agencies (DORA)

[DORA Natural Medicine Health Act Homepage](#)

SECTION 1

12-170-102. Legislative Declaration.

Declares intent and directs state agencies to honor and respect federally recognized tribes and indigenous people in order to prevent natural medicine being overly commodified / commercialized / misappropriated / exploited. Directs agencies to consider potential for direct and indirect harm.

SECTION 2

12-170-103. Applicability of Common Provisions.

Applies Title 12, Art. 1 (General Provisions) & Art. 20 (Div. of Professions & Occupations) to Article 170.

SECTION 3

12-170-104. Definitions. (P. 3-6)

Defines: Administration Session; Board; Director; Division; Facilitation; Facilitator; Federally Recognized American Tribe; Healing Center; Health-Care Facility; Integration Session; Local Jurisdiction; Natural Medicine; Natural Medicine Product; Natural Medicine Services; Participant; Preparation Session; Regulated Natural Medicine; Regulated Natural Medicine Product; Remuneration; State Licensing Authority.

Summary Definition - Natural Medicine:

(12)(a) (I) **Psilocybin**; or (II) **Psilocyn**

(12)(b)(II) **Ibogaine** (if recommended by the Board & agency approved);

(12)(b) **ON OR AFTER JUNE 2026** (if recommended by the Board & agency approved):

(I) **Dimethyltryptamine** (DMT)

(III) **Mescaline** [does NOT include Peyote, meaning all parts of the plant classified botanically as *Lophophora Williamsii* Lemaire, whether growing or not; its seed; any extract from any part of plant, and every compound, salt, derivative, mixture, or preparation of the plant, or its seed or extracts]

(12)(c): Natural Medicine **DOES NOT MEAN** a synthetic or synthetic analog of the substances, including a derivative of a naturally occurring compound of natural medicine that is produced using chemical synthetic, chemical modification, or chemical conversion.

SECTION 4

12-170-105. DORA - Director Powers & Duties - Rules (P. 6-10)

(1)(a)(I) Rules for safe provision of regulated natural medicine and services, including:

(A) Parameters for a preparation, administration, and integration session;

(B) Health and safety warnings required before each session;

(C) Educational materials that must be provided before each session;

(D) A form a participant, facilitator, and authorized representative of the Healing Center must sign (establishes minimum requirements regarding health information, drug contraindications, participant expectations, parameters for physical contact, and risks of participation);

(E) Proper supervision during the administration session and requirements for a discharge plan or safe transportation;

- (F) Provisions for group administration sessions;
- (G) Provisions to refuse services based on health and safety risks;
- (H) Dosage limits for administration sessions.

(1)(a)(II) Requirements for Facilitator licensing, practice and professional conduct, including:

- (A) Form and procedures for license applications;
- (B) Educational and experiential requirements and qualifications (including education and training on participant safety, drug interactions, contraindications, mental health and state, physical health and state, social and cultural considerations, preparation, administration, integration, and ethics). Must not require a separate professional license or degree (unless multiple tiers)
- (C) Oversight/supervision requirements, including continuing education
- (D) Professional standards of conduct
- (E) Parameters for physical contact, including informed consent for physical contact
- (F) Permitting remuneration for provision of natural medicine services
- (G) Group administration sessions and participant limits
- (H) Record-keeping, privacy, confidentiality (and exemptions)
- (I) Parameters for permissible and prohibited financial interests in a license
 - Financial Interest Restriction:** A **Facilitator** cannot have a financial interest in more than five (5) NM business licenses.
- (J) Parameters for other authorized locations, including a health-care facility or private residence.
- (K) Standards for advertising and marketing, including to avoid misappropriation and exploitation of tribes and indigenous people, avoiding excessive commercialization, and targeting underage.

(1)(a)(III)-(V) Other Rules:

- (III) Rules necessary to differentiate between types of regulated natural medicine provided during an administration session based on qualities, traditional uses, and safety profile
- (IV)-(V) Other matters determined necessary to implement/administer

SECTION 4 (Continued)

12-170-105. DORA - Director Powers & Duties (P. 10-12)

(1)(b)-(k) DORA Duties Include:

- (1)(b) December 31, 2024 - DORA begins accepting applications/granting licenses
 - Prioritization of Applications:** Shall prioritize review of applications from CO residents
- (c) Establish licenses, registrations, etc.
- (d) Establish, when financially feasible, procedures, policies, and programs to ensure rules are equitable and inclusive (for which the Director may consult the Board)
- (e) Conduct investigations and hearings, gather evidence, and pursue disciplinary actions
- (f) Take disciplinary action or limit scope of practice upon proof of violation
- (g) Cease-and-desist orders pursuant to Section 405
- (h) Petition a district court for an investigative subpoena or injunction under certain circumstances
- (i) Maintain an **ONLINE PUBLIC LIST** of licensees, registrants, etc, including whether the person had its credentials limited, suspended, or revoked
- (j) Publish an **ANNUAL REPORT** on the implementation/administration (in coordination with DOR)
- (k) Perform other functions and duties necessary to administer

Other Requirements & Limitations:

- (2) Director shall consult the Board when considering/promulgating rules
- (3) Authority to collect available and relevant data
- (4) Regulators prohibited from pecuniary gain from licensees for 6 months after employment

SECTION 5	12-170-106. DORA - Natural Medicine Advisory Board
<u>Creates Natural Medicine Advisory Board (2 and 4 year terms), Pg. 13</u> At expiration of term, the Governor shall appoint members, without consent of the Senate (4 year term). May serve up to 2 consecutive terms. Can be removed for misconduct, incompetence, neglect of duty, unprofessional conduct. <u>Board Recommendation Subjects, Pg. 14-15:</u> ➤ Accurate public health approaches regarding use, benefits, harms, and risk reduction ➤ Content and scope of educational campaigns ➤ Research related to the efficacy and regulation, including product safety, harm reduction, and cultural responsibility ➤ Facilitator Requirements - Proper content of training programs, educational and experiential requirements, and qualifications. When making recommendations, the Board may consider: (I) Tiered facilitator licensing; (II) Limited waivers of education and training requirements based on experience, training, skills; (III) Removal of unreasonable or logistical barriers ➤ Affordable, equitable, ethical, and culturally responsible access to NM (may consider recommendations on ways to reduce costs of licensure, incentives for reduced costs for services, and incentives for services in geographic and culturally diverse regions) ➤ Regulatory considerations for each type of NM and each type of session ➤ Addition of other types of NM, based on medical, psychological, and scientific studies, research, and other information related to safety and efficacy - Shall prioritize consideration of Ibogaine ➤ All rules to be promulgated by DORA & DOR ➤ Requirements for accurate and complete data collection, reporting, and publication <u>Other Board Duties, Pg. 15:</u> ➤ Shall, on an ongoing basis: ○ Review and evaluate existing and current research, studies, and real-world data related to NM and make recommendations to the GA and agencies regarding coverage under health first Colorado or other insurance programs for various mental health conditions ○ Review and evaluate sustainability issues and impacts on tribal and indigenous cultures and documenting existing reciprocity efforts and continuing support measures needed ➤ Board shall publish an ANNUAL REPORT describing activities	
SECTION 6	12-170-107. American Tribes & Indigenous Working Group (P. 16)
<u>Federally Recognized American Tribes & Indigenous Community Working Group</u> ➤ To avoid misappropriation, exploitation, excessive commercialization, conservation issues (including potential for further depletion of peyote due to it being a source of mescaline), best practices, and open communication to avoid unnecessary burdens. ➤ Shall advise the Board and DORA on findings and recommendations ➤ Encourages DORA To engage with those who have significant experience with traditional use	
SECTION 7	12-170-108. License - Unauthorized Practice - Disclosures (P. 17)
<u>Facilitator License Requirements & Restrictions</u> ➤ Shall not engage in Facilitation or represent self as a Facilitator without a license ➤ Shall conspicuously display license in Healing Center, including info on how to file a complaint ➤ Shall provide specific information in writing prior to each session (P. 18) ○ Name, address, and phone # of the licensee; ○ Explanation of regulations applicable to the licensee; ○ Listing of training, educational and experiential requirements and qualifications satisfied	

- to obtain a license ○ Statement indicating the participant is entitled to receive information about services, may terminate services and may terminate informed consent for physical contact at any time ➤ Nothing prohibits a person from performing a bona fide religious, culturally traditional, or spiritual ceremony, but must inform that they are not a licensed facilitator and so long as the ceremony is not associated with commercial, business, or for-profit activity	
SECTION 8	12-170-109. Grounds for Discipline (P. 19)
<u>DORA Permissive Authority to Take Disciplinary or Other Action Upon Proof of Following:</u> ➤ Violation of this Article 170 or rules, Article 20, or any valid order of DORA ➤ Convicted of or entered plea of nolo contendere to a felony ➤ Misstatement of an application or fraud, deception, or misrepresentation ➤ Act or omission necessary to meet generally accepted professional standards of conduct ➤ Excessive or habitual use or abuse of alcohol or controlled substances ➤ Guilty of unprofessional or dishonest conduct ➤ Advertising by means of false or deceptive statement ➤ Failure to display license as required ➤ Guilty of willful misrepresentation ➤ Failure to disclose within 45 days a conviction for a felony or any crime related to practice ➤ Aids/abets unlicensed practice of facilitation ➤ Fails to timely respond to a complaint end by the Director (DORA) pursuant to 12-170-110	
SECTION 9	12-170-110. Disciplinary Proceedings (P. 20)
Establishes bases and process for disciplinary proceedings, including hearings and judicial review	
SECTION 10	12-170-111. Fees - Cash Fund (P. 21)
Establishes a cash fund. Shall set and adjust fees so revenue approximates the direct and indirect costs of the program. Fees shall not exceed the amount necessary to administer the Article.	
SECTIONS 11 & 14	12-170-112 & 115. Local Jurisdiction (P.21) / Preemption (P.23)
Consistent with Prop 122, local governments cannot prohibit Facilitation of NM Services and can not adopt ordinances/regulations that are unreasonable or in conflict with Article 170.	
SECTION 12	12-170-113. Protections (P. 22)
<u>Protections Include:</u> (1)(a) Licensed activity and allowing use of property for licensed activity are not an offense under state or local law; are not subject to civil fine or sanction; are not a basis for detention, search, or arrest; and are not a basis to deny any right or seize or forfeit assets. (b) Contracts enforceable (federal prohibition does not render a contract unenforceable) (c) Mental health care, substance use services, or behavioral health services covered under the CO Medical Assistance Act, Title 25.5, Articles 4-6, cannot be denied on the basis of federal prohibition of NM. However, Insurance providers are not required to cover the cost of NM. (d) Nothing prevents the Director from enforcing rules or limits state or local LE to investigate unlawful activity in relation to a licensee. (2) Professional or occupational license not subject to professional discipline on the basis of federal prohibition, but this does not authorize conduct that violates standards of care or scope of practice.	

SECTIONS 13-16	12-170-114 - 12-170-117. Construction & Repeal (P. 23)
➤ Section 13. 12-170-114. Liberal Construction - Article 170 must be liberally construed ➤ Section 15. 12-170-116. Self-Executing, Severability, Conflicting Provisions - Provisions are self-executing except as specified and supersede conflicting state and local provisions ➤ Section 16. 12-170-117. Repeal & Review - Article 170 subject to review prior to repeal 9/1/2032	
SECTION 17	12-20-407. Unauthorized Practice
Class 2 Misdemeanor if a person practices or offers or attempts to practice/engage in Facilitation	
Department of Revenue (DOR) - DOR Website & Department of Public Health & Environment (CDPHE) - CDPHE Website	
SECTION 18	24-1-117. Department of Revenue - New Division (P. 24)
Creates the DOR Natural Medicine Division, a type 2 entity (as defined in 24-1-105)	
SECTION 19	24-34-104. Review for Repeal or Continuation (P. 25)
September 1, 2032 - Scheduled repeal of Article 170 of Title 12 and Article 50 of Title 44	
SECTION 20	25-1.5-120. CDPHE - Testing and Standards - Rules (P. 25)
CDPHE authority to establish (in coordination with DOR) rules for testing and certification. 44-50-203 also gives permissive authority for DOR to allow for personal use testing. <u>Minimum testing rules must include:</u> ➤ Testing standards and certification requirements ➤ Independent testing and certification program within a timeline established by the DOR, to ensure products do not contain contaminants injurious to health and ensure correct labeling ➤ Quarantine and notification procedures if results indicate substances deemed injurious; ➤ Ensure testing verifies concentration representations and homogeneity for labeling; ➤ Acceptable variance for concentration and procedures to address misrepresentations; and ➤ Protocols and frequency of testing.	
SECTION 21	PART 1: NEW ARTICLE 50 - CO Natural Medicine Code (P. 26)
Establishes Article 50 in Title 44 - The Colorado Natural Medicine Code, 44-50-101 - 102	
SECTION 21	PART 1: 44-50-103. Definitions (P. 27)
44-50-103. Definitions: Consistent with Title 12 (underlined terms are new) Administration Session; Board; Director; Division; Facilitator; Healing Center; Health-Care Facility; Integration Session; <u>License</u>; <u>Licensed Premises</u>; <u>Licensee</u>; Local Jurisdiction; Natural Medicine; <u>Natural Medicine Business</u>; Natural Medicine Product; Natural Medicine Services; Participant; <u>Person</u>; Preparation Session; <u>Principle File</u>, Regulated Natural Medicine; Regulated Natural Medicine Product; Remuneration; State Licensing Authority; <u>Transfer</u>	

SECTION 21	PART 1: 44-50-104. Applicability (P. 32)
<u>Application Procedures</u> ➤ Requires SLA to <u>prioritize review</u> of applications from Colorado residents ➤ Application & License fees are credited to the Regulated Natural Medicine Cash Fund <u>Employer, School, Hospital, Detention Facility, Related Protections</u> ➤ Employers are not required to permit or accommodate NM use, consumption, possession, etc., or impairment in the workplace ➤ Employers may have policies restricting use or impairment in the workplace ➤ An employer, school, hospital, detention facility, corporation, or other entity that occupies, owns, or controls property can prohibit/regulate NM activities on such property <u>Local Jurisdiction Authority & Limitations</u> ➤ May enact ordinances/regulations governing time, place, manner of operation of licenses ➤ May NOT prohibit: ○ Establishment or operation of licenses ○ Transportation of NM on public roads by licensed persons ➤ May NOT adopt ordinances/regulations that are unreasonable or in conflict	
SECTION 21	PART 2: 44-50-201. State Licensing Authority (P. 33)
Establishes the DOR Executive Director as the State Licensing Authority (can delegate to NM Division Director), who may employ Department officers and employees as necessary.	
SECTION 21	PART 2: 44-50-202. Powers & Duties of SLA (P. 33)
<u>Licensing & Enforcement: PP. 33-34</u> ➤ December 31, 2024 - DOR begins accepting applications/granting licenses ➤ Authority to suspend, fine, restrict, revoke licenses (active, expired, or surrendered) ➤ Conduct investigations and hearings, gather evidence, and pursue disciplinary actions ➤ Petition a district court for an investigative subpoena to unlicensed persons after reasonable efforts to obtain requested documents/information ➤ Petition a court to temporarily restrain or enjoin action of an unlicensed person when the NM Division director finds sufficient evidence that the person has or is committing a prohibited act and such act (A) threatens public health or safety; or (B) constitutes an unlawful act ➤ Hearing procedures and authority ➤ Develop forms, licenses, ID cards, and applications <u>Reporting, Public Education & Training: PP. 34-36</u> ➤ In coordination with DORA, publish an ANNUAL REPORT on the implementation/administration (must not include information that could disclose the identity of a participant) ○ DATA COLLECTION REQUIREMENT (to include in annual report): In coordination with other agencies, the SLA shall request data concerning LE incidences / adverse health events / impacts to health care systems / consumer protection claims / and behavioral health impacts ➤ Develop and promote PUBLIC EDUCATION CAMPAIGNS (including public service announcements, educational materials, and crisis response materials) ➤ Develop and promote TRAINING MATERIALS for first responders and multi-responders (LE, emergency medical providers, social service providers, fire fighters) <u>Other Duties & Limitations: PP. 35-36</u> ➤ SLA cannot fix prices for regulated NM ➤ Nothing requires LE ability to investigate unlawful activity related to a licensee ➤ LE has authority to run a criminal history record check during an investigation of unlawful activity	

- Establish, when financially feasible, procedures, policies, and programs to ensure rules are equitable and inclusive (for which the SLA may consult the Board)

SECTION 21

PART 2: 44-50-203. Rulemaking Authority (P. 37)

DOR MANDATORY RULEMAKING

General Licensing:

- Licensing procedures & requirements (for issuance, denial, renewal, reinstatement, modification, suspension, and revocation)
- Oversight requirements for licensees
- A schedule of application, licensing, and renewal fees

Qualifications and eligibility requirements for licensure

- Tax Compliance: Eligibility includes requirements for timely payment of state taxes, timely filing of returns, and timely curing of tax deficiencies. Authorizes the DOR to have access to licensing information to ensure compliance.

Permitted and prohibited financial interests:

- A Person cannot have a financial interest in more than five (5) NM business licenses

Testing Program: DOR rules in coordination with CDPHE

- Establishment of a natural medicine independent testing and certification program.
- At a minimum, to ensure product does not contain contaminants injurious to health and to ensure correct labeling
- Certification requirements and requirements that results cannot be used unless the lab is certified
- Testing procedures and frequency
- Whether to allow unlicensed persons to request/utilize testing services of regulated labs
- Definitions, permissions, and prohibitions concerning conflicts of interest
- Procedures and requirements necessary for coordination with CDPHE duties

Regulation of Licensed Premises:

- Co-location of a Healing Center with another Healing Center or Health-Care Facility

Transportation Requirements:

- Security requirements
- Vehicle requirements, including surveillance
- Limits on amounts that may be carried in a vehicle
- Record keeping
- Transport manifest

Production Management

- Limits on the amount of NM allowed for production by licensees based on metrics
- Shall consider total current and anticipated demand

Record Keeping

- Records licensees are required to maintain and make available for inspection by the SLA

Other

- Requirements to prevent diversion
- Requirements to prevent underage access
- Permitted and prohibited transfers of NM between licensees
- Standards for advertising/marketing (including avoiding misappropriation and exploitation of tribes and indigenous people / avoiding excessive commercialization)

DOR PERMISSIVE RULEMAKING (P. 40)

- Establishment of licenses
- Principle file process
- Product requirements and restrictions
- Packaging and labeling requirements, including warning labels, serving and per-package serving amounts; and concentration of product
- Security and surveillance, among other minimum procedures for internal control
- Reporting requirements for changes
- Health and safety standards and sanitary requirements
- Waste handling/disposal
- Storage and transportation
- Inventory tracking/management
- Procedures for disciplinary actions
- Penalties schedule
- Specifications of duties of officers/employees of SLA
- Guidance for law enforcement
- Inspections and investigations (including searches, seizures, forfeitures, embargo, quarantine, recalls, and such additional activities as may become necessary)
- Prohibition on misrepresentation and unfair practices
- Other matters as necessary

Other Requirements & Limitations (P. 43)

- Shall consult the advisory board when considering and promulgating rules
- May establish procedures for conditional issuance of an employee license and ID at time of application (remains subject to denial pending results of criminal history check)
- Fingerprint requirements - by local LE agency or third party approved by CBI (requirement for SLA to send fingerprints to CBI for processing)

SECTION 21

PART 2: 44-50-204. Confidentiality (P. 43)

Gives similar protections and exemptions as in the Marijuana Code. Certain licensee information must be maintained as confidential (e.g. financial records, security plans) with limited exceptions

SECTION 21

PART 3: 44-50-301. Classes of Licenses (P. 44)

- Creates licenses issued by DOR: Healing Center, Cultivation, Manufacturer, Testing Facility, Occupational license (with authority to establish other licenses as necessary for implementation)
- Authorizes a state chartered bank or credit union to loan money to licensees
- Prohibits operation of a license at the same location as a license or permit issued under Articles 3, 4, 5, or 10 of Art. 44 (alcohol, fermented malt beverages, special event liquor permits; marijuana)

SECTION 21

PART 3: 44-50-302. Application & Distance Restrictions (P. 45)

- Distance restrictions, including within 1,000 feet of a child care center, preschool, elementary, middle, junior, or high school, or residential child care facility or if not permitted by local zoning.
- Local jurisdictions may vary the distance restrictions or may eliminate facilities from restrictions.
- Application approval requires the applicant to demonstrate it is or will be entitled to possession of premises via lease, rental agreement, ownership, or other arrangement.

CONTINUES TO NEXT PAGE

SECTION 21	PART 4: 44-50-401. Healing Center (P. 47)
<u>General Requirements & Restrictions</u> ➤ License may be issued only to a person that employs or contracts with a Facilitator ➤ May transfer regulated NM to another HC ➤ Prior to initiating NM Services, a Facilitator shall verify the Participant is 21+ ➤ Shall comply with all provisions of Article 34, Title 24, as related to persons with disabilities <u>Additional Rulemaking Authority</u> ➤ Shall not transfer more than amount permitted by rule in a single Administration Session ➤ SLA may establish exemptions to the above administration limitations and may establish record-keeping requirements for HCs pursuant to any such exemption	
SECTION 21	PART 4: 44-50-402. Cultivation Facility (P. 48)
<u>Transfer Allowances/Restrictions</u> ➤ License may be issued only to a person who cultivates regulated NM for transfer and distribution to NM healing centers, manufacturers, or other cultivations <u>Activities Restricted on Premises</u> ➤ NM cannot be consumed on the premises unless co-located with HC premises	
SECTION 21	PART 4: 44-50-403. Product Manufacturer (P. 48)
<u>General Requirements & Restrictions</u> ➤ License may be issued only to a person who manufactures regulated NM products ➤ Licensee shall NOT: ○ Add regulated NM to a food product that holds a trademark, unless it's used only as a component or as part of the recipe and only if the licensee does not state or advertise to the consumer that the final product contains a trademarked product ○ Intentionally or knowingly label or package in a manner that would cause reasonable confusion as to whether the product was trademarked ○ Label or package in a manner that violates federal trademark law/regs <u>Activities Restricted on Premises</u> ➤ NM cannot be consumed on premises unless co-located with HC premises	
SECTION 21	PART 4: 44-50-404. Testing Facility (P. 49)
<u>General Requirements & Restrictions</u> ➤ License may be issued only to a person who performs testing and research on NM ➤ Testing is a matter of statewide concern ➤ A testing licensee cannot have an interest in another NM business license <u>Additional Rulemaking Authority</u> ➤ Acceptable testing and research practices, including but not limited to: ○ Standards ○ Quality control analysis ○ Equipment certification and calibration ○ Identification of chemicals and other substances used in bona fide research methods ○ Whether to allow persons 21+ to request and use testing services for personal use	

SECTION 21	PART 5: 44-50-501. Unlawful Acts (P. 50)
➤ Knowingly transfer to person under 21 ➤ Knowingly adulterate or alter test samples (or attempt to do so)	
SECTION 21	PART 6: 44-50-601 - 602. Fees (P. 50)
<u>Establishes the Regulated Natural Medicine Division Cash Fund</u> ➤ Fees must cover direct and indirect costs of agency operations to implement and administer ➤ May charge for the cost of each fingerprint analysis and background investigation to qualify new officers, directors, managers, or employees ➤ Shall annually review and, if necessary, adjust fees to reflect direct and indirect costs ➤ Fees must not exceed the amount necessary to administer ➤ Shall also establish a subpoena fee (not applicable to government agencies)	
SECTION 21	PARTS 7 - 8: 44-50-701 - 801. Disciplinary Actions (P. 52)
Establishes process for disciplinary actions with notice, hearing, and judicial review.	
SECTION 21	PART 9: 44-50-901. Protections, Construction, Preemption, Severability (P. 53)
<u>44-50-901. Protections (PP. 53-54)</u> ➤ Licensed activity and allowing use of property for licensed activity are not an offense under state or local law; are not subject to civil fine or sanction; are not a basis for detention, search, or arrest; and are not a basis to deny any right or seize or forfeit assets. ➤ Contracts enforceable (federal prohibition does not render a contract unenforceable) ➤ Licenses under this Article are not subject to professional discipline for providing advice or services related to NM on the basis of federal prohibition, but does not authorize malpractice. ➤ Mental health care, substance use services, or behavioral health services covered under the CO Medical Assistance Act, Title 25.5, Articles 4-6, cannot be denied on the basis of federal prohibition of NM. However, Insurance providers are not required to cover the cost of NM. ➤ Nothing prevents the Director from enforcing rules or limits state or local LE to investigate unlawful activity in relation to a licensee. <u>44-50-902 - 904. Construction, Preemption, Severability (P. 55)</u> Article 50 must be liberally construed to effectuate its purpose; local jurisdictions cannot adopt any ordinance, rule, or resolution in conflict with this Article; If any provision of this Article is found to be unconstitutional, the remaining provisions are valid.	
SECTION 21	PART 10: 44-50-1001. Sunset Review & Repeal (P. 55)
Effective September 1, 2032 ; Scheduled for Sunset Review under 24-32-104(5)	
TITLE 16 CODE OF CRIMINAL PROCEDURE	
SECTIONS 22 -23	PART 10: 16-13-303 - 304. Class 1 & 2 Public Nuisance (P. 55)
Not a Class 1 or 2 public nuisance if in compliance with 18-18-434, Title 12, or Title 44	

TITLE 18 CRIMINAL CODE	
SECTIONS 24 - 26	18-18-403.5. Unlawful Possession of Controlled Substance 18-18-404. Unlawful Use of Controlled Substance 18-18-405. Unlawful Distro, Manufacturing, Dispense, Sale
Exemptions if in compliance with Title 12, Title 27, Title 18, and Title 44	
SECTION 27	18-18-410. Declaration of Class 1 Public Nuisance (P. 57)
Exemptions regarding use of places for storage, manufacture, sale, or distribution	
SECTION 28	18-18-411. Property & Controlled Substances (P. 57)
Exemptions for persons (keeping, controlling, renting, making property available for distribution or manufacture) if in compliance with 18-18-434, Article 170 of Title 12, or Article 50 of Title 44	
SECTION 29	18-18-412.7. Sale or Distribution of Materials to Manufacture CS
Exemptions if in compliance with 18-18-434, Title 12, and Title 44	
SECTION 30	18-18-430.5. Drug Paraphernalia - Exemption (P. 58)
Exemptions from 18-18-425 - 18-18-430 if using equipment, products, or materials in compliance	
SECTION 31	NEW 18-18-434. Offenses Relating to Natural Medicine (P. 58)
<u>NEW PERSONAL USE PROVISIONS FOR NATURAL MEDICINE</u> OFFENSES P. 58 <u>(1) Persons under 21 Years of Age - Knowingly Possess or Consume</u> P. 58 <i>*Aligns with 18-13-122 for MJ</i> ➤ Drug petty offense - subject to: ○ Fine of not more than \$100; OR ○ Not more than four (4) hours of substance use education or counseling ➤ Second or subsequent conviction: ○ Fine of not more than \$100 ○ Not more than four (4) hours of substance use education or counseling; AND ○ Not more than twenty-four (24) hours of useful public service <u>(2) Open and Public Display or Consumption:</u> P. 58 <i>*Aligns with 18-18-406(5)(b) for MJ</i> ➤ Drug petty offense - subject to: ○ Fine of not more than \$1,000; AND ○ Not more than twenty-four (24) hours of useful public service. <u>(3)(a) Knowing Cultivation (or allowance) - Private Property Exceeding 12x12 (non-contiguous)</u> P. 59 <i>*Aligns with lowest level penalty in 18-18-406(3) for MJ</i> ➤ Drug petty offense - subject to: Fine of not more than \$1,000	

(3)(b) Knowing Cultivation (or allowance) - Private Property Enclosed & Locked Space P. 59

**Aligns with lowest level penalty in 18-18-406(3) for MJ*

- **Drug petty offense** - subject to: Fine of not more than \$1,000

(4) Knowing Manufacture w/Inherently Hazardous Substances P. 60

**Aligns with 18-18-406.6 for MJ*

- **Level 2 Drug Felony** - Unlawful to knowingly manufacture or allow manufacture of NM Product using an **Inherently Hazardous Substance**
- **Defined:** Any liquid, chemical, compressed gas, or commercial product that has a flash point at or lower than 38 degrees celsius or 100 degrees fahrenheit, including butane, propane, and diethyl ether, and excluding all forms of alcohol and ethanol)

PERSONAL USE P. 59

Personal Cultivation

- Limited to an area not more than **12x12 feet** on Private Property
- 12x12 space not required to be contiguous
- A local jurisdiction may allow cultivation exceeding the space limit
- Defines **“Private Property”**
 - A dwelling, its curtilage, and a structure within the curtilage being used for habitation and that is not open to the public.
- 18-18-434(3)(b)(II) - Not a violation if:
 - The person is 21+; AND
 - The cultivation area is located in a dwelling on the Private Property; AND
 - If an underage person lives at the dwelling, the cultivation is enclosed and locked.
 - If no underage person lives at the dwelling, the external locks on the dwelling constitute an enclosed and locked space, **BUT**
 - If a person underage lives at the dwelling, shall ensure access is reasonably restricted

(5)(b) Personal Use Testing Allowances - via Unlicensed Labs P. 60

- Allows a person to perform testing for persons 21+ (for personal use) if:
 - The person gives written notice that they are not licensed by the state to conduct testing; &
 - The person who submits samples gives a signed statement that the natural medicine is for personal use only

(5)(c) Nothing in this Section Permits the Following P. 61

- Underage access
- Remuneration except as allowed
- Engage in personal use actions related to natural medicine other than as allowed
- Engage in action as part of a business promotion or commercial activity except as allowed
- Dispense, sell, or distribute, or possess Ibogaine w/intent to distribute except as allowed

(5)(d) - (10) Law Enforcement & Local Jurisdiction Limitations P. 61

- Shall not arrest or charge or prosecute for an offense involving natural medicine except as expressly provided in this Section (may arrest, charge, or prosecute for an offense not expressly lawful under Titles 12 and 44)
- A lawful action cannot be the sole reason to
 - (a) subject a person to a civil fine, penalty, or sanction
 - (b) deny a person a right or privilege; or
 - (c) seize or forfeit assets
- A lawful action cannot be the sole factor in a probable cause determination. Such action can be

used as a factor IF:

- The original stop or search was lawful; AND
- Other factors are present to support a PC determination
- Entitlement to consume does not constitute a defense against a charge for violation related to operation of a vehicle, aircraft, boat, machinery, or other device
- A local jurisdiction shall not impose any greater criminal or civil penalty

(11) Exceptions for Living Plants for Ornamental Purposes

Offenses do not apply to a living plant for ornamental purposes (plants commonly and lawfully sold prior to this Act). A living plant does not include mushrooms or other fungal matter

Defines Natural Medicine P. 63

- Means: (A) Dimethyltryptamine (B) Mescaline; (C) Ibogaine; (D) Psilocybin; or (E) Psilocyn
- Exclusions:
 - Natural Medicine does **NOT** mean a synthetic or synthetic analog of the substances, including a derivative of a naturally occurring compound of natural medicine that is produced using chemical synthetic, chemical modification, or chemical conversion.
 - Mescaline does **NOT** include Peyote, meaning all parts of the plant classified botanically as *Lophophora Williamsii* Lemaire, whether growing or not; its seed; any extract from any part of plant, and every compound, salt, derivative, mixture, or preparation of the plant, or its seed or extracts.

Defines Personal Use P. 64

- Consumption or use of Natural Medicine or Natural Medicine Product; or
- The amount a person may lawfully possess, cultivate, or manufacture that is necessary to share with another person 21+ within the context of:
 - Counseling
 - Spiritual guidance
 - Beneficial community-based use and healing; or
 - Supported use or related services
- Does NOT mean:
 - Remuneration;
 - Possession, cultivation, or manufacture with intent to sell for remuneration;
 - Possession, cultivation, manufacture, or distribution for business or commercial purposes
- Does not preclude Remuneration for bona fide harm reduction or support services used concurrently with sharing. IF:
 - No advertisement related to sharing or the services AND
 - The individual giving services informs they are not a licensed Facilitator

OTHER

SECTION 32

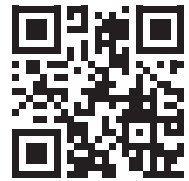
10-16-158. Prohibiting Discrimination for Coverage (P. 65)

- Carriers shall not, solely on the basis of consumption, decline or limit health benefit plan coverage of a person or penalize covered persons or reduce or limit coverage; shall not deny, decline, or limit coverage for an organ transplant or related service; shall not decline or limit coverage for the purpose of avoiding the requirements of this section; shall not penalize, reduce, or limit coverage for healthcare services related to organ transplantation.
- However, does not require a plan to provide coverage for the donation of an anatomical gift, transplant, or related treatment or services

SECTION 33 - 35	17-2-102. Division of Adult Parole (P. 66) 17-2-201. State Board Parole (P. 67) 18-1.3-204. Conditions of Probation (P. 67)
➤ Exempts subsection (8.5)(d) from a parolee who possesses or uses NM as authorized ➤ Possession or use authorized under this law cannot be considered a violation of parole conditions	
SECTION 36	19-2.5-103. Juvenile Court Jurisdiction (P. 67)
Juvenile court exclusive original jurisdiction concerning a juvenile 10 yrs + involving natural medicine	
SECTION 37	19-3-103. Child Neglect (P. 68)
Actions lawful in Titles 12, 18, 44 do not constitute neglect and a court shall not restrict or prohibit family time or make similar determinations, UNLESS a court determines family time would endanger the child's physical health or significantly impair the child's emotional development.	
SECTION 38	24-72-706. Sealing of Criminal Conviction Records
(1)(f.5) Can file a motion for the sealing of conviction records for an offense that is no longer unlawful. If a motion is filed, the defendant shall provide notice to the DA, who (within 42 days from receipt of the motion) may object after considering specific factors. ➤ If no DA objection, the court may grant with or without a hearing ➤ If DA objection, shall set the matter for hearing ➤ Burden is on the defendant - preponderance of evidence standard ➤ The defendant's motion is NOT required to include a verified copy of a criminal history ➤ Must not be charged fees/costs for filing a motion pursuant to this section	
SECTION 39	24-76.5-104. Public Assistance Considerations (P. 70)
Eligibility does not require consideration related to natural medicine unless required by federal law	
SECTION 40	25-56-104.5. Discrimination for Organ Transplants (P. 70)
➤ Limitations and requirements for covered entities that provide coverage related to the organ transplant process. Requirements for covered entities include: (a) making reasonable modifications to policies, practices, and procedures; (b) take reasonable and necessary steps to ensure consumption is not the reason for denial of services, unless the entity demonstrates such steps would fundamentally alter the nature of services or result in undue burden for the entity. ➤ Does not require the entity to make a referral or perform a medically inappropriate transplant.	
SECTION 41	35-36-102. Rules - Definitions (P. 72)
Amends the definition of "Farm Products" to exclude NM as defined under Title 12 (<i>similar to MJ</i>)	
SECTIONS 42-43	39-22-104 & 304. Income Tax & Net Income of Corporation (P. 72)
For tax years commencing on or after Jan. 1, 2024, a Title 44 licensee can subtract expenditures eligible to be claimed as a federal income tax deduction, but is disallowed by 280E of the IRS Code	
SECTIONS 44	Appropriation (P. 73)

Appropriates funding to agencies for purposes of implementation	
SECTION 45	Effective Date and Safety Clause (P. 74)
Effective July 1, 2023, applies to offenses committed on or after July 1, 2023	

END



Who To Contact

For information about licenses for healing centers, cultivations, manufacturers, or testing labs, contact the Department of Revenue at: DOR_NaturalMedicine@state.co.us

For information about facilitator training, licensing, or the Natural Medicine Advisory Board, contact the Department of Regulatory Agencies at: dora_natural_medicine@state.co.us



COLORADO
Department of Revenue
Natural Medicine Division

KNOW THE LAW

The following resource is intended to increase general awareness and does not include legal or medical advice. Please contact a qualified professional for additional information.



The Basics - Personal Use

- Natural Medicine includes: Psilocybin, psilocyn, ibogaine, mescaline, and dimethyltryptamine (DMT)
 - Mescaline cannot be sourced from peyote
- Personal possession, cultivation, and use provisions are already effective
 - **Possession:** no limits on personal possession limits
 - **Cultivation:** a person over 21 years of age can cultivate natural medicine in an **enclosed and locked space** no bigger than 12 feet by 12 feet on private property
 - **Use:** An adult (21+) can share with another adult (21+) in the context of “counseling, spiritual guidance, community-based use, supported use, or related services”
 - **Sale:** No one can sell natural medicine
 - » This does not preclude payment for bona fide harm reduction or support services

Reminders

- Open display and consumption are prohibited
- There are still some offenses for violations of the law
 - Illegal for anyone under 21 to knowingly possess or consume
 - Illegal to cultivate in a space bigger than 12 x 12 or that is not an enclosed & locked space on private property
 - Manufacturing with inherently hazardous substances
- **Advertising:** Personal use does not mean natural medicine activities for business or commercial purposes.



Plan Ahead

- Effects of natural medicine can have delayed onset
- If you're planning on consuming natural medicine:
 - **Do your research:** learn more about natural medicines and potential effects before consuming
 - **Set and Setting:**
 - » Where you'll consume and be when the effects settle in
 - » Create a transportation plan. Do not drive or operate a vehicle after consuming
 - » Safe storage away from children and pets
- If you don't feel well, contact poison control or your doctor
 - If your condition worsens, go to your nearest Emergency Room or see a healthcare provider
 - For adverse health event help and advice, call poison control at 1-800-222-1222 or contact a qualified medical professional



COLORADO
Department of Revenue
Division of Natural Medicine

COLORADO REGULATED NATURAL MEDICINE RULES
1 CCR 213-1

Part 1 – General Applicability

Basis and Purpose – 1005

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(d), 44-50-203(2)(a), 44-50-203(2)(l), and 44-50-203(2)(r), C.R.S. This rule establishes the requirement that all Natural Medicine Licensees comply with the Natural Medicine Code and these Rules, as well as any applicable public health orders and executive orders, and that any reference to days in these Rules means calendar days, unless otherwise specified in statute or these Rules.

1005 – Applicability

- A. All businesses, for the purposes of the cultivation, manufacturing, testing, storage, distribution, transport, transfer, and dispensation of Regulated Natural Medicine or Regulated Natural Medicine Product, as defined in the Natural Medicine Code at article 50 of title 44, are subject to the terms and conditions of the Natural Medicine Code and these Rules.
- B. Public Health Orders and Executive Orders.
 - 1. All Licensees, their agents, and their employees shall comply with any applicable public health orders issued by any agency of the State of Colorado including, but not limited to, the Colorado Department of Public Health and Environment.
 - 2. All Licensees, their agents, and their employees, shall comply with any and all executive orders issued by the Governor pursuant to the Governor's disaster emergency powers under section 24-33.5-704, C.R.S.
 - 3. A violation of this Rule by a Licensee, or by any of the agents or employees of a Licensee may result in disciplinary action up to and including license revocation and summary suspension pursuant to section 44-50-701, C.R.S., and these Rules.
- C. Computation of Time. The word "days" as used in these Rules means calendar days, as provided by section 2-4-108, C.R.S.

Basis and Purpose – 1010

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(2)(l), 44-50-203(2)(r), and 44-50-904, C.R.S. The purpose of this rule is to clarify that each rule is independent of the others, and if one is found to be invalid, the remaining Rules will stay in effect. This will give the regulated community confidence in the Rules even if one is challenged.

1010 – Severability

If any portion of these Rules is found to be invalid, the remaining portion of the Rules shall remain in full force and effect.

Basis and Purpose – 1015

The statutory authority for this rule includes but is not limited to sections 24-4-105(11), 44-50-202(1)(b), 44-50-202(8), 44-50-203(2)(n), and 44-50-203(2)(r), C.R.S. The purpose of this rule is to establish a system by which a person may request the Division to issue a formal statement of position and, subsequently, petition the State Licensing Authority for a declaratory order. Typically, a position statement or declaratory order addresses matters that are likely to be applicable to other persons or licensees. The approach is similar to that utilized by other divisions within the Department of Revenue.

1015 – Statements of Position and Declaratory Orders

A. Statements of Position.

1. Requests. Any person defined in section 24-4-102(12), C.R.S., may request the Division issue a statement of position concerning the applicability to the petitioner of any provision of the Natural Medicine Code, or any regulation of the State Licensing Authority.
2. Division Response. The Division will determine, in its discretion, whether to respond to a request with a written statement of position. Following receipt of a written request in the manner determined by the Division, the Division will respond by issuing either a written statement of position or a notice declining to issue such a statement.

B. Declaratory Orders.

1. Petition for Declaratory Order. Any person who has properly requested a statement of position, and who is dissatisfied with the Division's response, may petition the State Licensing Authority for a declaratory order pursuant to section 24-4-105(11), C.R.S. The petition shall be filed within 30 days of the Division's response, or may be filed at any time before the Division's response if the Division has not responded within 60 days of receiving a proper request for a statement of position, and shall set forth the following:
 - a. The name and address of the petitioner.
 - b. Whether the petitioner is licensed pursuant to the Natural Medicine Code, and if so, the type of license and address of the Licensed Premises.
 - c. Whether the petitioner is involved in any pending administrative hearings before the State Licensing Authority or relevant local jurisdiction.
 - d. The statute, rule, or order to which the petition relates.
 - e. A concise statement of all of the facts necessary to show the nature of the controversy or the uncertainty as to the applicability to the petitioner of the statute, rule, or order to which the petition relates.
 - f. A concise statement of the legal authorities, if any, and such other reasons upon which petitioner relates.
 - g. A concise statement of the declaratory order the petitioner seeks.
2. State Licensing Authority Retains Discretion Whether to Entertain Petition. The State Licensing Authority will determine, in its discretion, whether to entertain any petition. If the State Licensing Authority decides it will not entertain a petition, it shall notify the petitioner in writing of its decision and the reasons for that decision. Any of the following grounds may be sufficient reason to refuse to entertain a petition:

- a. The petitioner failed to properly request a statement of position from the Division, or the petition for declaratory order was filed with the State Licensing Authority more than 30 days after the Division's response to the request for a statement of position.
 - b. A ruling on the petition will not terminate the controversy nor remove uncertainties concerning the applicability to petitioner of the statute, rule, or order in question.
 - c. The petition involves a subject, question, or issue that is relevant to a pending hearing before the State Licensing Authority or any Local Jurisdiction, an on-going investigation conducted by the Division, or a written complaint previously filed with the State Licensing Authority.
 - d. The petition seeks a ruling on a moot or hypothetical question.
 - e. The petitioner has some other adequate legal remedy, other than an action for declaratory relief pursuant to Colo. R. Civ. P. 57, which will terminate the controversy or remove any uncertainty concerning applicability of the statute, rule, or order.
3. State Licensing Authority May Adopt Division Position Statement. The State Licensing Authority may adopt the Division's statement of position as a Final Agency Order subject to judicial review pursuant to section 24-4-106, C.R.S.
4. If the State Licensing Authority Entertains a Petition for Declaratory Order. If the State Licensing Authority determines that it will entertain the petition for declaratory order, it shall so notify the petitioner within 30 days, and any of the following procedures may apply:
 - a. The State Licensing Authority may expedite the matter by ruling on the basis of the facts and legal authority presented in the petition, or by requesting the petitioner or the Division submit additional evidence and legal argument in writing.
 - b. In the event the State Licensing Authority determines that an evidentiary hearing is necessary to a ruling on the petition, a hearing shall be conducted in accordance with Rules 9025 – Administrative Hearings and 9030 – Administrative Hearing Appeals. The petitioner will be identified as Respondent.
 - c. The parties to any proceeding pursuant to this Rule shall be the Respondent and the Division. Any other interested person may seek leave of the State Licensing Authority to intervene in the proceeding and such leave may be granted if the State Licensing Authority determines that such intervention will avoid unnecessary duplication of proceedings of a separate petition for declaratory order by the proposed intervenor.
 - d. The declaratory order shall constitute a Final Agency Order subject to judicial review pursuant to section 24-4-106, C.R.S.
5. Public Inspection. Files of all requests, petitions, statements of position, and declaratory orders will be maintained by the Division. Except with respect to any material required by law to be kept confidential, such files shall be available for public inspection.

6. Posted on Division Website. The Division shall post a copy of all statements of position and all declaratory orders on the Division's website.

Basis and Purpose – 1020

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-202(3), 44-50-203(1)(b), 44-50-203(1)(k), 44-50-203(2)(o), and 44-50-203(2)(r), and 44-50-901(1)(e), C.R.S. The purpose of this rule is to clarify that law enforcement's authority to investigate and take any necessary action with regard to Natural Medicine Licensees remains unaffected by the Natural Medicine Code or these Rules.

1020 – Law Enforcement Authority Not Impaired by Natural Medicine Rules

Nothing in the Natural Medicine Code or any rules promulgated pursuant to it shall be construed to limit the ability of local police departments, sheriffs, or other state or local law enforcement agencies to investigate unlawful activity in relation to a Natural Medicine Business Licensee, Owner Licensee, or Natural Medicine Handler Licensee, and such agencies shall have the ability to run a Colorado Crime Information Center criminal history check of an Applicant or Licensee during an investigation of unlawful activity related to Regulated Natural Medicine, Regulated Natural Medicine Product, or a Natural Medicine Business.

Basis and Purpose – 1025

The statutory authority for this rule includes but is not limited to sections 44-50-103, 44-50-202(1)(b), 44-50-203(1)(d), 44-50-203(1)(n), 44-50-203(2)(a), 44-50-203(2)(g), and 44-50-203(2)(r), C.R.S. The purpose of this rule is to provide necessary definitions of terms used throughout the Rules. Defined terms are capitalized where they appear in the Rules to let the reader know to refer back to these definitions. When a term is used in a conventional sense, and is not intended to be a defined term, it is not capitalized.

1025 – Definitions

"Administration Area" means a designated and secured area within the Licensed Premises of a Healing Center where Regulated Natural Medicine and Regulated Natural Medicine Product may be stored and transferred to a Participant, where a Participant may consume Regulated Natural Medicine and Regulated Natural Medicine Product, and where Administration Sessions may take place. The Administration Area may not be part of the Restricted Area.

"Administration Session" means a session conducted at a Healing Center or another location as allowed by article 170 or article 50 of title 44 during which a participant consumes and experiences the effects of Regulated Natural Medicine or Regulated Natural Medicine Product under the supervision of a Facilitator.

"Adverse Health Event" means any untoward and unexpected health condition or medical occurrence associated with the use of natural medicine or natural medicine product. An adverse event or suspected adverse reaction is considered "life-threatening" if its occurrence places the participant at immediate risk of death. It does not include an adverse event or suspected adverse reaction that, had it occurred in a more severe form, might have caused death. An adverse event or suspected adverse reaction is considered "serious" if it results in any of the following outcomes: Death, a life-threatening adverse event, inpatient hospitalization or prolongation of existing hospitalization, a persistent or significant incapacity or substantial disruption of the ability to conduct normal life functions, or a congenital anomaly/birth defect. Important medical events that may not result in death, be life-threatening, or require hospitalization may be considered serious when, based upon appropriate medical judgment, they may jeopardize the patient or subject and may require medical or surgical intervention to prevent one of the outcomes listed in this definition.

“Applicant” means an individual or entity that submitted an application under these rules and the Natural Medicine Code that was accepted by the Division for review but has not been approved or denied by the State Licensing Authority.

“Child Resistant” means special packaging that is:

- i. Designed or constructed to be significantly difficult for children under five years of age to open and not difficult for normal adults to use properly as defined by 16 C.F.R. 1700.15 (1995) and 16 C.F.R. 1700.20 (1995). Note that this Rule does not include any later amendments or editions to the Code of Federal Regulations. The Division has maintained a copy of the applicable federal regulations, which is available to the public;
- ii. Opaque so that the packaging does not allow the product to be seen without opening the packaging material; and
- iii. Resealable for more than 5 grams of dried Fruiting Bodies if Regulated Natural Medicine or containing more than 10 milligrams of Total Psilocin if Regulated Natural Medicine Product.

This Rule definition does not include any later amendments or editions to the Code of Federal Regulations. The Division maintains copies of 16 C.F.R. 1700.15 (1995) and 16 C.F.R. 1700.20 (1995), at 1697 Cole Boulevard, Suite 200, Lakewood, Colorado, 80401, which are available to the public for inspection during the Division’s regular business hours.

“Code” means the Natural Medicine Code at sections 44-50-101, *et seq.*, C.R.S.

“Division” means the Department of Revenue Natural Medicine Division.

“Facilitator” means a natural person who is 21 years of age or older, has the necessary qualifications, training, experience, and knowledge to perform and supervise natural medicine services for a participant, and is licensed by the director of the division of professions and occupations to engage in the practice of facilitation.

“Final Agency Order” means an order of the State Licensing Authority issued in accordance with the Natural Medicine Code and the state Administrative Procedure Act. The State Licensing Authority will issue a Final Agency Order following review of the Initial Decision and any exceptions filed or at the conclusion of the declaratory order process. A Final Agency Order is subject to judicial review under section 24-4-106, C.R.S.

“Financial Interest” means entitlement or agreement to receive a portion of revenue, proceeds or profits from a Natural Medicine Business or a Natural Medicine Business Applicant; or a membership interest, partnership interest or other ownership interest, including but not limited to a share of stock, in a Natural Medicine Business or Natural Medicine Business Applicant.

“Fruiting Body(ies)” means the spore producing organs of the fungi *Psilocybe cubensis*.

“Harvest Lot” means a specifically identified quantity of Fruiting Bodies that is cultivated from the same Inoculation and dried under the same conditions and harvested in the same area within the Licensed Premises, that may be partially harvested, and may use the substrate material for multiple harvests. A Harvest Lot must not contain more than 1.000 kilogram by dry weight.

“Healing Center” means a facility where an entity is licensed by the State Licensing Authority pursuant to article 50 of title 44 that permits a Facilitator to provide and supervise Natural Medicine Services for a Participant.

"Inoculation" means the process by which spores or mycelium is introduced to a substrate for cultivation of fungus. Any Fruiting Bodies that are produced from the resulting colonized substrate will be considered the same Harvest Lot.

"License" means a license, permit, or registration pursuant to the Natural Medicine Code.

"Licensed Premises" means the premises specified in an application for a license pursuant to this article 50 that the Licensee owns or is in possession of and within which the Licensee is authorized to cultivate, manufacture, test, store, distribute, transport, transfer, or dispense Regulated Natural Medicine or Regulated Natural Medicine product in accordance with the Natural Medicine Code.

"Licensee" means a person licensed, registered, or permitted pursuant to the Natural Medicine Code or rules promulgated pursuant to article 50.

"Local Jurisdiction" means a county, municipality, or city and county.

"Mycelium" means the fungal threads or hyphae of *Psilocybe cubensis*.

"Natural Medicine" has the same meaning as in section 44-50-103(13), C.R.S.

"Natural Medicine Business" means any of the following entities licensed pursuant to the Natural Medicine Code:

- i. A Healing Center;
- ii. A Natural Medicine Cultivation Facility;
- iii. A Natural Medicine Products Manufacturer;
- iv. A Natural Medicine Testing Facility.

"Natural Medicine Cultivation Facility" means a location where Regulated Natural Medicine is grown, harvested, and prepared in order to be transferred and distributed to either a Healing Center, Facilitator, a Natural Medicine Products Manufacturer, or to another Natural Medicine Cultivation Facility.

"Natural Medicine Handler License" means a license issued by the State Licensing Authority pursuant to the Natural Medicine Code, to a natural person who is not an Owner. Any natural person who is not an Owner, who has unrestricted access to Regulated Natural Medicine or Regulated Natural Medicine Product or handles Regulated Natural Medicine or Regulated Natural Medicine Product must hold a Natural Medicine Handler License. For purposes of these Rules, handling Regulated Natural Medicine or Regulated Natural Medicine Product means the cultivation, manufacturing, testing, storage, distribution, transport, transfer, or dispensation of Regulated Natural Medicine and Regulated Natural Medicine Product.

"Natural Medicine Product" has the same meaning as in section 44-50-103(15), C.R.S.

"Natural Medicine Products Manufacturer" means a person who manufactures Regulated Natural Medicine Products for transfer to a Healing Center, Facilitator, or to another Natural Medicine Products Manufacturer.

"Natural Medicine Services" means a preparation session, administration session, and integration session as provided pursuant to article 170 of title 12.

“Natural Medicine Testing Facility” means a public or private laboratory licensed, or approved by the Division, to perform testing and research on Regulated Natural Medicine and Regulated Natural Medicine Product.

“Nonconformance” means a non-fulfillment of a requirement or departure from written procedures, work instructions, or quality system, as defined by the Licensee’s written corrective action and preventive action (CAPA) procedures.

“Owner” means an individual or an entity that owns, possesses, or is entitled to any Financial Interest in a Natural Medicine Business or a Natural Medicine Business Applicant; an individual or an entity that owns a share of stock in a corporation, a membership in a nonprofit corporation, a membership interest in a limited liability company, the interest of a member in a cooperative or in a limited cooperative association, a partnership interest in a limited partnership, a partnership interest in a partnership, or the interest of a member in a limited partnership association that holds any interest in a Natural Medicine Business.

“Participant” means a person who is 21 years of age or older and who receives Natural Medicine Services performed by or under the supervision of a Facilitator.

“Production Lot” means psilocybin pressed tablets, tea bags, chocolate, gelatin- or agar- based gummies, or powdered capsules of the same type that were manufactured under the same conditions at the same time using the same manufacturing method, ingredients, and standard operating procedures.

“Regulated Natural Medicine” means Natural Medicine that is cultivated, manufactured, tested, stored, distributed, transported, transferred, or dispensed pursuant to the Natural Medicine Code. Regulated Natural Medicine includes:

- i. Psilocybin; or
- ii. Psilocin.

“Regulated Natural Medicine Product” means Natural Medicine product that is cultivated, manufactured, tested, stored, distributed, transported, transferred, or dispensed pursuant to the Natural Medicine Code.

“Regulated Natural Medicine Waste” means waste material that is:

- i. A byproduct of cultivating Regulated Natural Medicine or manufacturing Regulated Natural Medicine Product that contains any Fruiting Bodies or mycelium from the cultivation or production process of psilocybin or psilocin;
- ii. Partially consumed Regulated Natural Medicine Product, excluding client packaging;
- iii. Psilocybin or psilocin product that a Natural Medicine Products Manufacturer, Healing Center or Testing Facility disposes; or
- iv. Any psilocybin or psilocin product that is required to be designated as waste by these Rules.

“Restricted Area” means areas of Natural Medicine Cultivation Facilities, Natural Medicine Products Manufacturers, and Natural Medicine Testing Facilities where Regulated Natural Medicine or Regulated Natural Medicine Product is cultivated, manufactured, tested, or stored. Only Natural Medicine Handler Licensees and Owner Licensees may access Restricted Areas without supervision or documenting access on a visitor log. A Healing Center must have a Restricted Area, but a micro-Healing Center is not required to have a Restricted Area.

“Rules” mean these Colorado Regulated Natural Medicine Rules at 1 CCR 213-1.

“Sample” means a composite of Sample Increments collected from the same Harvest Lot or Production Lot and submitted for testing pursuant to Part 4 of these Rules.

“Sample Increment” means a portion of Regulated Natural Medicine that is removed from a Harvest Lot or Regulated Natural Medicine Product that is removed from a Production Lot and combined into a Sample for required testing under Part 4 of these Rules.

“State Licensing Authority” means the authority created for the purpose of regulating and controlling the licensing of the cultivation, manufacturing, testing, storage, distribution, transportation, transfer, and dispensation of Regulated Natural Medicine and Regulated Natural Medicine Product in Colorado pursuant to section 44-50-201, C.R.S.

“Total Psilocin” means psilocybin multiplied by 0.719 plus psilocin. Total Psilocin shall be expressed as a weight (i.e. mg Total Psilocin = (mg psilocybin x 0.719) + mg psilocin) or weight percent (i.e. % Total Psilocin = (% psilocybin x 0.719) + % psilocin).

“Unit” means a serving of no more than 10 milligrams of Total Psilocin.

Part 2 – Fees & Applications

Basis and Purpose – 2105

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(d), 44-50-203(2)(a), 44-50-203(2)(l), and 44-50-203(2)(r), C.R.S. The purpose of this rule is to clarify the duties that Applicants and Licensees have when reporting to the State Licensing Authority information that is necessary for the issuance of a state license. These duties include but are not limited to reporting and keeping a current mailing and electronic address, cooperating with the State Licensing Authority and his or her employees, and notifying the State licensing Authority of any changes in the Licensee’s registered agent in the State of Colorado. This rule further provides that all communications or notifications that the State Licensing Authority or Division send an Applicant or Licensee will be sent to the last known address. The Applicant or Licensee’s failure to notify the Division of a change of address does not relieve the Applicant or Licensee from responding to any correspondence or notification.

2105 – Duties of All Applicants and Licensees

A. Duty to Keep Mailing Address Current: All Applicants and Licensees.

1. Timing of Notification. An Applicant or Licensee must provide a physical mailing address and an electronic mailing address to the Division. A Licensee must inform the Division in writing of any change to its physical mailing address and/or electronic mailing address within 28 days of the change. The Division will not change a Licensee’s information without written notice from the Licensee or its authorized agent.
2. State Licensing Authority and Division Communications. The State Licensing Authority and Division will send any formal notifications or determinations regarding any application or an administrative action to the last physical mailing address and to the last electronic mailing address furnished to the Division by the Applicant or Licensee.
3. Failure to Change Address Does Not Relieve Applicant’s or Licensee’s Obligations. An Applicant’s or Licensee’s failure to notify the Division of a change of physical or electronic mailing address does not relieve the Applicant or Licensee from the obligation of responding to a Division communication or a State Licensing Authority communication.

- B. Duty to Cooperate. Applicants and Licensees must cooperate in any investigation conducted by the Division. Failure to cooperate with a Division investigation may be grounds for denial of an application or for administrative action against a Licensee.
- C. Duty to Report Change of Registered Agent. A Licensee must disclose any change of its registered agent in the State of Colorado within seven days of the change.

Basis and Purpose – 2110

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(a), 44-50-203(1)(c), and 44-50-301(1), C.R.S. The purpose of this rule is to establish requirements and processes for all applications for Natural Medicine Licenses.

2110 – General Application Requirements

- A. Applicability. This Rule 2110 applies to all applications submitted to the Division for a license, permit, or registration provided by the Natural Medicine Code or these Rules.
- B. Division Forms Required. All applications for licenses, registrations, or permits authorized by the Natural Medicine Code, must be made on current Division forms.
- C. Application and License Fees Required.
 - 1. Applications must be accompanied by full remittance of the required application fee, and license fee for Owner Licensees and Natural Medicine Handler Licensees. *See Rule 2005.*
 - 2. Upon conditional approval of an application for a Natural Medicine Business, the Applicant must submit full remittance of the required license fee before the License will be issued and valid. A Licensee shall not operate prior to receiving the License certificate.
- D. Complete, Accurate, and Truthful Applications Required. Applications must be complete, accurate, and truthful, and include all attachments and supplemental information. Incomplete applications may not be accepted by the Division.
- E. Local Jurisdiction. An application for a Natural Medicine Business License must comply with Local Jurisdiction requirements.
- F. Additional Information and Documents May Be Required.
 - 1. Upon the Division's request, an Applicant must provide additional information or documents required to process and investigate the application. The additional information or documents must be provided within seven days of the request, however, this deadline may be extended for a period of time commensurate with the scope of the request.
 - 2. An Applicant's failure to provide requested information or documents by the deadline may be grounds for denial of the application.
- G. Application Forms Accessible. All application forms provided by the Division and filed by an Applicant for a license, registration, or permit, including attachments and any other documents associated with the investigation, may be used for a purpose authorized by the Natural Medicine Code, for investigation or enforcement of any international, federal, state, or local law, or regulation, for any other state or local law enforcement purpose, or as otherwise required by law.

Basis and Purpose – 2115

The statutory authority for this rule includes but is not limited to sections 44-50-104(2), 44-50-202(1)(b), 44-50-203(1)(a), 44-50-203(1)(d), 44-50-203(1)(n), 44-50-203(2)(r), and 44-50-301(2)(b), C.R.S. The purpose of this rule is to provide requirements and processes to obtain a Natural Medicine Handler License, which is required for any individual who has unrestricted access to or handles Regulated Natural Medicine or Regulated Natural Medicine Product.

2115 – Natural Medicine Handler Licenses: Initial Application Requirements

- A. Natural Medicine Handler License Required. An individual who has unrestricted access to Regulated Natural Medicine or Regulated Natural Medicine Product or handles Regulated Natural Medicine or Regulated Natural Medicine Product must have a valid Natural Medicine Handler License issued by the Division under these Rules.
- B. Application Requirements.
1. All Applicants for a Natural Medicine Handler License must meet the following criteria before receiving a License:
 - a. The Applicant must pay any application fees and license fees pursuant to Rule 2005;
 - b. The Applicant's name-based criminal history background check does not identify disqualifying events pursuant to Rule 2135;
 - c. The Applicant is at least 21 years of age;
 - d. The Division has not received notice that the Applicant has failed to comply with a court or administrative order for current child support, child support debt, retroactive child support, or child support arrearages. If the Division receives notice of the Applicant's noncompliance pursuant to sections 24-35-116 and 26-13-126, C.R.S., the application may be denied or delayed until the Applicant has established compliance with the order to the satisfaction of the state child support enforcement agency.
 - e. The Applicant establishes that he, she, or they are not an officer or employee of a Natural Medicine licensing authority in the state of Colorado; and
 - f. The Applicant establishes that he, she, or they were not a State Licensing Authority employee with regulatory oversight responsibilities for individuals or Natural Medicine Businesses licensed by the State Licensing Authority in the six months immediately preceding the date of the Applicant's application.
 2. Facilitators. A Facilitator may obtain a Natural Medicine Handler License if he, she, or they intend to work in a Natural Medicine Business subject to the following requirements:
 - a. The Facilitator submits, on a form prescribed by the Division, information sufficient to demonstrate he, she, or they are currently licensed pursuant to article 170 of title 12; and
 - b. The Facilitator has passed a name-based criminal history background check.
- C. Name-Based Criminal History Background Check. Applicants for a Natural Medicine Handler License must provide information establishing the Applicant is qualified to hold a Natural Medicine

Handler License pursuant to Rule 2135, including but not limited to, a name-based criminal history background check.

- D. A Natural Medicine Handler Licensee must be able to provide their License certificate and photo ID upon request.

Basis and Purpose – 2120

The statutory authority for this rule includes but is not limited to sections 44-50-104(2), 44-50-202(1)(b), 44-50-203(1)(a), 44-50-203(1)(d), 44-50-203(1)(n), 44-50-203(2)(r), and 44-50-301(2)(b), C.R.S. The purpose of this rule is to provide requirements and processes to obtain a Natural Medicine Owner License, which is required to own a Natural Medicine Business License. An Owner Licensee may exercise all the privileges of a Natural Medicine Handler License.

2120 – Owner Licenses: Initial Application Requirements

- A. Owner License Required. All proposed Owners of a Natural Medicine Business must apply for and obtain an Owner License. An Owner Licensee may exercise all the privileges of a Natural Medicine Handler Licensee.
- B. Application Requirements.
1. All Applicants for an Owner License must meet the following criteria before receiving a License:
 - a. The Applicant must pay any application fees and license fees pursuant to Rule 2005;
 - b. The Applicant's name-based criminal history background check does not identify disqualifying convictions pursuant to Rule 2135;
 - c. The Applicant is at least 21 years of age;
 - d. The Applicant has timely filed tax returns, timely paid all taxes, and timely cures any tax deficiencies related to a Natural Medicine Business;
 - e. The Division has not received notice that the Applicant has failed to comply with a court or administrative order for current child support, child support debt, retroactive child support, or child support arrearages. If the Division receives notice of the Applicant's noncompliance pursuant to sections 24-35-116 and 26-13-126, C.R.S., the application may be denied or delayed until the Applicant has established compliance with the order to the satisfaction of the state child support enforcement agency.
 - f. The Applicant establishes that he, she, or they are not an officer or employee of a Natural Medicine licensing authority in the state of Colorado; and
 - g. The Applicant establishes that he, she, or they were not a State Licensing Authority employee with regulatory oversight responsibilities for individuals or Natural Medicine Businesses licensed by the State Licensing Authority in the six months immediately preceding the date of the Applicant's application.
 2. Facilitators. A Facilitator may obtain an Owner License if he, she, or they intend to own a Natural Medicine Business License subject to the following requirements:

- a. The Facilitator submits, on a form prescribed by the Division, information sufficient to demonstrate he, she, or they are currently licensed pursuant to article 170 of title 12; and
 - b. The Facilitator has passed a name-based criminal history background check.
- C. Name-Based Criminal History Background Check. Applicants for an Owner License must provide information establishing the Applicant is qualified to hold an Owner License pursuant to Rule 2135, including but not limited to, a name-based criminal history background check.
- D. An Owner Licensee must be able to provide their License certificate and photo ID upon request.

Basis and Purpose – 2125

The statutory authority for this rule includes but is not limited to sections 44-50-104(2), 44-50-202(1)(b), 44-50-202(5), 44-50-203(1)(a), 44-50-203(1)(d), 44-50-203(1)(n), 44-50-203(2)(a), 44-50-203(2)(r), 44-50-301(2)(a), 44-50-302(1)-(2), 44-50-401, 44-50-402, 44-50-403, and 44-50-404, C.R.S. The purpose of this rule is to establish general requirements and processes for submitting initial applications for Natural Medicine Business Licenses to the Division and State Licensing Authority.

2125 – Natural Medicine Businesses: Initial Application Requirements

- A. Natural Medicine Business Licenses. Initial applications for a Natural Medicine Business License must include the following:
 - 1. Ownership Information. The application must include information about each proposed Owner including:
 - a. The names and any required residency information for all proposed Owners of the Natural Medicine Business.
 - b. If the Applicant or any of the proposed Owners is an entity:
 - i. A certificate of good standing from the jurisdiction in which the entity was formed;
 - ii. The identity and physical address of its registered agent in the state of Colorado;
 - iii. Organizational documents, including but not limited to, articles of incorporation, by-laws, operating agreements, or partnership agreements.
 - c. Identification of every Owner and each entity that holds a Financial Interest in the proposed Natural Medicine Business License and a statement that no proposed Owner holds or would hold more than five Natural Medicine Business Licenses.
 - 2. Premises Information. The application must include information about the proposed Licensed Premises including:
 - a. Documents establishing the Applicant is, or will be, entitled to possession of the proposed Licensed Premises under a deed of trust, lease, rental agreement, or other arrangement for possession of the premises by virtue of ownership of the premises.

- b. Documentation demonstrating that the address for the proposed Licensed Premises is permitted under the Local Jurisdiction's applicable zoning laws for the cultivation, manufacturing, testing, storage, distribution, transfer, or dispensation of Regulated Natural Medicine and Regulated Natural Medicine Product.
 - c. A diagram or map of the physical location for the proposed Licensed Premises demonstrating the proposed address for a Healing Center license is at least 1000 feet from a licensed child care center, preschool, elementary, middle, junior, or high school, or a residential child care facility, unless the location otherwise complies with section 44-50-302(1)(d)(I), C.R.S. This must be computed by direct measurement from the nearest property line of the land used for a school or facility to the nearest portion of the building in which the Healing Center is located, using a route of direct pedestrian access.
 - d. Secure facility information as required in Rule 3010, including the security/surveillance of the Licensed Premises the Licensee is or will be entitled to possess, and secure storage of Regulated Natural Medicine and Regulated Natural Medicine Product as required by Rules 3110 and 3115.
 - i. The security information must be provided in a portable document format (.pdf).
 - ii. A Healing Center must submit a security plan prior to operating and offering natural medicine services. See Rule 3110.
 - e. Confirmation that the proposed Licensed Premises for the Natural Medicine Business License is not the same licensed premises as a license or permit issued pursuant to articles 3, 4, 5, or 10 of title 44; except for Natural Medicine Testing Facility Licenses may be issued to the same licensed premises as a regulated marijuana testing facility licensed under article 10 of title 44.
 - f. If the proposed Licensed Premises will share a Licensed Premises with another Natural Medicine Business, the Applicant must demonstrate compliance with Rule 3105.
3. Tax Documents. While duplicate tax documentation is not required to be provided with the application, the Applicant shall cooperate with the Division to establish proof of timely compliant return filing, timely payment of taxes, and timely curing of any tax deficiencies related to a Natural Medicine Business.
4. Environmental, Social, and Governance (ESG) Criteria. Applicants must demonstrate minimum environmental and social impact criteria related to, from, or on an Applicant's proposed operations, as well as any governance policies, if applicable, related to it in accordance with this Rule. An Applicant's plan must include at least one of the categories listed below.
- a. Environmental Impact Criteria. Applicants must propose a strategic, measurable, achievable, real, and time bound plan to incorporate principles of environmental resiliency or sustainability, including energy efficiency. The following are some, but by no means all, options:
 - i. Sustainable agricultural practices;

- ii. Sourcing energy from renewable energy sources, and having all-electric appliances;
 - iii. Contributing to anti-pollution efforts, which could include but is not limited to the use of carbon off-sets or biodiversity credits;
 - iv. Using sustainable packaging;
 - v. Reducing plastic intake and engaging in recycling plans;
 - vi. Engaging in community trash clean-up efforts or sponsoring local environmental charities; or
 - vii. Other environmental practices that reflect resilience, sustainability, or are otherwise commonly accepted as positive environmental practices by a corporation.
- b. Social Impact Criteria. Applicants must demonstrate a strategic, measurable, achievable, real and time bound plan to promote beneficial outcomes for Colorado and the Regulated Natural Medicine Program. The following are some, but by no means all, options:
- i. Inclusive hiring and contracting plans;
 - ii. A plan for providing a livable wage;
 - iii. Adopting and supporting incubator or accelerator programs that seek to assist businesses that are indigenous owned, or owned by a member of a Federally Recognized American Tribe including providing:
 - A. grants or access to capital, including stewarding connections with funders or philanthropists;
 - B. workforce re-entry training or programming;
 - C. cultivation, manufacturing, or retail space;
 - D. management training or other forms of industry-specific technical training; or
 - E. mentorship from experts.
 - iv. Providing discounted or free services to historically underserved community members;
 - v. Providing indigenous benefit sharing and reciprocity, which is culturally understood within indigenous communities as “benefit honoring,” through a benefit honoring plan with indigenous or federally Recognized American Tribal communities that have historically worked with natural medicines, who have been keepers of traditional knowledge related to natural medicines or ceremonial healing; or who are local to Colorado;
 - vi. Recruiting, hiring, and implementing a development ladder for indigenous people, people from Federally Recognized American Tribes,

- or people from traditional communities that have connections to natural medicine;
 - vii. Recruiting, hiring, and implementing a development ladder for people from communities who have been disproportionately harmed by the war on drugs;
 - viii. Contributing to efforts seeking to repair harms from the war on drugs, harm reduction efforts, or similar programs;
 - ix. Hosting quarterly workforce education events led by indigenous cultural leaders; or
 - x. Other commonly accepted corporate social responsibility or social impact business practices.
 - c. Governance Criteria. If applicable, Applicants must demonstrate plans addressing corporate governance. The following are some, but by no means all, options:
 - i. The board of directors of the Natural Medicine Business has gender equality, and is composed of members of diverse backgrounds, including people from communities disproportionately harmed by high rates of arrest for controlled substances, persons who have traditional tribal, or indigenous history with natural medicine, or veterans;
 - ii. The board of directors of the Natural Medicine Business has transparent decision-making processes, by hosting regular company-wide meetings or otherwise having policies that promote transparency to its employees, and avoids board related conflicts of interest;
 - iii. The board of directors discloses their political contributions and lobbying to avoid the appearance of bribery or corruption;
 - iv. Registering as a non-profit or benefits corporation that benefits members of historically underserved or indigenous communities;
 - v. The Applicant has an indigenous-led trust that receives some profits of the Applicant wherein three of the five directors are from federally recognized American tribes, or people from traditional communities that have connections to natural medicine;
 - vi. Other commonly accepted good governance practices.
 - d. All ESG plans that are included in the application shall be made publicly available by the Licensee by publication on their website, or otherwise posting it in a location where it can be seen by the public.
5. Healing Center License Applications. An application for a Healing Center License must also include the following information:
- a. Information demonstrating the Applicant will employ or contract with at least one Facilitator licensed pursuant to article 170 of title 12.

- b. For Healing Centers whose proposed Licensed Premises includes outdoor administration areas, a detailed description of the outdoor administration areas, including identification of access points, and verification that the area is free from hazards as required in the security/surveillance plan in Rule 3110 and Part 8 of these Rules (Rules 8005 - 8030).
 - 6. Natural Medicine Cultivation Facility License Applications.
 - a. Cultivation Tier Selection. An Applicant for a Natural Medicine Cultivation Facility License must indicate on the application if they are applying for the:
 - i. Micro-cultivation tier; or
 - ii. Standard cultivation tier
 - 7. Natural Medicine Product Manufacturer License Applications.
 - a. Extraction Endorsement. An Applicant for a Natural Medicine Products Manufacturer License seeking to obtain an extraction endorsement must also include in the application:
 - i. The extraction endorsement fee;
 - ii. Documentation demonstrating the Applicant has or will take necessary steps to comply with the requirements in Part 6 of these Rules.
 - 8. Natural Medicine Testing Facility License Applications. An Owner of a Natural Medicine Testing Facility may not hold any Financial Interest in a Healing Center, a Natural Medicine Cultivation Facility, or a Natural Medicine Products Manufacturer.
- B. Application review.
 - 1. Once the Division has determined that an application is complete, it must review the application to determine compliance with the Natural Medicine Code and these Rules.
 - 2. The Division may require an inspection of the premises proposed to be licensed prior to issuing a license. There is no fee for inspections performed under this section.
- C. Priority Review. In addition to the priority provided by section 44-50-104(2), C.R.S., the Division may prioritize Natural Medicine Business License applications that:
 - 1. Identify one or more proposed Owners with at least 51% ownership in the License who have a traditional, tribal, or indigenous history with Natural Medicine, verified by at least three community references;
 - 2. Identify one or more Owners who are veterans; or
 - 3. Indicate the Natural Medicine Business will be located in a county other than Adams, Arapahoe, Boulder, Denver, Douglas, El Paso, Jefferson, Larimer, Pueblo, or Weld.
- D. Any other forms, documents, and information required by the Division to evaluate the License application.

Basis and Purpose – 2130

The statutory authority for this rule includes but is not limited to sections 44-50-104(2), 44-50-202(1)(b), 44-50-203(1)(a), 44-50-203(1)(b), 44-50-203(1)(c), 44-50-203(1)(d), 44-50-203(2)(a), and 44-50-302(1)-(2), C.R.S. The purpose of this rule is to establish license renewal application requirements for a Licensee to renew their license with the Division and State Licensing Authority, including the circumstances under which an expired license may be reinstated.

2130 – License Renewal Application Requirements

A. License Periods.

1. All Natural Medicine Business Licenses are valid for one year from the date of issuance.
2. All Owner Licenses are valid for one year from the date of issuance.
3. All Natural Medicine Handler Licenses are valid for one year from the date of issuance.

B. Division Notice Prior to Expiration.

1. The Division will send a notice of License renewal 90 days prior to the expiration of an existing License to the electronic mail address on file, unless the Licensee requests first class mail to the physical address of record.
2. Failure to receive the Division notification does not relieve the Licensee of the obligation to timely renew a license.

C. Renewal Deadline.

1. A Licensee must apply for the renewal of an existing License prior to the License's expiration date.
2. A renewal application submitted to the Division prior to the License's expiration date shall be deemed timely pursuant to section 24-4-104(7), C.R.S., and the Licensee may continue to operate until Final Agency Order on the renewal application.

D. If License Not Renewed Before Expiration. A License is immediately invalid upon expiration if the Licensee has not filed a renewal application and remitted all of the required application and license fees prior to the license expiration date. Natural Medicine Handler Licensees and Owner Licensees whose License expires must reapply for a new License. A Natural Medicine Business that fails to file a renewal application and remit all required application and license fees prior to the License expiration date must not operate until the State Licensing Authority issues a new License pursuant to Rule 2115.

1. Reinstatement of Expired Natural Medicine Business License. A Natural Medicine Business that fails to file a renewal application and remit all required application and license fees prior to the License expiration date may request that the State Licensing Authority reinstate an expired License only in accordance with the following:
 - a. The Natural Medicine Business License expired within the previous 30 days;
 - b. The Natural Medicine Business License has submitted an initial application pursuant to Rule 2110. The initial application must be submitted prior to, or concurrently with, the request for reinstatement; and
 - c. The Natural Medicine Business has paid the reinstatement fee in Rule 2005.

2. Reinstatement Not Available. The Division will not accept a request for reinstatement for:
 - a. A Natural Medicine Business License that was surrendered or revoked;
 - b. An Owner License, regardless of whether expired, surrendered, or revoked; or
 - c. A Natural Medicine Handler License, regardless of whether expired, surrendered, or revoked.
3. Denial of Request for Reinstatement or Administrative Action. If the Licensee requesting reinstatement of a Natural Medicine Business License operated during a period that the License was expired, the request may be subject to denial and the Licensee may be subject to administrative action as authorized by the Natural Medicine Code or these Rules.
4. Approval of Request for Reinstatement. Upon approval of any request for reinstatement of an expired Natural Medicine Business License, the Licensee may resume operations until the agency action on the Licensee's initial application for a Natural Medicine Business License.
 - a. Approval of a request for reinstatement of an expired Natural Medicine Business License does not guarantee approval of the Natural Medicine Business Licensee's initial application; and
 - b. Approval of a request for reinstatement of an expired License does not waive the State Licensing Authority's authority to pursue administrative action on the expired License or initial application for a Natural Medicine Business License.
5. Final Agency Order on Initial Application for Natural Medicine Business License.
 - a. If the initial application for a Natural Medicine Business License submitted pursuant to this Rule is approved, the new Natural Medicine Business License will replace the reinstated License.
 - b. If the initial application for a Natural Medicine Business License submitted pursuant to this Rule is denied, the Licensee must immediately cease all operations including but not limited, transfer of Regulated Natural Medicine and Regulated Natural Medicine Product.
- E. Voluntarily Surrendered or Revoked Licenses Not Eligible for Renewal. Any License that was voluntarily surrendered or that was revoked by a Final Agency Order is not eligible for renewal. Any Licensee who voluntarily surrendered its License or has had its License revoked by a Final Agency Order may submit an initial application for a new License in accordance with these Rules and any terms of the Final Agency Order. The State Licensing Authority will consider the voluntary surrender or the Final Agency Order and all related facts and circumstances in determining approval of any subsequent initial application.
- F. Licenses Subject to Ongoing Administrative Action. Licenses subject to an administrative action are subject to the requirements of this Rule. Licenses that are not timely renewed expire and cannot be renewed.
- G. Natural Medicine Handler License & Owner License Renewal Process.
 1. Upon submission of a Natural Medicine Handler License renewal application or an Owner License renewal application, the Applicant must demonstrate:

- a. The Applicant has not failed to comply with a court or administrative order for current child support, child support debt, retroactive child support, or child support arrearages. If the Division receives notice of the Applicant's noncompliance pursuant to sections 24-35-116 and 26-13-126, C.R.S., the application may be denied or delayed until the Applicant has established compliance with the order to the satisfaction of the state child support enforcement agency.
 - b. The Applicant is qualified to hold a License in accordance with Rule 2140.
 2. An Owner Licensee must also demonstrate they he, she, or they have timely filed tax returns, timely paid all taxes, and timely cures any tax deficiencies related to a Natural Medicine Business
- H. Natural Medicine Business - Documents Required at Renewal. A Natural Medicine Business must provide the following documents with every renewal application:
 1. Any document required by Rules 2125 and 2140 that has changed since the document was last submitted to the Division;
 2. A copy of complete and accurate floor plans, if they changed since initial submission required in Rules 5005, 6005, 7005, and 8005.
 3. Confirmation that the Applicant is complying with all Local Jurisdiction requirements;
 4. A list of any sanctions, penalties, assessments, or cease and desist orders imposed by any regulatory agency or Local Jurisdiction;
 5. Any document required by Rule 5005 or 5015 regarding a Natural Medicine Cultivation Facility's cultivation tier.
 6. A Healing Center Licensee must submit Administration Session logs required in Rule 8035(C) at each renewal.
 7. A Natural Medicine Business operating under a single entity name with more than one License may submit the following documents only once each calendar year on the first License renewal in lieu of submission with every License renewal in the same calendar year:
 - a. Tax documents and financial statements required by Rule 2125;
 - b. Documentation of all financial interests that are required to be disclosed by Rule 2140.
 8. A Natural Medicine Business shall, as a component of a renewal application, submit a status update to their ESG criteria, documenting any ESG accomplishments, initiatives, or metrics. In addition, licensees should detail any changes in their plans and strategic, measurable, achievable, realistic and time bound (SMART) goals concerning the Licensee's ESG criteria for the forthcoming renewal period. Failure to submit a status update to an ESG criteria could result in license recission or renewal denial.

Basis and Purpose – 2135

The statutory authority for this rule includes but is not limited to sections 44-50-104(2), 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(d), 44-50-203(1)(e), 44-50-203(1)(n), 44-50-203(2)(a), and 44-50-203(2)(l),

C.R.S. The purpose of this rule is to provide clarity on disqualifying factors that may result in the denial of an Applicant's Natural Medicine Handler or Owner License application.

2135 – Licensure Qualifications

- A. A License provided by this article shall not be issued to or held by:
1. A person until the fee therefore has been paid;
 2. An individual whose criminal history, as described in subparagraph B of this Rule, indicates that he, she, or they should not hold a license;
 3. An entity other than an individual if the criminal history of any of its Owners, as described in subparagraph B of this Rule, indicates that an Owner should not hold a license;
 4. A person under 21 years of age;
 5. A person licensed pursuant to the Natural Medicine Code who, during a period of licensure, or who, at the time of application, has failed to:
 - a. Timely file any tax return with a taxing agency related to a Natural Medicine Business;
 - b. Timely pay any taxes, interest, or penalties due as determined by final agency action related to a Natural Medicine Business; or
 - c. Timely cure any tax deficiencies related to a Natural Medicine Business.
 6. A person who fails to meet qualifications for licensure that directly and demonstrably relate to the operation of a Natural Medicine Business;
 7. A publicly traded company;
 8. A person the State Licensing Authority has determined the Applicant willfully disregarded regulatory warnings or actions related to unlawful marketing, manufacturing, or sale of Natural Medicine or has been ordered by a Court to discontinue unlawful marketing, manufacturing, or sale of Natural Medicine;
 9. A person against whom there is evidence of commercial sale or advertising the commercial sale of Natural Medicine or Natural Medicine Product; or
 10. A person who previously held a license from either the Department of Revenue or the Division of Professions and Occupations that has been denied or revoked in the previous three years.
- B. Criminal History. A License may not be issued to or held by an individual who has been convicted of a felony in the preceding 3 years, or is subject to a sentence for a felony conviction, or is subject to a deferred judgment or sentence for a felony conviction, for any of the following charges:
1. A criminal sexual act;
 2. Criminal fraud or embezzlement;
 3. Aggravated assault;

4. Aggravated abuse, neglect, or endangerment of a child or an at-risk person;
5. Aggravated robbery;
6. Arson;
7. Manslaughter, homicide, or murder;
8. A violation of the Racketeer Influenced and Corrupt Organizations Act (RICO) or Colorado Organized Crime Control Act (COCCA); or
9. A conviction for the unlawful manufacturing with an inherently dangerous substance or commercial sale of any Natural Medicine related conduct after 2023.

Basis and Purpose – 2140

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(a), 44-50-203(1)(b), 44-50-203(1)(d), 44-50-203(1)(e), 44-50-203(1)(n), 44-50-203(2)(a), 44-50-203(2)(l), 44-50-203(2)(q), and 44-50-203(2)(r), C.R.S. The purpose of this rule is to comply with the statutory prohibition on a person having a financial interest in more than five Natural Medicine Business Licenses. This rule identifies disclosures that are required by Natural Medicine Businesses to determine compliance with the statutory limitation on the number of licenses that an individual can have a financial interest in.

2140 – Disclosure of Financial Interests and Owners of Natural Medicine Business License

- A. An Applicant for a Natural Medicine Business License must disclose all Owners with any Financial Interest in each initial, renewal, and change of ownership application. Failure to accurately disclose all Owners of a Natural Medicine Business may result in denial of an application or administrative action against the License.
- B. An Applicant for a Natural Medicine Business License must also disclose the following agreements to the Division with each initial application. The Natural Medicine Business shall also disclose each of the following to the Division with each renewal application if the agreement has not previously been disclosed or has changed since the last application. The following agreements do not necessarily constitute a Financial Interest for purposes of the number of Natural Medicine Businesses a person holds:
 1. A real or personal property lease;
 2. Secured or unsecured promissory notes;
 3. Agreements with a Natural Medicine Business regarding intellectual property;
 4. Management agreement(s) with the Natural Medicine Business; and
 5. Insurance policy(ies) issued to the Natural Medicine Business.
- C. A combination of the agreements identified in subparagraph B above may result in a person having a Financial Interest in a Natural Medicine Business if the agreements shift the financial benefit or risk from the Owner to the person or persons with the agreements with the Natural Medicine Business.
- D. A Natural Medicine Business must maintain documents identifying the source of all funds invested into a Natural Medicine Business. Natural Medicines Businesses shall not accept nor utilize any funds that are from activity that is not lawful under the Natural Medicine Code.

- E. An Owner shall not have a Financial Interest in more than five Natural Medicine Business Licenses. An application may be denied or a License may be subject to administrative discipline where an Owner possesses or would possess a Financial Interest in more than five Natural Medicine Business Licenses.

Basis and Purpose – 2145

The statutory authority for this rule includes but is not limited to sections 44-50-104(2), 44-50-202(1)(b), 44-50-203(1)(a), 44-50-203(1)(b), 44-50-203(1)(d), 44-50-203(2)(a), and 44-50-302(1)-(2), C.R.S. The purpose of this rule is to establish the application process and conditions an Applicant or Licensee must meet for a change in ownership of a Natural Medicine Business.

2145 – Change of Ownership Applications

A. General Requirements.

1. A Natural Medicine Business shall provide a notice with its next renewal application that identifies any transfer of interests between existing Owner Licensees of that Natural Medicine Business. A Natural Medicine Business shall also provide notice with its next renewal application that identifies any Owner Licensee of less than 100% of the Natural Medicine Business that has been removed from the Natural Medicine Business. The addition of, or the transfer of any of the interests to, an Owner Licensee who is not an existing Owner Licensee of the Natural Medicine Business requires Division approval prior to transferring any interest in a Natural Medicine Business.
2. A proposed Owner cannot operate the Natural Medicine Business for which it intends to become an Owner until it receives all approvals and/or License(s) pursuant to any change of owner application required by this Rule. An Owner that already holds an Owner License and has been approved in connection with the Natural Medicine Business may continue to operate the Natural Medicine Business while the change of owner application is pending. A violation of this requirement is grounds for denial of the change of owner application and may result in disciplinary action against existing License(s).

B. Documents Required. Any change of owner application(s) regarding an Owner of a Natural Medicine Business must include the following documents:

1. Asset purchase agreement, merger, sales contract, agreement, or any other document necessary to effectuate the change of owner;
2. Application for an Owner License for each proposed Owner that does not already hold an Owner License;
3. Operating agreement, by-laws, partnership agreement, or other governing document(s) as will apply to the Natural Medicine Business if the change of owner application is approved;
4. Request for voluntary surrender form of the Owner License of any Owner that will not remain an Owner of at least one Natural Medicine Business if the change of owner application is approved; and
5. An affirmation and consent signed by any Owner whose Owner's interest is decreasing as a result of the change of owner application.

- C. Natural Medicine Business Subject to Administrative Action. If a Natural Medicine Business or any of its Owner(s) apply for a change of owner and is involved in an administrative action, the following may apply:
1. The change of owner application may be delayed or denied until the administrative action is resolved; or
 2. If the change of owner application is approved by the Division, the transferor, the transferee, or both may be responsible for the actions of the Natural Medicine Business and its prior Owner(s), and subject to discipline based upon the same.

Basis and Purpose – 2150

The statutory authority for this rule includes but is not limited to sections 44-50-104(2), 44-50-202(1)(b), 44-50-203(1)(a), 44-50-203(1)(b), 44-50-203(1)(c), 44-50-203(1)(g), 44-50-203(2)(a), 44-50-203(2)(l), and 44-50-302(1)-(2), C.R.S. The purpose of this rule is to establish the application process for changing location of a Licensed Premises and to ensure that a Licensee is not operating in multiple locations under one Natural Medicine Business License.

2150 – Change of Location of Regulated Natural Medicine Business License

- A. Application Required Before Changing Location of Licensed Premises. A Natural Medicine Business must apply for and receive Division approval before changing the location of its Licensed Premises.
- B. Application Requirements. A change of location application must include the following:
1. At least one signature of an Owner Licensee and representation that the signing Owner Licensee(s) is/are authorized to submit the application on behalf of the Natural Medicine Business.
 2. Documentation showing compliance with the Local Jurisdiction's time, place, and manner requirements, as applicable.
 3. The deed, lease, sublease, rental agreement, contract, or any other document(s) establishing the Licensee is, or will be, entitled to possession of the premises for which the application is made.
 4. Legible and accurate diagram for the proposed Licensed Premises that complies with the requirements of Rules 2125(A)(2)(c), 3110, and 3115. The diagram must include a plan for the proposed Licensed Premises and a separate plan for the security and surveillance plan including camera placements, number and direction of coverage. If the diagram is larger than 8.5 inches by 11 inches, the Applicant must also provide the diagram in a portable document format (.pdf).
- C. Change of Location Permit Required.
1. A Natural Medicine Business cannot change the location of its Licensed Premises until it receives a change of location permit from the Division.
 2. The permit is effective for 120 days from the date of issuance, and the Licensee must change the location of its Natural Medicine Business to the place specified in the change of location permit and at the same time cease to operate at the former location. The Division may extend the 120-day deadline for a period up to an additional 120 days.

3. If the Licensee fails to change its Licensed Premises location prior to expiration of the change of location permit, the Natural Medicine Business must submit a new application, pay the change of location fee, and receive a new change of location permit prior to changing the location of its Licensed Premises.
4. A Natural Medicine Business cannot operate or exercise any of the privileges of its License(s) in both locations.

Basis and Purpose – 2155

The statutory authority for this rule includes but is not limited to sections 44-50-104(2), 44-50-202(1)(b), 44-50-203(1)(a), 44-50-203(1)(b), 44-50-203(1)(d), 44-50-203(1)(n), 44-50-203(2)(a), 44-50-203(2)(c), 44-50-203(2)(l), and 44-50-302(1)-(2), C.R.S. The purpose of this rule is to clarify the procedures and factors governing the denial process and the effect of voluntary withdrawal or surrender for all Licenses issued by the State Licensing Authority.

2155 – Application Denial, Voluntary Withdrawal, and Effect of a License Surrender

- A. Applicant Burden to Meet Licensure Requirements. An Applicant for an Owner License, Natural Medicine Handler License, or Natural Medicine Business License must establish it is qualified to hold the License. All Licenses issued under the Natural Medicine Code are a revocable privilege.
- B. Applicants Must Provide Full and Accurate Information to the Division. An application may be denied if it includes misstatements, omissions, misrepresentations, or untruths regarding the Applicant's eligibility to hold the License. Misstatements, omissions, misrepresentations, or untruths included in an application, documents submitted with the application or additional documents requested by the Division may be the basis for administrative action including but not limited to revocation of the license pursuant to section 44-50-701, C.R.S.
- C. Grounds for Denial.
 1. The State Licensing Authority will deny an application from an Applicant that is disqualified from holding a License by the Natural Medicine Code or these Rules.
 2. The State Licensing Authority will deny an application if the Applicant fails to provide all required information or documents, fails to submit all required application fees, fails to provide accurate, complete, or truthful information or documents, or fails to cooperate with the Division.
- D. Voluntary Withdrawal of Application.
 1. The Division and Applicant may mutually agree to voluntary withdrawal of an application in lieu of a denial proceeding.
 2. Applicants must first submit a form to the Division requesting the voluntary withdrawal of the application. Applicants will submit the form with the understanding that they were not obligated to request the voluntary withdrawal and that any right to a hearing in the manner is waived once the voluntary withdrawal is accepted.
 3. The Division will notify the Applicant when it accepts the voluntary withdrawal.
 4. The Division may refund the application fee where the application was voluntarily withdrawn prior to initiation of the application investigation.

- E. Appeal of Denied Application. An Applicant may appeal a denial pursuant to the Administrative Procedure Act at sections 24-4-104 and 24-4-105, C.R.S.
- F. Effect of License Surrender or Revocation on Related Applications. If an application is withdrawn or a License is voluntarily surrendered or revoked, and there are related applications that are seeking some change to the License (including, but not limited to, renewal, change of owner, or change of location) pending Final Agency Order, the related applications become moot and those moot applications will be closed by the Division without further action or notification to the Applicant.

Basis and Purpose – 2160

The statutory authority for this rule includes but is not limited to sections 44-50-104(2), 44-50-202(1)(b), 44-50-203(1)(a), 44-50-203(1)(b), 44-50-203(1)(d), 44-50-203(1)(e), 44-50-203(1)(n), 44-50-203(2)(a), 44-50-203(2)(c), 44-50-203(2)(l), and 44-50-302(1)-(2), C.R.S. The purpose of this rule is to establish that each Natural Medicine Business must have at least one Owner Licensee, and each Healing Center must employ or contract with at least one Facilitator in order to operate. The rule further clarifies that a Licensee cannot subvert responsibility for violations of the Natural Medicine Code or these Rules if the violations were performed by a third-party acting on behalf of or at the direction of the Licensee.

2160 – Revoked or Suspended Owners; At Least One Owner Licensee and One Facilitator Required; Prohibited Third-Party Acts

- A. Revoked Owners.
 - 1. Less than 100% of all Owners – Divestiture. If less than 100% of a Natural Medicine Business' Owner Licenses are revoked by a Final Agency Order, the Natural Medicine Business must divest all of the interest of the revoked Owner Licensee.
 - a. Unless extended for good cause, within 90 days of an Owner having his, her, or their Owner License revoked, the Natural Medicine Business must either:
 - i. Submit a change of owner application, where required, and any document(s) necessary to transfer all of the interests that Owner owns to one or more persons that are not prohibited from holding a license. Any required change of owner application is subject to approval by the Division; or
 - ii. Where a change of owner application is not required, transfer all of the interest of that Owner to one or more Persons that are not a Person prohibited from holding a license.
 - b. In determining whether good cause for an extension exists, the Division will consider whether there is any buy-back provision with the Owner. If a mediation, arbitration, or legal proceeding has been initiated regarding the required divestiture, the 90-day deadline is extended until 90 days following execution of a settlement agreement, arbitration order, or final judgment concluding the mediation, arbitration, or legal proceeding.
 - c. A Natural Medicine Business that fails to divest an Owner as required by this Rule may be subject to denial, fine, suspension, or revocation of its License(s). The State Licensing Authority may consider aggravating and mitigating factors surrounding measures taken to divest a revoked Owner when determining the imposition of a penalty.

2. All Owners are Revoked. A Natural Medicine Business's License may be revoked if 100% of its Owners have his or her or their Owner's License revoked.
- B. Suspension of Owners.
 1. Suspension of Less than 100% of the Owner(s) of a Natural Medicine Business. In the event of the suspension of the Owner License of an Owner, either (i) the Natural Medicine Business must comply with all requirements of Rule 9020 – Disciplinary Process: Summary Suspensions, or (ii) the non-suspended Owner Licensee(s) must control the Natural Medicine Business without participation from the suspended Owner(s).
 2. Suspension of 100% of the Owners of a Natural Medicine Business. A Natural Medicine Business cannot operate if all Owners are suspended.
- C. At Least One Owner Holding a Valid Owner License Required. No Natural Medicine Business may operate or be licensed unless it has at least one Owner Licensee who holds a valid Owner License.
- D. At Least One Facilitator License Required for Each Healing Center License. A Healing Center may only operate if it has employed or contracted with at least one licensed Facilitator who also holds a Natural Medicine Handler License or Owner License.
- E. Loss Of Owner License As An Owner Of Multiple Businesses. If an Owner License is suspended or revoked as to one Natural Medicine Business, that Owner License is automatically suspended or revoked as to any other Natural Medicine Business in which that person is an Owner.
- F. Prohibited Third-Party Acts. No Licensee may employ, contract with, hire, or otherwise retain any person, including but not limited to an employee, agent, or independent contractor, to perform any act or conduct on the Licensee's behalf or for the Licensee's benefit if the Licensee is prohibited by law or these Rules from engaging in such conduct itself.
 1. A Licensee may be held responsible for all actions and omissions of any person the Licensee employs, contracts with, hires, or otherwise retains, including but not limited to an employee, agent, or independent contractor, to perform any act or conduct on the Licensee's behalf or for the Licensee's benefit.
 2. A Licensee may be subject to license denial or administrative action, including but not limited to fine, suspension, or revocation of its license(s), based on the act and/or omissions of any person the Licensee employs, contracts with, hires, or otherwise retains, including but not limited to an employee, agent, or independent contractor, to perform any act or conduct on the Licensee's behalf or for the Licensee's benefit.

Part 3 – General Privileges & Limitations

Basis and Purpose – 3005

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(g), 44-50-203(1)(k), and 44-50-301(4), C.R.S. The purpose of this Rule is to define prohibited acts and conduct on a Natural Medicine Business's Licensed Premises.

3005 – General Restrictions

- A. Consumption of Natural Medicine.

1. Licensees are prohibited from consuming Regulated Natural Medicine or Regulated Natural Medicine Product on the Licensed Premises unless the Licensee is a Participant in an Administration Session, separate from their employment.
 2. Licensees are prohibited from consuming Regulated Natural Medicine or Regulated Natural Medicine Product in transport vehicles.
- B. Alcohol Beverage and Regulated Marijuana License Restrictions. A person may not operate a license issued pursuant to the Natural Medicine Code and these Rules at the same location as a license or permit issued pursuant to articles 3, 4, 5, or 10 of title 44. For purposes of this Rule, location means the Licensed Premises.
- C. Sales of Natural Medicine and Natural Medicine Product to Individuals Prohibited. Licensees are prohibited from selling Regulated Natural Medicine or Regulated Natural Medicine Product to individuals outside of Natural Medicine Services. Licensees are also prohibited from disguising sales through free Regulated Natural Medicine or Regulated Natural Medicine Product transfers to individuals outside of Natural Medicine Services. Licensees may transfer Regulated Natural Medicine and Regulated Natural Medicine Product to other Licensees and to Facilitators.
- D. Only Licensed Employees Can Handle Regulated Natural Medicine. A Natural Medicine Business must verify that an individual has a valid Natural Medicine Handler License issued under Rule 2115 before allowing the individual to perform any work described in Rule 2115(A) at the Natural Medicine Business's Licensed Premises.
- E. Restrictions on Administration Area Only When Regulated Natural Medicine is Present. Nothing herein requires an Administration Area to only be used for Natural Medicine Services. The rules related to an Administration Area shall only apply to the Administration Area while Regulated Natural Medicine or Regulated Natural Medicine Product are present in the Administration Area.
- F. No Synthetic Natural Medicine Allowed. Natural Medicine Cultivation Facilities, Natural Medicine Products Manufacturers, and Healing Centers shall not manufacture, store, distribute, transport, transfer, or dispense any Natural Medicine and Natural Medicine Product that contains synthetic or synthetic analogs of Natural Medicine, including a derivative of a naturally occurring compound of Natural Medicine that is produced using chemical synthesis, chemical modification, or chemical conversion.
- G. Patient Confidentiality Required. Licensees must maintain the confidentiality of any records containing personally identifying information or medical data of Participants maintained or stored at a Natural Medicine Business's Licensed Premises, unless disclosure is otherwise required by any local, state, or federal law.

Basis and Purpose – 3010

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(j), 44-50-203(2)(f), 44-50-203(2)(i), and 44-50-203(2)(p), C.R.S. The purpose of this rule is to identify the documents Natural Medicine Businesses are required to maintain and the protocols for retention and production of these records.

3010 – Business Records Required

- A. General Requirements.
1. A Natural Medicine Business must maintain the information required in this Rule in a format that is readily understandable and may be stored electronically.

2. Storage of Required Records.
 - a. On premises records: The Natural Medicine Business's books and records for the preceding six months (or complete copies of such records) must be available at the Licensed Premises at all times. Electronic records that are accessible from, but not physically located at, a Licensee's Licensed Premises also satisfy the requirements of this Rule 3015.
 - b. On- or off-premises records: Books and records associated with older periods may be archived on or off of the Licensed Premises.
 3. A Natural Medicine Business must maintain books and records necessary to fully and accurately account for the Licensee's transactions related to Regulated Natural Medicine, Natural Medicine Services, or Regulated Natural Medicine Products for the current and two preceding calendar years and shall be made available to the State Licensing Authority or Division upon request.
 4. Division Access to Records. A Natural Medicine Business must provide on-demand access to on-premises records following a request from the Division during normal business hours or hours of apparent operation, and must provide access to off-premises records within three business days following a request from the Division.
- B. A Natural Medicine Business must maintain the following books and records for the current calendar year and the preceding two calendar years:
1. Secure Facility Information –
 - a. Current security plans, required by Rules 2125 and 3110;
 - b. The business contact information for vendors that maintain video surveillance systems and Security Alarm Systems for its Licensed Premises;
 - c. Security Alarm System documents required by Rule 3110; and
 - d. Surveillance logs that identify all authorized employees and service personnel who have access to the surveillance system and maintenance and activity log as required by Rule 3110.
 2. Marketing Records – All records related to advertising and marketing, including but not limited to, audience composition data as required by Rule 3505.
 3. Diagram of the Licensed Premises – At a minimum, the diagram must reflect the following:
 - a. All approved Restricted Areas and Administration Areas; and
 - b. Identification of camera placements with associated camera numbers, the direction of coverage, and the locations of the surveillance equipment maintenance, user authorization list, and operating instructions.
 4. Visitor Log – A record of all people other than Natural Medicine Handlers and Natural Medicine Owners that enter the Restricted Area.

5. Regulated Natural Medicine Waste Log – Comprehensive records regarding all waste material that accounts for, reconciles, and evidences all waste related to the disposal of Regulated Natural Medicine or Regulated Natural Medicine Product.
 6. License Application Records – All records provided by the Licensee to the State Licensing Authority in connection with an application for licensure pursuant to the Natural Medicine Code and these Rules, including any required tax records and records demonstrating sources of funding. This requirement includes applications for permits, registrations, and any other applications pursuant to these Rules.
 7. Records related to Adverse Health Events as required by Rule 3015.
 8. Current Owner and Employee List – Natural Medicine Businesses must maintain a list with the full name and License number of all Owner Licensees and every Natural Medicine Handler Licensee who the Licensee employs. The list shall include all employees, including employees who are not required to hold a Natural Medicine Handler License, who work for the Natural Medicine Business, whether or not they report to the Licensed Premises as part of their employment.
 9. Administration Session documents required by Rule 8035.
 10. Emergency plan per Rule 8035.
 11. Safety data sheets (SDS) related to the use of any solvents, chemicals, or pesticides at a Natural Medicine Cultivation or a Natural Medicine Products Manufacturer.
 12. A map of all pest control devices, if the Natural Medicine Business is a Natural Medicine Cultivation or Natural Medicine Product Manufacturer.
 13. Standard Operating Procedures per Rules 5020, 6015 or 8035.
 14. Recall plan documentation as required by Rule 3205.
 15. Records related to spore sources confirming they are *Psilocybe cubensis*.
 16. Records regarding expiration date determinations, along with any data used to establish the expiration date, such as test results pursuant to Rule 5020(H)(3) and 6015(I)(3)(d).
 17. Inventory tracking documentation as required by Rules 5025, 6020, 7035, or 8040.
 18. Transport Manifests as required by Rule 3405.
 19. All other records required by these Rules.
- C. Loss of Records or Data. Any loss of electronically-maintained records shall not be considered a mitigating factor for violations of this Rule. Licensees are required to exercise due diligence in preserving and maintaining all required records.

Basis and Purpose – 3015

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-202(6), 44-50-202(7), 44-50-203(1)(g), 44-50-203(1)(j), and 44-50-203(2)(g), C.R.S. The purpose of this Rule is to identify notice and reporting requirements for Adverse Health Events by Natural Medicine Businesses and Healing Centers, specifically.

3015 – Natural Medicine Business Reporting Requirements

- A. Adverse Health Event Reporting. If a Natural Medicine Business is notified of any possible Adverse Health Event, as defined in Rule 1025, associated with Regulated Natural Medicine, Regulated Natural Medicine Product, or Natural Medicine Services it must report the Adverse Health Event to the Division no later than within two business days from being notified.
1. To the extent known after reasonable diligence to discover relevant information, the report must contain the name and contact information of the complainant, the date the complaint was received, the nature of the complaint, identifying information found on the label of the Regulated Natural Medicine or Regulated Natural Medicine Product, and any other information that may be requested by the Division for purposes of investigation.
 2. Natural Medicine Businesses must maintain records of Adverse Health Event reports in accordance with Rule 3010.
- B. Healing Center Requirements. In addition to the requirements in paragraph A of this Rule, a Healing Center must report Adverse Health Events to the Division no later than within two business days from being notified including:
1. Any Participant reaction requiring medical attention; and
 2. Any incident requiring emergency response.
- C. Crimes on the Licensed Premises or Otherwise Related to the Natural Medicine Business. Natural Medicine Businesses and all Licensees employed by a Natural Medicine Business shall report to the Division any discovered plan or other action of any individual to commit theft, burglary, sales of Regulated Natural Medicine and Regulated Natural Medicine Product, diversion of Regulated Natural Medicine and Regulated Natural Medicine Product, or other crime related to the operation of the Natural Medicine Business. A report shall be made as soon as possible after the discovery of the action or conduct, but not later than 14 days. Nothing in this paragraph C alters or eliminates the obligation a Natural Medicine Business or Licensee may have to report criminal activity to a local law enforcement agency.

Basis and Purpose – 3105

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(a), 44-50-202(1)(b), 44-50-203(1)(a), 44-50-203(1)(b), 44-50-203(1)(d), 44-50-203(1)(f)(I)(D), 44-50-203(1)(g), and 44-50-203(2)(a), 44-50-203(2)(b), 44-50-203(2)(c), and 44-50-203(2)(r), C.R.S. The purpose of this rule is to establish minimum standards and requirements for a Natural Medicine Business that is co-located with another Natural Medicine Business or health-care facility.

3105 – Co-Located Natural Medicine Business Licenses

- A. Co-Location Authorized. Natural Medicine Businesses that have identical Owner Licensees may share a location for the Natural Medicine Businesses' Licensed Premises.
1. Healing Centers. A Healing Center Licensed Premises may be at the same Licensed Premises as a Natural Medicine Cultivation Facility, Natural Medicine Products Manufacturer, another Healing Center, or a health-care facility.
 2. Natural Medicine Cultivation Facility. A Natural Medicine Cultivation Facility Licensed Premises may be at the same Licensed Premises as a Healing Center or a Natural Medicine Products Manufacturer.

3. Natural Medicine Products Manufacturer. A Natural Medicine Products Manufacturer Licensed Premises may be at the same Licensed Premises as a Healing Center, Natural Medicine Cultivation Facility, or another Natural Medicine Products Manufacturer.
- B. Co-Location Requirements.
1. All Licensees that share a location for their Licensed Premises must clearly designate on the Licensed Premises diagram: common areas, such as lobbies, hallways, and bathrooms; Restricted Areas; and Administration Areas.
 2. A Healing Center that is co-located with another Natural Medicine Business or health-care facility must be clearly identified on the Licensed Premises diagram.
 3. If any Natural Medicine Business is co-located with a Healing Center, the Restricted Areas shall not overlap with Administration Areas and must not be easily accessible to Participants.
 4. If a Healing Center and Natural Medicine Cultivation Facility are co-located, separate inventory limits apply to the separate licensed operations.
- C. Co-Location Restrictions.
1. Natural Medicine Testing Facilities are not permitted to be at the same Licensed Premises as another Natural Medicine Business.
 2. A Natural Medicine Product Manufacturer that manufactures Regulated Natural Medicine Product using hazardous substances or dangerous chemicals is not permitted to be at the same Licensed Premises as a Healing Center.

Basis and Purpose – 3110

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(g), 44-50-203(1)(h), 44-50-203(1)(j), 44-50-203(1)(k), and 44-50-203(2)(f), 44-50-203(2)(g), and 44-50-204(1), C.R.S. The purpose of this rule is to describe the security requirements that apply to all Natural Medicine Businesses.

3110 – Security Standards

- A. The requirements of these Rules apply to Healing Centers pursuant to Rule 8025(A)(2), Natural Medicine Cultivation Facilities pursuant to Rule 5015(B)(2), Natural Medicine Products Manufacturers, and Natural Medicine Testing Facility Licensed Premises regardless of whether the Licensed Premises is located within a building that contains separate unlicensed areas or located at an address that contains separate unlicensed structures.
- B. Natural Medicine Businesses are responsible for the security of all Regulated Natural Medicine and Regulated Natural Medicine Product on the Licensed Premises or in transit between Licensed Premises, including providing adequate safeguards to protect against theft or diversion of Regulated Natural Medicine and Regulated Natural Medicine Product.
- C. Healing Centers, Natural Medicine Cultivation Facilities, Natural Medicine Products Manufacturers, and Natural Medicine Testing Facilities must take adequate measures to:
 1. Prevent unauthorized access to the Restricted Areas including, but not limited to, locking or monitoring exterior doors to the Licensed Premises during business hours;

2. Prevent unauthorized access to business records; and
 3. Ensure that all Restricted Areas of a Licensed Premises are accessible only to Owner Licensees, Natural Medicine Handler Licensees, and other personnel authorized to be present under these Rules.
- D. When the Licensee is not operating as a Natural Medicine Business, the Licensee must ensure that all Regulated Natural Medicine and Regulated Natural Medicine Product is appropriately secured. Licensees must take measures to prevent unauthorized access to Regulated Natural Medicine and Regulated Natural Medicine Product.
- E. Alarm System. Healing Centers, pursuant to Rule 8025(A)(2), Natural Medicine Cultivation Facilities pursuant to 5015(B)(2), Natural Medicine Products Manufacturers, and Natural Medicine Testing Facilities must have a fully operational security alarm system on the Licensed Premises, activated at all times when the Licensed Premises is closed for business.
1. The security alarm system for the Licensed Premises must:
 - a. Be able to detect unauthorized entry into interior areas of the Licensed Premises and unauthorized activity within interior areas of the Licensed Premises.
 - b. Notify the Licensee or authorized personnel in the event of an unauthorized entry.
 2. Upon request, Licensees shall make all information related to security alarm systems, monitoring, and alarm activity available to the Division.
- F. All Natural Medicine Handler Licensees and Owner Licensees with unrestricted access to Restricted Areas must be able to provide their License certificate and photo ID upon Division investigator request.
- G. Security Plan. All Natural Medicine Businesses Licensees must establish and maintain a security plan for each Licensed Premises, including at a minimum:
1. Protocols for the end-of-day handling and storage of Regulated Natural Medicine and Regulated Natural Medicine Product;
 2. Protocols for:
 - a. Reporting theft or burglaries when they are discovered to state or local law enforcement and the Division; and
 - b. Reconciling inventory after a theft or burglary has been discovered;
 3. Identification of exterior lighting of the Licensed Premises and any exterior camera angles, and protocols for maintenance of the lighting and cameras;
 4. Identification of ingress and egress routes for the property and identification of any access control measures taken outside of the Licensed Premises; and
 5. Identification of the points of contact for security alarm systems and video surveillance notifications required by this Rule and Rule 3115.

Basis and Purpose – 3115

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(j), 44-50-203(1)(k), 44-50-203(2)(a), 44-50-203(2)(f), 44-50-203(2)(k), 44-50-203(2)(p), and 44-50-204(1)(a), C.R.S. The purpose of this rule is to define video surveillance requirements for all Natural Medicine Businesses.

3115 – Video Surveillance

- A. Minimum Requirements. The following video surveillance requirements shall apply to Healing Centers as required by Rule 8025, and all Natural Medicine Cultivation Facilities, Natural Medicine Products Manufacturers, and Natural Medicine Testing Facilities, unless stated otherwise in these Rules.
1. Prior to exercising the privileges of a Healing Center, Natural Medicine Cultivation Facility, Natural Medicine Products Manufacturer Facility, or Natural Medicine Testing Facility License, an Applicant must install a fully operational video surveillance and camera recording system. The recording system must record in digital format and meet the requirements outlined in this Rule.
 2. All video surveillance records and recordings must be stored in a Restricted Area, if applicable. If the Licensee does not have a Restricted Area, surveillance records of recordings must be securely stored in a location that is identified on the diagram of the Licensed Premises, or stored virtually and accessible electronically.
 3. Video surveillance records and recordings must be made available upon request to the Division or for any other state or local law enforcement purpose.
- B. Video Surveillance Equipment.
1. Video surveillance equipment shall, at a minimum, consist of digital or network video recorders, cameras capable of meeting the recording requirements described in this Rule, and a minimum of one on-premises video monitor, which may be a computer, tablet, or phone.
 2. Licensees are responsible for ensuring that all surveillance equipment is properly functioning, maintained, and equipped with a failure notification system that provides prompt notification to the Licensee of any prolonged surveillance interruption and/or the complete failure of the surveillance system.
 3. All video surveillance equipment shall have sufficient battery backup or other uninterrupted power supply to support a minimum of one hour of recording in the event of a power outage. Licensees must notify the Division of any loss of video surveillance capabilities that extend beyond two hours.
- C. Placement of Cameras and Required Camera Coverage.
1. Camera coverage is required for all areas identified as Restricted Areas including entrances and exits to Restricted Areas and any area storing video surveillance equipment or recordings.
 2. Cameras shall be placed to provide a clear unobstructed view of areas where Regulated Natural Medicine is grown, sampled, weighed, packaged, tagged, tested, stored, manufactured, and prepared for transport or disposal, whether in a Restricted Area or Administration Area.

3. Cameras must be placed and angled to allow clear and certain identification of any individual and activities in the Restricted Areas.

D. Location and Maintenance of Surveillance Equipment.

1. Surveillance recording equipment must be accessible only to authorized employees, service personnel or contractors, agents of the Division, or for any other state or local law enforcement purpose.
2. Licensees must keep a current list of all authorized employees and service personnel who have access to the surveillance system. Licensees must keep a surveillance equipment maintenance activity log on the Licensed Premises to record all service activity including the identity of the individual(s) performing the service, the service date and time, and the reason for service to the surveillance system.
3. Off-site Monitoring and video recording storage of the areas identified in this Rule 3115 by the Licensee or an independent third-party is authorized as long as standards exercised at the remote location meet or exceed all standards for on-site monitoring.
4. Natural Medicine Business Licensees co-located in accordance with Rule 3105 may have a separate surveillance area or a shared surveillance area within the Licensed Premises.
 - a. Natural Medicine Businesses with identical Owner Licensees may have one central surveillance room or area located at one of the Licensed Premises that simultaneously serves all of the Natural Medicine Businesses' Licensed Premises.
 - b. Licensed Premises that do not house the surveillance recording equipment are required to have an area where surveillance may be reviewed. Nothing in this Rule is intended to prohibit a Licensee from using a computer or mobile device for surveillance review.
5. Licensed Premises where both a Natural Medicine Cultivation Facility Licensee and Natural Medicine Products Manufacturer Licensee are co-located may have one central surveillance room located at the shared Licensed Premises. See Rule 3105 – Co-Located Natural Medicine Business Licenses.

E. Video Recording and Retention Requirements.

1. All camera views of all Restricted Areas must be able to record 24 hours a day. The use of motion detection is authorized if a Licensee confirms that monitored activities are adequately recorded.
2. All surveillance recordings must be kept for a minimum of 30 days and be in a format that can be easily accessed for viewing. Absence of video surveillance may result in a negative inference at an administrative hearing.
3. The date and time must be embedded on all surveillance recordings without significantly obscuring the picture.
4. Time is to be measured in accordance with the official United States time established by the National Institute of Standards and Technology and the U.S. Naval Observatory at: <http://www.time.gov>.

5. Surveillance video recordings may not be destroyed if the Licensee knows or should have known of a pending criminal, civil, or administrative investigation, or any other proceeding for which the recording may contain relevant information. Destruction of video surveillance may result in a negative inference at an administrative hearing.

Basis and Purpose – 3120

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(j), 44-50-203(1)(k), 44-50-203(2)(i), 44-50-203(2)(j), and 44-50-203(2)(k), C.R.S. The purpose of this rule is to define the requirements to dispose of Regulated Natural Medicine Waste.

3120 – Waste Disposal

- A. All Applicable Laws Apply. Regulated Natural Medicine Waste must be stored, secured, locked, and managed in accordance with all applicable federal, state, and local statutes, regulations, ordinances, or other requirements, including but not limited to the “Regulations Pertaining to Solid Waste Sites and Facilities” (6 CCR 1007-2, Part 1) established by the Colorado Department of Public Health and Environment pursuant to the “Solid Wastes Disposal Sites and Facilities Act”, Title 30, Article 20, Part 1, C.R.S. and “Regulation No. 100 – Water and Wastewater Facility Operations Certification Requirements” (5 CCR 1003-2) established by the Colorado Department of Public Health and Environment pursuant to the Title 25, Article 9, Part 1, C.R.S.
- B. Liquid Waste. Liquid waste from Regulated Natural Medicine Businesses shall be disposed of in compliance with all applicable federal, state, and local laws, regulations, rules, and other requirements as well as local wastewater treatment plant effluent requirements and limitations.
- C. Chemical, Dangerous, and Hazardous Waste. Disposal of chemical, dangerous, and hazardous waste must be conducted in a manner consistent with federal, state, and local laws, statutes, regulations, rules, and other requirements.
- D. Regulated Natural Medicine Waste consisting of psilocybin products that are fit for human consumption must be securely stored and disposed of on the Licensed Premises or transferred to another Licensee for disposal. Licensees must store Regulated Natural Medicine Waste in either a Restricted Area or a locked waste receptacle located on the Licensed Premises until it is disposed of.
- E. Regulated Natural Medicine Waste consisting of psilocin or psilocybin that are unfit for human consumption may be stored prior to final disposal in a locked dumpster or other locked receptacle outside of the Licensed Premises or may be stored pursuant to section (D) of this Rule.
- F. A Natural Medicine Cultivation Facility may dispose of Regulated Natural Medicine Waste that is a byproduct of cultivation or processing by rendering it unusable by autoclaving the substrate at 212° Fahrenheit (100° Celsius) for 20 minutes to ensure thorough spore destruction.
- G. If a Natural Medicine Cultivation Facility or Natural Medicine Products Manufacturer generates waste while harvesting, processing, or producing finished product, or if the Regulated Natural Medicine Waste was previously designated as a finished product, the Licensee must document:
 1. A reason for the Regulated Natural Medicine Waste in the inventory tracking system.
 2. The exact time and method of destruction in the inventory tracking system.
- H. All Regulated Natural Medicine Waste containing psilocybin or psilocin must be disposed of in a manner that effectively prevents spontaneous growth of Fruiting Bodies or mycelium containing

psilocybin. Regulated Natural Medicine Waste may be rendered unusable by autoclaving the substrate to 212° Fahrenheit (100° Celsius) for at least 20 minutes.

- I. Material that has been designated as Regulated Natural Medicine Waste must be disposed of pursuant to this rule and may not be used in the production of Regulated Natural Medicine Product.
- J. All Regulated Natural Medicine Waste must be tracked in the waste log and must detail the disposal process by tracking the time and temperature or other methods that stop the Regulated Natural Medicine from producing spores.
- K. Administration Sessions at Authorized Locations Other than Healing Centers. Following an Administration Session at an authorized location other than a Healing Center, any Regulated Natural Medicine Waste must be transferred in accordance with Rule 3405 to a Natural Medicine Business for proper disposal. The Natural Medicine Business must weigh the Regulated Natural Medicine Waste upon receipt and enter the date, weight, Facilitator name, and Facilitator license number in its waste log, required in Rule 3010.
- L. A Licensee may dispose of Regulated Natural Medicine or Regulated Natural Medicine Product at any time in accordance with these Rules, as long as it is properly disposed of and tracked according to applicable inventory tracking Rules.

Basis and Purpose – 3125

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(g), 44-50-203(2)(g), 44-50-203(2)(h), and 44-50-203(2)(i), and 44-50-203(2)(p), C.R.S. The purpose of this rule is to establish minimum health and sanitary requirements for a Natural Medicine Business's Licensed Premises.

3125 – General Sanitary Requirements

- A. Reasonable Measures and Precautions. Licensees shall take all reasonable measures and precautions to ensure:
 - 1. Any individual who, by medical examination or supervisory observation, is shown to have, or appears to have, an illness, open lesion, including boils, sores, or infected wounds or any other abnormal source of microbial contamination for whom there is a reasonable possibility of contact with Regulated Natural Medicine and Regulated Natural Medicine Product shall be excluded from any operations which may be expected to result in contamination until the condition is corrected;
 - 2. All individuals working in direct contact with Regulated Natural Medicine or Regulated Natural Medicine Product shall conform with hygienic practices while on duty, including but not limited to:
 - a. Maintaining adequate personal cleanliness;
 - b. Washing hands thoroughly in an adequate hand-washing area(s) before starting work, prior to engaging in the cultivation or production of Regulated Natural Medicine and Regulated Natural Medicine Product, and at any other time when the hands may have become soiled or contaminated; and
 - c. Refraining from having direct contact with Regulated Natural Medicine or Regulated Natural Medicine Product if the person has or may have an illness, open lesion, including boils, sores, or infected wounds or any other abnormal

source of microbial contamination, until such condition is addressed and corrected.

3. Litter and waste are removed, and waste disposal systems are maintained in a manner so that they do not constitute a source of contamination in areas where Regulated Natural Medicine or Regulated Natural Medicine Product is handled;
 4. Floors, walls, and ceilings are constructed in such a manner that they may be adequately cleaned, and each is kept clean and in good repair;
 5. There is adequate lighting in all areas where Regulated Natural Medicine and Regulated Natural Medicine Product is handled, including but not limited to, processing, manufacturing, sampling, testing, storing, packaging, and labeling, and where equipment or utensils are cleaned;
 6. Licensees provide adequate screening or other protection against the entry of pests. Litter shall be disposed of so as to minimize the development of odor and minimize the potential for waste attracting pests, creating shelter for pests, or where pests breed;
 7. Any buildings, fixtures, and other facilities are maintained in a sanitary condition, including but not limited to the prevention of microorganism growth;
 8. Toxic cleaning compounds, sanitizing agents, and other chemicals shall be identified, held, stored, and disposed of in a manner that protects against contamination of Regulated Natural Medicine and Regulated Natural Medicine Product, and in accordance with any applicable local, state, or federal law, rule, regulation, or ordinance. All Safety Data Sheets from the compounds must be kept on file in accordance with Rule 3010;
 9. All operations in the receiving, inspecting, transporting, preparing, manufacturing, packaging, and storing Regulated Natural Medicine and Regulated Natural Medicine Product shall be conducted in accordance with adequate sanitation principles; and
 10. Cultivation or manufacturing materials, ingredients, and Regulated Natural Medicine and Regulated Natural Medicine Product that can support the rapid growth of undesirable microorganisms are stored in a manner that prevents the growth of these microorganisms.
- B. Hand Washing & Facilities. All Natural Medicine Businesses must have at least one toilet facility and hand-washing facility.
1. Hand washing facilities shall be adequate and convenient and be furnished with running water at a suitable temperature. Hand-washing facilities shall be located in the Licensed Premises and where good sanitary practices require employees to wash or sanitize their hands, and provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices. A sign must be posted to remind employees to wash their hands before returning to work;
 2. Each Natural Medicine Business provides its employees with adequate and readily accessible toilet facilities that are maintained in a sanitary condition and good repair by cleaning and sanitizing the facilities on a scheduled basis; and
 3. Healing Centers must have both toilet and hand-washing facilities easily accessible to Participants. These facilities may be shared with non-licensed entities, as long as the Facilitator follows the procedures outlined in the Administration Session Preparedness Plan in Rule 8035(D)(1)(a)(i).

4. Potable drinking water facilities must be available for employees and Participants.

Basis and Purpose – 3130

The statutory authority for this rule includes but is not limited to sections 44-50-104(5)(a)-(d), 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(g), 44-50-203(2)(g), 44-50-203(2)(p), 44-50-203(2)(r), and 44-50-301(4), C.R.S. The purpose of this rule is to establish the conditions under which a Natural Medicine Business may be subject to an inspection of its Licensed Premises by local authorities, including but not limited to a zoning inspection, a fire safety inspection, or a building inspection.

3130 – Local Safety Inspections

- A. A Natural Medicine Business is subject to inspection of its Licensed Premises by the local fire department, building inspector, or code enforcement officer to inspect for compliance with state law, local ordinances or rules, these governing regulations, and all other applicable state health and safety regulations.
- B. The inspection could result in additional specific standards to meet Local Jurisdiction requirements related to the operation of businesses within the Local Jurisdiction. A fire safety inspection may result in the required installation of fire suppression devices, or other means necessary for adequate fire safety. A Local Jurisdiction may also use an inspection to confirm compliance with ordinances or regulations governing the time, place, and manner of Licensee's operations.
- C. Natural Medicine Businesses must comply with Local Jurisdiction ordinances and regulations related to fire safety.

Basis and Purpose – 3205

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(j), 44-50-203(1)(b), 44-50-203(2)(g), 44-50-203(2)(i), 44-50-203(2)(k), and 44-50-203(2)(p), C.R.S. The purpose of this rule is to establish minimum requirements for a recall plan and the process by which the Division or a Natural Medicine Business initiates, performs, and terminates a recall.

3205 – Recall of Regulated Natural Medicine or Regulated Natural Medicine Product

- A. Applicability. This Rule 3205 applies to all Natural Medicine Business Licensees. Owner Licensees are responsible for the recall plan and the necessary steps for a recall in accordance with this Rule. The recall plan may designate additional Natural Medicine Handler Licensees as points of contact in the event of a recall.
- B. Initiating a Recall. A Natural Medicine Business may initiate a recall at any time, or a recall may be initiated at the Division's request. Natural Medicine Businesses must comply with the requirements of this Rule 3205.
 1. Division Request for Recall.
 - a. If the Division requests a Natural Medicine Business initiate a recall pursuant to this Rule, the Division's correspondence, which may be electronic, must include the reasons for the recall request and any other information necessary for the Natural Medicine Business to initiate the recall.
 - b. A Division request for recall does not require the Natural Medicine Business to initiate a recall. However, if the Division has reasonable grounds to believe a Licensee's Regulated Natural Medicine or Regulated Natural Medicine Product is

contaminated or otherwise presents a risk to public safety, the Division may require a Natural Medicine Business to quarantine or embargo the affected inventory.

2. Voluntary Recall.
 - a. A Natural Medicine Business may voluntarily initiate a recall.
 - b. If a Natural Medicine Business elects to initiate a recall, the Licensee must notify the Division at least 24 hours prior to notifying other Licensees, Facilitators, Participants, or other interested or affected persons in order to facilitate coordination between the Licensee and the Division.
- C. Recall Plan Required. Natural Medicine Cultivation Facilities and Natural Medicine Products Manufacturers must have a written recall plan. A recall plan shall include, but is not limited to, the following:
 1. Evaluation of a Complaint or Condition. Natural Medicine Businesses must maintain a record of all complaints it receives regarding the quality of Regulated Natural Medicine and Regulated Natural Medicine Product that has any potential negative impact to health or an adverse reaction in accordance with Rule 3015. If an initial assessment indicates a recall may be necessary, the Natural Medicine Business shall:
 - a. Determine the hazard and evaluate the safety concerns with the product;
 - b. Undertake necessary product quarantine measures for any affected Regulated Natural Medicine and Regulated Natural Medicine Product; and
 - c. Determine the appropriate product removal strategy considering the potential adverse reactions and amount of product transferred to other Licensees and Participants.
 2. Identification of Affected Regulated Natural Medicine and Regulated Natural Medicine Product. A recall plan must establish a process for identifying affected Regulated Natural Medicine and/or Regulated Natural Medicine Product, which shall include the following:
 - a. Distribution List. When identifying Regulated Natural Medicine and/or Regulated Natural Medicine Product subject to a recall, the Licensee shall create a distribution list that includes the following information:
 - i. The name, license number, and address of the Natural Medicine Business(es) that received the Regulated Natural Medicine and/or Regulated Natural Medicine Product subject to the recall;
 - ii. Ship or transfer date(s) for the Regulated Natural Medicine and/or Regulated Natural Medicine Product subject to the recall; and
 - iii. Business contact information for each Natural Medicine Business that received Regulated Natural Medicine and Regulated Natural Medicine Product subject to the recall, including names and telephone numbers.
 - b. Product Information. When identifying Regulated Natural Medicine and/or Regulated Natural Medicine Product subject to a recall, the Licensee shall document the following product information:

- i. Product description;
- ii. Net contents;
- iii. Harvest Lot and/or Production Lot number;
- iv. The license number(s) for the Natural Medicine Business(es) that cultivated or manufactured the Regulated Natural Medicine and/or Regulated Natural Medicine Product subject to the recall; and
- v. To the extent known after reasonable diligence to collect information, the recall plan must also include the following additional product information: the amount of affected Regulated Natural Medicine and Regulated Natural Medicine Product returned to the Natural Medicine Cultivation or Natural Medicine Product Manufacturer in response to the recall.

3. Notifications.

- a. A Licensee initiating a recall pursuant to this Rule shall issue a recall notice to all Natural Medicine Businesses identified on the Licensee's distribution list.
- b. No later than 48 hours after issuing a recall notice to all Natural Medicine Businesses on the Licensee's distribution list, the Licensee shall also:
 - i. Notify the Division and the Department of Public Health & Environment that the recall has been initiated; and
 - ii. Post an alert on the Licensee's website, social media, or other method of notifying Participants and Facilitators.
- c. Recall Notice. A recall notice issued by a Natural Medicine Business pursuant to this Rule shall include at least the following information:
 - i. The reason for recall and related hazards, if any. If the Regulated Natural Medicine and/or Regulated Natural Medicine Product is being removed for quality rather than health reasons, the notice may state that the Regulated Natural Medicine and Regulated Natural Medicine Product does not meet internal company specifications and is being removed from distribution;
 - ii. Natural Medicine Businesses that received the Regulated Natural Medicine and/or Regulated Natural Medicine Product;
 - iii. The License number(s) and name(s), including trade names or "doing business as" names, of the Natural Medicine Business(es) that cultivated or manufactured the Regulated Natural Medicine and/or Regulated Natural Medicine Product subject to the recall;
 - iv. Product description(s) for Regulated Natural Medicine and/or Regulated Natural Medicine Product subject to the recall;
 - v. Expiration date(s) for the Regulated Natural Medicine and/or Regulated Natural Medicine Product subject to the recall, if applicable;

- vi. Ship or transfer date(s) for the Regulated Natural Medicine and/or Regulated Natural Medicine Product subject to the recall; and
 - vii. Instructions regarding the disposition of Regulated Natural Medicine and/or Regulated Natural Medicine Product subject to the recall.
 - 4. Removal of Affected Regulated Natural Medicine and Regulated Natural Medicine Product.
 - a. Removal. A Natural Medicine Business shall make all reasonable efforts to remove the affected Regulated Natural Medicine and/or Regulated Natural Medicine Product from licensed Facilities. Affected Regulated Natural Medicine and Regulated Natural Medicine Product that is either still in control of the originating Licensee or located at another Licensed Premises shall be secured, segregated, clearly labeled "Not for Distribution," and separated from any other Regulated Natural Medicine and Regulated Natural Medicine Product.
 - b. Disposal. Regulated Natural Medicine and Regulated Natural Medicine Product subject to a recall under this Rule shall be disposed of in accordance with Rule 3120.
 - c. Recall Effectiveness. A Natural Medicine Business initiating a recall pursuant to this Rule is responsible for determining whether the recall is effective. The Licensee shall complete recall effectiveness checks to verify that all receiving Licensees have been notified and have taken the appropriate action.
 - i. Effectiveness checks shall determine:
 - A. If the receiving Licensee(s) received the recall notification;
 - B. If the recalled Regulated Natural Medicine and Regulated Natural Medicine Product was handled as instructed in the recall notification; and
 - C. If the Regulated Natural Medicine and Regulated Natural Medicine Product was further dispensed by the receiving Licensee before receipt of the recall notification, and if so, were additional Licensees, Participants, and Facilitators notified.
 - ii. If the Licensee accounts for 100 percent of the affected Regulated Natural Medicine and Regulated Natural Medicine Product, then no effectiveness checks are required.
 - 5. Annual Audit of Recall Plan. The Natural Medicine Business must annually audit their recall plan to determine if any changes in the operation of their business would require an update to the plan.
- D. Termination of Recall.
- 1. A Natural Medicine Business initiating a recall pursuant to this Rule may terminate a recall when the Licensee determines that reasonable efforts have been made to remove or correct the affected Regulated Natural Medicine and/or Regulated Natural Medicine Product in accordance with the recall plan, and when it is reasonable to assume that the Regulated Natural Medicine and/or Regulated Natural Medicine Product subject to the recall has been removed and properly disposed of, or correction has been made

commensurate with the degree of the hazard of the recalled Regulated Natural Medicine and/or Regulated Natural Medicine Product.

2. Upon termination of the recall, the Natural Medicine Business shall provide notice to the Division with a recall status report and a description of the disposition of the recalled Regulated Natural Medicine and/or Regulated Natural Medicine Product. The recall status report shall contain the following information:
 - a. Number of receiving Licensees notified of the recall, the date, and method of notification;
 - b. Number of receiving Licensees who responded to the recall notice and both the quantity of affected Regulated Natural Medicine and/or Regulated Natural Medicine Product in the possession of the Licensee at the time of the response, and quantity of affected product returned or corrected;
 - c. Number and results of the effectiveness checks that were made; and
 - d. Approximate time that was required to complete the recall.

Basis and Purpose – 3210

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(j), 44-50-203(2)(g), 44-50-203(2)(i), 44-50-203(2)(k), and 44-50-203(2)(p), C.R.S. The purpose of this rule is to establish the reasons the Division may embargo Regulated Natural Medicine and Regulated Natural Medicine Product and the process for an embargo.

3210 – Embargo of Regulated Natural Medicine and Regulated Natural Medicine Product

- A. The Division may embargo Regulated Natural Medicine and Regulated Natural Medicine Product when there are objective and reasonable grounds to believe the Regulated Natural Medicine and Regulated Natural Medicine Product poses a risk to health, safety, or welfare of Participants that imperatively requires emergency action.
- B. Notice of Embargo. A Division investigator will issue a Notice of Embargo to only the Licensee from which the Regulated Natural Medicine or Regulated Natural Medicine Product originated, including a description of the Regulated Natural Medicine or Regulated Natural Medicine Product, and identifying any permitted activities regarding the inventory subject to the embargo.
 1. Following the issuance of a notice of embargo, the Licensee shall issue a recall using the recall plan required in Rule 3205. A recall for purposes of embargo may only be terminated with approval of the Division.
 2. With Division approval, a Licensee subject to a notice of embargo may instruct other Licensees to dispose of Regulated Natural Medicine and/or Regulated Natural Medicine Product as part of the recall response.
 3. The Division may also notify Licensees that received Regulated Natural Medicine and Regulated Natural Medicine Product subject to the embargo to physically segregate and secure the embargoed Regulated Natural Medicine and Regulated Natural Medicine Product.
 4. The Director, or their designee, shall promptly approve and issue a concise statement regarding the reasons for issuing the embargo.

C. Effect of Embargo.

1. The Licensee shall completely physically segregate and secure Regulated Natural Medicine and Regulated Natural Medicine Product subject to the embargo in the Restricted Area of the Licensed Premises.
2. While the embargo is in effect, the Licensee is prohibited from transferring or transporting the embargoed Regulated Natural Medicine and Regulated Natural Medicine Product, unless otherwise authorized by these Rules or Division approval. The Licensee may choose to dispose of the embargoed Regulated Natural Medicine and Regulated Natural Medicine Product in accordance with Rule 3120 after Division approval in writing.
3. While the embargo is in effect, the Licensee must secure the embargoed Regulated Natural Medicine and Regulated Natural Medicine Product, maintain the Licensed Premises in reasonable condition according to health, safety, and sanitary standards, and must comply with all security requirements in Rules 3110 and 3115.

D. The Division or State Licensing Authority may lift, revise, or extend an embargo by agreement with the Licensee at any time after the notice of embargo was served.

E. If the State Licensing Authority has not issued a written statement articulating the objective and reasonable grounds that the health, safety, or welfare of the public requires destruction of embargoed Regulated Natural Medicine and Regulated Natural Medicine Product within 120 days of the notice of embargo, the Licensee that received the notice of embargo may submit a written request for a hearing before a Department of Revenue Hearing Officer in accordance with Rule 9040(B)(4). Any hearing will be conducted by a Department of Revenue Hearing Officer pursuant to section 24-4-105, C.R.S. and in accordance with the process described in Rule 9040.

Basis and Purpose – 3305

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(k), 44-50-203(2)(d), 44-50-203(2)(e), 44-50-203(2)(g), 44-50-203(2)(j), and 44-50-203(2)(k), C.R.S. The purpose of this rule is to define the requirements for packaging and labeling Regulated Natural Medicine and Regulated Natural Medicine Products between Natural Medicine Businesses or Facilitators. The following Rule, in conjunction with Rule 3505 - Licensee Marketing, seeks to implement measures to prevent diversion to individuals under 21 years of age, prevent accidental ingestion, and avoid the excessive commercialization of natural medicine and natural medicine services. Initially, this Rule seeks to minimize opportunities for packaging and labeling to misappropriate or exploit federally recognized American tribes, indigenous people, communities, and cultures by limiting the use of color and images on packages and labels. This rule does not limit the use of color or images in a Licensee's marketing materials, which could include branding - see Rule 3505 for additional information, requirements, and limitations on Licensee marketing.

3305 – Packaging & Labeling Requirements

A. Any transfer of Regulated Natural Medicine and Regulated Natural Medicine Product must be in a container and packaged and labeled in accordance with this Rule.

1. Servings of Regulated Natural Medicine and Regulated Natural Medicine Product.
 - a. A single Unit of Regulated Natural Medicine Product may contain no more than 10 milligrams of Total Psilocin.
 - b. A package of Regulated Natural Medicine Product may contain no more than 50 milligrams of Total Psilocin.

- c. A package of Regulated Natural Medicine may contain no more than 5 grams of dried Fruiting Bodies.
 - 2. Tincture Product Packaging. A Natural Medicine Products Manufacturer producing tincture products allowed under Rule 6005(C)(2)(a) must package the tincture product:
 - a. In a manner consistent with the requirements in subparagraph (1)(b) of this Rule; and
 - b. Affixing the package of tincture product with a measuring device that permits the Facilitator or Natural Medicine Handler Licensee to measure each serving.
 - 3. A container or package may be reused as long as it is effectively sanitized and complies with the requirements of these Rules.
 - 4. All labels must comply with the following:
 - a. The font on the label must be legible and at least 8-point font.
 - b. The date the Regulated Natural Medicine was harvested or the date the Regulated Natural Medicine Product was manufactured.
 - c. Natural Medicine Business name, License number, and Harvest Lot and/or Production Lot number.
 - d. *Psilocybe cubensis* strain type and net contents in either dried weight of the Fruiting Bodies or Total Psilocin of a manufactured product.
- B. Prior to Transfer to a Natural Medicine Products Manufacturer.
 - 1. Packaging. Prior to transfer to a Natural Medicine Products Manufacturer, Regulated Natural Medicine must have completed all required processing steps in accordance with the Licensee's standard operating procedures, including passing any required testing pursuant to Rule 4010.
 - 2. Labeling Requirements. Prior to transfer to a Natural Medicine Products Manufacturer, the Natural Medicine Cultivation Facility must affix a label that complies with paragraph (A)(4) of this Rule.
- C. Prior to Transfer to a Natural Medicine Testing Facility.
 - 1. Prior to transfer to a Natural Medicine Testing Facility, a Sample of Regulated Natural Medicine or Regulated Natural Medicine Product must be in its final form and have completed all required processing or manufacturing steps in accordance with the Licensee's standard operating procedures.
 - 2. Packaging. Samples of Regulated Natural Medicine and Regulated Natural Medicine Product must be placed into a transparent container that permits the Sample to be photographed by the Natural Medicine Testing Facility. The container must have at least 20% empty space.
 - 3. Labeling Requirements. Prior to transfer to a Natural Medicine Testing Facility, the Natural Medicine Cultivation Facility or Natural Medicine Products Manufacturer must affix a label that:

- a. Complies with paragraph (A)(4) of this Rule; and
 - b. If applicable, a list of all ingredients used to manufacture the Regulated Natural Medicine Product including identification of major allergens including milk, eggs, fish, Crustacean shellfish, tree nuts, peanuts, wheat, and soybeans.
- D. Prior to Transfer to a Healing Center or Facilitator.
 - 1. Prior to transfer to a Healing Center or Facilitator, all Regulated Natural Medicine or Regulated Natural Medicine Product must be in its final form and have completed all required processing or manufacturing steps in accordance with the Licensee's standard operating procedures and have passed all required testing in accordance with Part 4 of these Rules.
 - 2. Packaging.
 - a. Prior to transfer to a Licensed Facilitator. Regulated Natural Medicine and Regulated Natural Medicine Product transferred to a Facilitator for an Administration Session at an authorized location other than a Healing Center must be in a Child-Resistant container.
 - 3. Labeling Requirements. Prior to transfer to a Healing Center or Facilitator, the container must be affixed with a label that:
 - a. Complies with paragraph (A)(4) of this Rule;
 - b. Includes the Total Psilocin content in milligrams, and the date the tryptamine content analysis test was performed; and
 - c. If applicable, a list of all ingredients used to manufacture the Regulated Natural Medicine Product including identification of major allergens including milk, eggs, fish, Crustacean shellfish, tree nuts, peanuts, wheat, and soybeans.
 - 4. The label may include, but is not required to include, the Natural Medicine Business's logo.
 - 5. Supplemental Information. Prior to transfer to a Healing Center or Facilitator, the Natural Medicine Cultivation or Natural Medicine Product Manufacturer must provide the following information. This supplemental information may be included on the label, provided electronically, or provided in hard-copy documentation accompanying the package to the Healing Center:
 - a. If the Regulated Natural Medicine or Regulated Natural Medicine Product has been subject to shelf stability testing in accordance with Rules 5020(H)(3) or 6015(I)(3), the expiration date; or
 - b. If the Regulated Natural Medicine or Regulated Natural Medicine Product has not been subject to shelf stability testing to support an expiration date, the label must include the following statement:

"Tryptamine content must be retested every 9 months. Whoever is in possession of this product must submit it for tryptamine content analysis testing 9 months from the harvest or production date."; and

- c. Include ideal storage conditions for the Regulated Natural Medicine or Regulated Natural Medicine Product; and
 - d. Drug Interaction Warning Statement: The label must include the following statement:

“Drug Interaction Warning: This product may interact with other prescription drugs, recreational drugs, alcohol, or other substances. Special care should be taken by anyone consuming natural medicine and other prescription or recreational drugs.”
- 6. Labeling Restrictions.
 - a. A label on Regulated Natural Medicine or Regulated Natural Medicine Product shall not make any claims regarding health or physical benefits.
 - b. Labels must not be attractive to individuals under the age of 21. Colors, pictures, and cartoon images are not permitted on labels.
 - c. Labels must not use the word “candy” or “candies.”
 - d. A Regulated Natural Medicine Product cannot be labeled or packaged in a manner that would cause confusion as to whether the product was a trademarked food product.
 - e. Regulated Natural Medicine and Regulated Natural Medicine Product shall not be labeled in a way that misappropriates or exploits the identity or cultural history of Federally Recognized American Tribes, as defined in section 12-170-104(7), C.R.S., and indigenous people, their community, cultures, or religions.

Basis and Purpose – 3405

The statutory authority for this rule includes but is not limited to sections 44-50-104(5)(c), 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(h)(I)-(V), 44-50-203(1)(k), 44-50-203(1)(l), and 44-50-203(2)(j), and 44-50-203(2)(k), C.R.S. The purpose of this rule is to establish requirements for transportation of Regulated Natural Medicine and Regulated Natural Medicine Product between Natural Medicine Businesses.

3405 – Transport and Storage

- A. Persons Authorized to Transport. Only an individual who holds a valid Natural Medicine Handler License or Owner License may handle the transport of Regulated Natural Medicine, Regulated Natural Medicine Product, or Regulated Natural Medicine Waste in a vehicle on behalf of a Natural Medicine Business or between Natural Medicine Businesses. Any other passengers in the vehicle must be at least twenty-one years of age or older.
- B. Transport Between Licensed Premises.
 - 1. Licensees shall only transport Regulated Natural Medicine and Regulated Natural Medicine Product between Licensed Premises or transfer directly to a Facilitator licensed by the Department of Regulatory Agencies.
 - 2. Licensees may only transfer Regulated Natural Medicine Waste between Licensed Premises or receive Regulated Natural Medicine Waste directly from a Facilitator licensed by the Department of Regulatory Agencies.

- C. Securing Regulated Natural Medicine During Transport. Licensees transporting Regulated Natural Medicine, Regulated Natural Medicine Product, or Regulated Natural Medicine Waste must ensure that the Regulated Natural Medicine, Regulated Natural Medicine Product, or Regulated Natural Medicine Waste is stored within a locked, secured area, shielded from view from the exterior of the vehicle at all times during transport.
- D. Transport Manifest Required. A Licensee may only transport Regulated Natural Medicine, Regulated Natural Medicine Product, or Regulated Natural Medicine Waste if he, she, or they have a Division-approved transport manifest.
1. The manifest may be either a hard copy or digital/electronic version. Licensees are required to ensure all information is preserved with valid and verified signatures on any manifest. Valid and verified signatures must be dated and can be electronic.
 2. The transport manifest must include the following information:
 - a. Originating Natural Medicine Business name, License number, and address;
 - b. Receiving Natural Medicine Business or Facilitator name, License number, and address;
 - c. Name, contact information, and Natural Medicine Handler License number or Owner License number for any individual in the vehicle transporting the Regulated Natural Medicine, Regulated Natural Medicine Product, or Regulated Natural Medicine Waste;
 - d. Driver's valid state-issued driver license number;
 - e. Vehicle make, model, and license plate number;
 - f. Planned route for transportation;
 - g. Date and estimated time of departure;
 - h. Date and estimated time of arrival or completion of transport;
 - i. Address and duration of any overnight stop; and
 - j. Information about the product being transported.
 3. A Licensee shall provide a copy of the transport manifest to each Natural Medicine Business or Facilitator receiving Regulated Natural Medicine and Regulated Natural Medicine Product described in the transport manifest. To maintain transaction confidentiality, the originating Licensee may prepare a separate transport manifest for each recipient Natural Medicine Business or Facilitator.
- E. Motor Vehicle Required. A Licensee must use a motor vehicle to transport Regulated Natural Medicine and Regulated Natural Medicine Product.
1. The motor vehicle must be properly registered in the state of Colorado pursuant to motor vehicle laws but need not be registered in the name of the Licensee.
 2. The motor vehicle must be equipped with an alarm system.
 3. The motor vehicle must be insured at or above legal requirements.

4. The motor vehicle must have appropriate temperature control for transporting Regulated Natural Medicine and Regulated Natural Medicine Product.
- F. Use of Colorado Roadways. Licensees must comply with all state and local laws when transporting Regulated Natural Medicine and Regulated Natural Medicine Product on public roads in the state of Colorado.
- G. Preparation of Regulated Natural Medicine and Regulated Natural Medicine Product for Transport.
1. Licensees must weigh Regulated Natural Medicine, Regulated Natural Medicine Product, and Regulated Natural Medicine Waste prior to packaging for transport. The scale used to weigh Regulated Natural Medicine and Regulated Natural Medicine Product shall be tested and approved in accordance with measurements and standards established in section 35-14-127, C.R.S.
 2. Licensees may only weigh, package, label, and prepare for transport Regulated Natural Medicine, Regulated Natural Medicine Product, and Regulated Natural Medicine Waste in the Restricted Area.
- H. Licensee Responsibilities to Ensure Consistent Transport Information.
1. Responsibilities of Originating Licensee. Prior to departure, the originating Licensee shall adjust its records to reflect the removal of Regulated Natural Medicine and Regulated Natural Medicine Product from the Licensed Premises. The Licensee shall maintain a copy of the transport manifest pre-transport and post-receipt of Regulated Natural Medicine and Regulated Natural Medicine Product by receiving Licensee. The Licensee shall reconcile inventory based on product name and quantity with the applicable transport manifest.
 2. Responsibilities of Recipient Licensee. Upon receipt, the receiving Licensee shall ensure that the Regulated Natural Medicine and Regulated Natural Medicine Product are as described in the transport manifest and shall immediately adjust its records to reflect the receipt of inventory. The receiving Licensee shall weigh the inventory received on a scale that is tested and approved in accordance with measurement standards in section 35-14-127, C.R.S. The Licensee shall reconcile inventory based on product name and quantity with the applicable transport manifest.
 3. Discrepancies. The receiving Licensee shall document any differences between the quantity specified in the transport manifest and the quantities of Regulated Natural Medicine or Regulated Natural Medicine Product received. Licensees must maintain a record of the discrepancy, which may be included in the final, signed transport manifest.
- I. Regulated Natural Medicine and Regulated Natural Medicine Products must be transported and stored in sanitary environments and kept away from conditions that could contaminate or degrade the Regulated Natural Medicine and Regulated Natural Medicine Product.
- J. Transport of Contaminated Regulated Natural Medicine and Regulated Natural Medicine Product. In the event Regulated Natural Medicine and Regulated Natural Medicine Product has failed required testing, has been contaminated, or otherwise presents a risk of cross-contamination to other Regulated Natural Medicine and Regulated Natural Medicine Product, such Regulated Natural Medicine and Regulated Natural Medicine Product may only be transported if it is physically segregated and contained in a sealed package that prevents cross contamination.
- K. Inventory tracking procedures must be followed.

1. For each tracking event required to be tracked, the following information must be documented.
 - a. The date the Regulated Natural Medicine, Regulated Natural Medicine Product, or Regulated Natural Medicine Waste was received.
 - b. The quantity of Regulated Natural Medicine, Regulated Natural Medicine Product, or Regulated Natural Medicine Waste that was received.
 - c. The Natural Medicine Business License number, name, and phone number from which the transfer originated.
 - d. The Natural Medicine Business License number, name, and phone number where the Regulated Natural Medicine or Regulated Natural Medicine Waste originated.
 - e. If applicable, the Natural Medicine Business License number, name, and phone number for the Natural Medicine Product Manufacturer where the Regulated Natural Medicine Product was produced.
2. Licensees must report on a monthly basis all inventory tracking events from the previous calendar month in a manner prescribed by the Division, using any forms provided by the Division.

Basis and Purpose – 3505

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(j), 44-50-203(1)(k), 44-50-203(1)(m), 44-50-203(2)(a), and 44-50-203(2)(q), C.R.S. The purpose of this rule is to define the requirements and limitations on Natural Medicine Businesses in public communications promoting the Licensee, Regulated Natural Medicine, Regulated Natural Medicine Product, or Natural Medicine Services. The following rule, in conjunction with Rule 3305 - Licensee Marketing, seeks to implement measures preventing diversion to individuals under 21 years of age, prevent accidental ingestion, and avoid the excessive commercialization of natural medicine and natural medicine services. Initially, this rule seeks to minimize opportunities to misappropriate or exploit federally recognized American tribes, indigenous people, communities, and cultures by limiting the use of color and images on packages and labels. This rule does not limit the use of color or images in a Licensee's marketing materials, which could include branding - see Rule 3305 for additional information, requirements, and limitations on packaging and labeling.

3505 – Licensee Marketing

- A. Applicability. This Rule applies to any communication that markets a Licensee, the Licensee's Regulated Natural Medicine or Regulated Natural Medicine Product, or Natural Medicine Services regardless of how that communication is identified. Marketing includes, but is not limited to, advertising, public relations, branding, and other promotional effects.
- B. No Deceptive, False, or Misleading Statements. A Natural Medicine Business shall not engage in marketing communication that is deceptive, false, or misleading. A Natural Medicine Business shall not make any deceptive, false, or misleading assertions or statements on any product, any sign, or any document provided to a Participant.
- C. No Misappropriation of Federally Recognized American Tribes or Indigenous People or Culture. Natural Medicine Businesses, Regulated Natural Medicine, Regulated Natural Medicine Product and Natural Medicine Services shall not be marketed in a way that misappropriates or exploits the

identity or cultural history of Federally Recognized American Tribes as defined in section 12-170-104(7), C.R.S., or indigenous people, their community, culture or religions.

- D. No Safety Claims Because Tested. A Natural Medicine Business shall not claim that Regulated Natural Medicine or Regulated Natural Medicine Product are safe because they were tested by a Natural Medicine Testing Facility.
- E. Promotions Shall Not Appeal to Individuals Under 21 Years of Age. Natural Medicine Businesses shall not market in a way that appeals to individuals under 21 years old, including but not limited to images of minors, cartoons, toys, or similar images and items typically marketed towards minors, or reference to products that are commonly associated with minors or marketed to minors.
- F. Audience Composition Data Required. Licensees are required to maintain audience composition data demonstrating that any communication marketing the Licensee, Regulated Natural Medicine, Regulated Natural Medicine Product, or Natural Medicine Services has an audience where at least 73.6% of the audience is reasonably expected to be at least 21 years of age or older.
- G. A Natural Medicine Business may only market the Licensee's services to individuals who are legally allowed to obtain Natural Medicine Services. Licensees shall not market transfer of Regulated Natural Medicine or Regulated Natural Medicine Product for remuneration.
- H. Outdoor Marketing. Prior to engaging in outdoor marketing or advertising, the Licensee shall provide the Division with audience composition data demonstrating compliance with subpart (F) of this Rule above and documentation demonstrating compliance with local outdoor marketing or advertising restrictions. The restrictions in this Rule 3505(H) do not prohibit a sign or signs on the building where the Licensed Premises is located.

Part 4 – Regulated Natural Medicine Testing Program

Basis and Purpose – 4005

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(f), 44-50-203(2)(a), 44-50-203(2)(r) and 44-50-404(2), C.R.S. The purpose of this rule is to establish the requirement that Natural Medicine Businesses pay for required testing of Regulated Natural Medicine or Regulated Natural Medicine Product.

4005 – Costs

The cost for all sampling and tests conducted pursuant to these Rules is the responsibility of the Regulated Natural Medicine Business that is required to submit the Sample for testing. A Natural Medicine Testing Facility may require prepayment or decline to provide test results until a Regulated Natural Medicine Business remits payment for the test(s).

Basis and Purpose – 4010

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(f), 44-50-203(1)(n), 44-50-203(2)(d), 44-50-203(2)(g), and 44-50-404(2), C.R.S. The purpose of this rule is to establish the required testing and sampling procedures for Regulated Natural Medicine that a Natural Medicine Cultivation Facility must complete prior to transferring Regulated Natural Medicine.

These testing rules reflect initial rules that attempt to balance the costs to Natural Medicine Businesses and protect public health and safety. These rules are based on limited available data and prior experience with other similar programs due to the nascent nature of the Regulated Natural Medicine program. The

State Licensing Authority will monitor testing data and Participant experiences and may revise testing requirements to require more or less frequent testing, testing for additional or different contaminants, additional testing requirements if additional routes of administration are permitted and other testing updates. Further, if additional Natural Medicines are permitted in the Regulated Natural Medicine program, those may also require additional testing requirements.

4010 – Natural Medicine Cultivation Facility - Required Regulated Natural Medicine Testing

- A. Regulated Natural Medicine must pass all required testing conducted by a Natural Medicine Testing Facility prior to transfer to a Natural Medicine Products Manufacturer, Healing Center, or Facilitator.
- B. Sampling Procedures.
 - 1. Harvest Lot Sampling. Whole fungi must be fully dried to be submitted to a Natural Medicine Testing Facility. The Sample must be a mixture of parts of the Fruiting Bodies, including caps and stems of different Fruiting Bodies.
 - a. Samples collected from a Harvest Lot shall be a minimum of 2.5 grams and contain a minimum of 5 Sample Increments.
 - b. Sample Increments collected from a Harvest Lot shall be a minimum of 0.5 grams.
 - 2. Sampling Procedure Training. A Natural Medicine Cultivation Facility must provide standard operating procedures and training to any Natural Medicine Handler Licensee or Owner Licensee who will collect Samples for required testing.
 - a. The standard operating procedures and training must include at least the following topics:
 - i. These Part 4 Rules - Regulated Natural Medicine Testing Program;
 - ii. Sampling procedures or guidance established by the Division, as available;
 - iii. Cross contamination as it relates to Sample collection;
 - iv. Sample collection documentation and record keeping requirements; and
 - v. Use of and disinfection of Sample collection equipment.
- C. Required Testing - Harvest Lot Testing. Prior to transferring any Regulated Natural Medicine to a Natural Medicine Product Manufacturer, Healing Center, or Facilitator, a Natural Medicine Cultivation Facility must comply with required testing and that testing must be completed with a Sample submitted that is representative of the Harvest Lot it came from.
 - 1. Tryptamine Content Analysis Testing.
 - a. Each Harvest Lot of Regulated Natural Medicine must be submitted for tryptamine content analysis. The results of the tryptamine content analysis required in this Rule must be accurately documented in the Licensee's inventory tracking records and on the label prior to transfer to a Facilitator, Natural Medicine Products Manufacturer, or Healing Center. The tryptamine content analysis shall test for:

- i. Psilocybin;
 - ii. Psilocin;
 - iii. Baeocystin;
 - iv. Aeruginascin; and
 - v. Norbaeocystin.
 - b. Each Sample of Regulated Natural Medicine must also be tested for the presence of 4-acetoxy-N,N-Dimethyltryptamine (4-AcO DMT). The presence of any amount of 4-AcO-DMT is considered a failing test.
 - c. Failed Testing. The detection of a synthetic tryptamine or synthetic analog of a tryptamine, including a derivative of naturally occurring compounds of psilocybin or psilocin that is produced using chemical synthesis, chemical modification, or chemical conversion shall constitute a failed tryptamine content analysis test.
 - d. Tryptamine content analysis shall be conducted every nine months from the date of the original test or most recent retest. When retesting indicates a significant deviation of Total Psilocin, more than 15% higher or lower than the previous Total Psilocin, the Regulated Natural Medicine must be relabeled with the new tryptamine content.
2. Contaminant Testing - Microbial Panel. A Natural Medicine Cultivation Facility shall subject at least one Harvest Lot to the following microbial contaminant testing once every 30-day period following the Sample submission of the last Sample. If during any 30-day period the Natural Medicine Cultivation Facility does not possess a Harvest Lot that is ready for testing, the Natural Medicine Cultivation Facility must subject its first Harvest Lot that is ready for testing to the required contaminant testing prior to transfer to a Facilitator, Healing Center, or Natural Medicine Products Manufacturer.
- a. Each Sample of Regulated Natural Medicine must be submitted for the following microbial contaminant tests:
 - i. Salmonella. *Salmonella* must be absent from the Sample.
 - ii. Shiga toxin producing *Escherichia coli* (STEC). STEC must be absent from the Sample.

Basis and Purpose – 4015

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(f), 44-50-203(1)(n), 44-50-203(2)(d), 44-50-203(2)(g), and 44-50-404(2), C.R.S. The purpose of this rule is to establish the required testing and sampling procedures for Regulated Natural Medicine Product that a Natural Medicine Products Manufacturer must complete prior to transferring Regulated Natural Medicine Product.

These testing rules reflect initial rules that attempt to balance the costs to Natural Medicine Businesses and protecting public health and safety. These rules are based on limited available data and prior experience with other similar programs due to the nascent nature of the Regulated Natural Medicine program. The State Licensing Authority will monitor testing data and Participant experiences and may revise testing requirements to require more or less frequent testing, testing for additional or different contaminants, additional testing requirements if additional routes of administration are permitted and

other testing updates. Further, if additional Natural Medicines are permitted in the Regulated Natural Medicine program, those may also require additional testing requirements.

4015 – Natural Medicine Products Manufacturer - Required Regulated Natural Medicine Product Testing.

- A. Regulated Natural Medicine Product must pass all required testing conducted by a Natural Medicine Testing Facility prior to transfer to another Natural Medicine Products Manufacturer, Healing Center, or Facilitator.
- B. Sampling Procedures.
1. Production Lots of Regulated Natural Medicine.
- a. A Sample shall contain at least the number of Sample Increments required by the Division for a given Production Lot size, as described in the table below.
- b. A Sample Increment shall contain at least one discrete unit that comprises the Production Lot (e.g. one capsule, one chocolate bar).
- c. If the Production Lot will be transferred in packages that contain more than one Unit, a Sample shall contain at least two packages.
- d. A Sample shall contain at least the minimum amount of Regulated Natural Medicine Product required by the Natural Medicine Testing Facility to perform all of the tests requested by the submitting Natural Medicine Business.
- e. Required Natural Medicine Product Sampling. See the table below. Minimum Sample Increment = 1 Unit.

Number of Units within the Production Lot	Minimum Number Sample Increments per Sample
0-99	5
100-999	8
1000-4999	15
5000-9999	22
10000-49999	33
50000 or more	43

2. Sampling Procedure Training. A Natural Medicine Products Manufacturer must provide standard operating procedures and training to any Natural Medicine Handler Licensee or Owner Licensee who will collect Samples for required testing.

- a. The standard operating procedures and training must include at least the following topics:
 - i. These Part 4 Rules - Regulated Natural Medicine Testing Program;
 - ii. Sampling procedures or guidance established by the Division, as available;
 - iii. Cross contamination as it relates to Sample collection;
 - iv. Sample collection documentation and record keeping requirements; and
 - v. Use and disinfection procedures of Sample collection equipment.
- C. Required Testing - Production Lot Testing. Prior to transferring any Regulated Natural Medicine Product, a Natural Medicine Products Manufacturer must comply with required testing and that testing must be completed with a Sample submitted that is representative of the Production Lot it came from. The Sample must be of sufficient size and increments to determine the homogeneity of the product.
 - 1. Tryptamine Content Analysis Testing.
 - a. Each Production Lot of Regulated Natural Medicine Product must be submitted for tryptamine content analysis. The results of the tryptamine content analysis required in this Rule must be accurately documented in the Licensee's inventory tracking records and on the label prior to transfer to a Facilitator, Natural Medicine Products Manufacturer, or Healing Center.
 - i. Psilocybin;
 - ii. Psilocin;
 - iii. Baeocystin;
 - iv. Aeruginascin; and
 - v. Norbaeocystin.
 - b. Each Sample of Regulated Natural Medicine Product must also be tested for the presence of 4-acetoxy-N,N-Dimethyltryptamine (4-AcO DMT). The presence of any amount of 4-AcO-DMT is considered a failing test.
 - c. Failed Testing. The detection of a synthetic tryptamine or synthetic analog of a tryptamine, including a derivative of naturally occurring compounds of psilocybin or psilocin that is produced using chemical synthesis, chemical modification, or chemical conversion shall constitute a failed tryptamine content analysis test.
 - d. Tryptamine content analysis shall be conducted every nine months from the date of the original test or most recent retest. When retesting indicates a significant deviation of Total Psilocin, more than 15% higher or lower than the previous Total Psilocin, the Regulated Natural Medicine Product must be relabeled with the new tryptamine content.
 - 2. Homogeneity. Each Production Lot must be tested to ensure homogeneous distribution of tryptamines throughout the Production Lot. For homogeneity testing, a Natural Medicine

Products Manufacturer must submit a minimum of four servings from a minimum of two separate items (e.g. four capsules of dried, powdered mushrooms or two complete chocolate bars if each bar contains more than one serving). A Production Lot is considered to have a homogeneous distribution of tryptamines if each serving of no more than 10 milligrams Total Psilocin that is submitted for homogeneity testing is within 15.0% of the labeled value and the relative standard deviation of the four servings is less than 15.0%.

3. Contaminant Testing - Microbial Panel. A Natural Medicine Products Manufacturer shall subject at least one Production Lot to the following microbial contaminant testing once every 30-day period following the Sample submission of the last Sample. If during any 30-day period the Natural Medicine Products Manufacturer does not possess a Production Lot that is ready for testing, the Natural Medicine Products Manufacturer must subject its first Production Lot that is ready for testing to the required contaminant testing prior to transfer to a Facilitator or Healing Center.
 - a. Each Sample of Regulated Natural Medicine Product must be submitted for the following microbial contaminant tests:
 - i. Salmonella. *Salmonella* must be absent from the Sample.
 - ii. Shiga toxin producing *Escherichia coli* (STEC). STEC must be absent from the Sample.

Basis and Purpose – 4020

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(f), 44-50-203(1)(j), 44-50-203(2)(d), 44-50-203(2)(g), 44-50-203(2)(r), and 44-50-404(2), C.R.S. The purpose of this rule is to establish the Natural Medicine Division's authority to request testing at any time and to require the Licensee to submit Samples for any required tests to a Natural Medicine Testing Facility.

These testing rules reflect initial rules that attempt to balance the costs to Natural Medicine Businesses and protect public health and safety. These rules are based on limited available data and prior experience with other similar programs due to the nascent nature of the Regulated Natural Medicine program. The State Licensing Authority will monitor testing data and Participant experiences and may revise testing requirements to require more or less frequent testing, testing for additional or different contaminants, additional testing requirements if additional routes of administration are permitted and other testing updates. Further, if additional Natural Medicines are permitted in the Regulated Natural Medicine program, those may also require additional testing requirements.

4020 – Division Directed Testing

- A. Upon direction by the Division or the State Licensing Authority, a Natural Medicine Business must submit one or more Samples of Regulated Natural Medicine or Regulated Natural Medicine Product for any tests required under this Rule and other tests as may be necessary for investigation. If the Division directs a test, the results will be shared with the Natural Medicine Business.
- B. Samples collected pursuant to this Rule may be tested for tryptamine content, Total Psilocin, or contaminants which may include, but is not limited to, pesticides, microbial contaminants, mycotoxins, elemental impurities, residual solvents, or other chemical contaminants.
- C. A Licensee must submit a Sample(s) to a Natural Medicine Testing Facility within 48 hours of receiving a Division directive for additional testing, unless otherwise noted in the directive.

- D. The Division may elect, at its sole direction, to assign Division representatives to collect Samples.
- E. The Division may issue a Notice of Embargo or Notice of Destruction pursuant to Rule 3210 based on test results that pose a risk to public health, safety, or welfare.

Basis and Purpose – 4025

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(f), 44-50-203(1)(l), 44-50-203(2)(d), 44-50-203(2)(g), 44-50-203(2)(i), 44-50-203(2)(k), and 44-50-203(2)(r), and 44-50-404(2), C.R.S. The purpose of this rule is to establish the procedures and requirements when a Natural Medicine Business is notified that Regulated Natural Medicine or Regulated Natural Medicine Product fails testing.

These testing rules reflect initial rules that attempt to balance the costs to Natural Medicine Businesses and protect public health and safety. These rules are based on limited available data and prior experience with other similar programs due to the nascent nature of the Regulated Natural Medicine program. The State Licensing Authority will monitor testing data and Participant experiences and may revise testing requirements to require more or less frequent testing, testing for additional or different contaminants, additional testing requirements if additional routes of administration are permitted and other testing updates. Further, if additional Natural Medicines are permitted in the Regulated Natural Medicine program, those may also require additional testing requirements.

4025 – Failed Test Procedures

- A. Failed Contaminant Tests. If a Regulated Natural Medicine Business is notified by a Natural Medicine Testing Facility or the Division of a failed contaminant test, then for each Sample the Natural Medicine Business must destroy and document the destruction of the Harvest Lot or Production Lot in the inventory tracking system, according to the waste Rule 3120.
- B. If a Licensee's Sample fails contaminant testing, the Licensee shall submit Samples from the next five Harvest Lots or Production Lots for the failed test type(s) by a Natural Medicine Testing Facility regardless of amount of time between each Harvest Lot or Production Lot.
 - 1. If the results of any of the next five tests fail a contaminant test, the Natural Medicine Business must complete a required CAPA plan under Rule 5020(E)(3) or 6015(E)(3) and submit the results and any revisions to the Division. The Division will review the revised plan and may conduct an inspection to confirm compliance with the plan.
 - 2. If any lot has failed contaminant testing, it cannot be further transferred until the Natural Medicine Business fulfills the CAPA plan and the Division confirms through inspection that the Nonconformances were addressed.

Part 5 – Regulated Natural Medicine Cultivation License Requirements

Basis and Purpose – 5005

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(d), 44-50-203(1)(i), 44-50-203(1)(l), 44-50-203(1)(n), 44-50-203(2)(a), and 44-50-402, C.R.S. The purpose of this rule is to establish licensing tiers and transfer authority for Natural Medicine Cultivation Facilities. The Division intends to revisit this rule and the cultivation tiers outlined in this Part 5 during a future rulemaking proceeding once baseline information and data is available from the Regulated Natural Medicine Program in order to determine if additional revisions to cultivation tiers are appropriate. Additional revisions may include a reduction or increase in the amount of Regulated Natural Medicine a Natural Medicine Cultivation Facility may cultivate and store on the Licensed Premises.

5005 – License Privileges

- A. A Natural Medicine Cultivation Facility Licensee may only exercise the License privileges granted by the State Licensing Authority and these Rules.
1. No later than thirty days after beginning operations, the Natural Medicine Cultivation Facility Licensee must submit complete floor plans or diagrams of the Licensed Premises to the Division in a manner prescribed by the Division. Floor plans or diagrams must clearly show any areas designated as Administration Areas, if co-located with a Healing Center, any areas designated as Restricted Areas, and security camera placement required by these Rules.
 2. Micro-Cultivation Tier. A Natural Medicine Cultivation Facility Licensee who has obtained a micro-cultivation tier License may store Regulated Natural Medicine up to 750 grams of dried Fruiting Bodies.
 3. Standard Cultivation Tier. All new Natural Medicine Cultivation Facility Licensees are standard cultivation tier Licenses, unless the Licensee applied for and received a micro-cultivation tier License.
 - a. A standard cultivation tier License may store up to 5.000 kilograms of dried Fruiting Bodies of Regulated Natural Medicine at any one time.
 - b. In accordance with Rule 5015, a standard cultivation tier Licensee who can demonstrate demand in a manner and on a form prescribed by the Division may apply for approval to cultivate, process, and store more than 5.000 kilograms of dried Fruiting Bodies.
- B. Authorized Regulated Natural Medicine Sources.
1. A Natural Medicine Cultivation Facility may only use *Psilocybe cubensis* spores and mycelium from the Licensee's previous inoculations to cultivate Regulated Natural Medicine. The Natural Medicine Cultivation Facility must maintain complete and accurate records of spore sources, including certificates of analysis or other documentation demonstrating the spore species, if available.
 2. A Natural Medicine Cultivation Facility may accept transfers of Regulated Natural Medicine Waste from another Natural Medicine Cultivation Facility, a Natural Medicine Products Manufacturer, a Healing Center, or a Facilitator licensed by the Department of Regulatory Agencies to dispose of the Regulated Natural Medicine Waste. The Regulated Natural Medicine Waste must be tracked in the waste log and must be handled in accordance with the transfer requirements in Rule 3405.
- C. Authorized Transfers.
1. A Natural Medicine Cultivation Facility may transfer Regulated Natural Medicine to a Natural Medicine Manufacturing Facility, a Natural Medicine Testing Facility, and a Healing Center in accordance with this subparagraph (C)(1).
 - a. Prior to transfer to a Natural Medicine Testing Facility, the Regulated Natural Medicine must comply with packaging requirements in Rule 3305(C).
 - b. Prior to transfer to a Healing Center, the Regulated Natural Medicine must pass all required testing in Rules 4005 - 4015.

- c. Prior to transfer to a Healing Center or Facilitator, the Regulated Natural Medicine must be packaged and labeled pursuant to Rule 3305(D).
 - d. Prior to transfer to a Natural Medicine Products Manufacturer, the Regulated Natural Medicine must be packaged and labeled pursuant to Rule 3305(B).
 - 2. A Natural Medicine Cultivation Facility may transfer up to 750 milligrams of Total Psilocin at one time of Regulated Natural Medicine that has passed all required testing and is packaged and labeled pursuant to Rule 3305(D) to a Facilitator for Administrations Sessions at authorized locations other than Healing Centers in accordance with this Rule.
 - a. Facilitator Request Requirements. A Natural Medicine Cultivation Facility may only transfer Regulated Natural Medicine to a Facilitator after receiving and verifying the Facilitator's request. All requests for Facilitator transfers must including the following information:
 - i. The Facilitator's Department of Regulatory Agencies issued license number;
 - ii. The requested amount of Regulated Natural Medicine;
 - iii. The number of Administration Sessions the Facilitator is requesting Regulated Natural Medicine for;
 - iv. The number of Participants that will be consuming the requested Regulated Natural Medicine; and
 - v. The requested date for pick-up.
 - b. Request Verification. A Natural Medicine Cultivation Facility must verify the Facilitator's Department of Regulatory Agencies issued license number in order to complete the transfer.
 - 3. All transfers of Regulated Natural Medicine must comply with transport and inventory tracking requirements in Rules 3405 and 5025.
- D. Cultivation & Processing Privileges. A Natural Medicine Cultivation Facility Licensee may cultivate, process, package, and label Regulated Natural Medicine, including inoculation, harvesting, and processing.
 - 1. A Natural Medicine Cultivation Facility Licensee may process harvested Regulated Natural Medicine into whole dried Fruiting Bodies.
 - 2. A Natural Medicine Cultivation Facility Licensee shall not produce Regulated Natural Medicine Product, which requires a Natural Medicine Products Manufacturer License.
- E. Research and Development Testing. A Natural Medicine Cultivation Facility may conduct or submit Samples to a Natural Medicine Testing Facility for research and development testing on Regulated Natural Medicine.
 - 1. A Natural Medicine Cultivation Facility may not conduct or submit Samples to a Natural Medicine Testing Facility for any research and development testing on any Regulated Natural Medicine obtained from a source other than the Natural Medicine Cultivation Facility.

2. Results of research and development testing conducted under this subparagraph E shall not count towards the fulfillment of any required testing mandated by these Rules.
3. The Natural Medicine Cultivation Facility Licensee must maintain full and accurate records regarding research and development test procedures, results, and other standard operating procedures consistent with these Rules.

Basis and Purpose – 5010

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(g), 44-50-203(1)(l), 44-50-203(2)(a), 44-50-203(2)(c), 44-50-203(2)(g), and 44-50-402(1), C.R.S. The purpose of this rule is to identify prohibited actions by Natural Medicine Cultivation Facilities.

5010 – Prohibited Acts

- A. A Natural Medicine Cultivation Facility shall not use pesticides and fungicides in the cultivation of Regulated Natural Medicine. If the Division has reason to believe that pesticides or fungicides were used in the cultivation of Regulated Natural Medicine, a pesticide test will be requested per Rule 4020. The State Licensing Authority shall initiate an administrative action if test results indicate the presence of pesticides or fungicides, may embargo any contaminated Regulated Natural Medicine, and may require the Licensee to initiate a recall per Rule 3205.
- B. Transfer to unlicensed persons prohibited. A Natural Medicine Cultivation Facility shall not transfer any Regulated Natural Medicine to a person who does not hold a Natural Medicine Business License, or a Facilitator licensed by the Department of Regulatory Agencies under article 170 of title 12 in accordance with Rule 5005. Only a Natural Medicine Handler Licensee or Owner Licensee may receive Regulated Natural Medicine on behalf of a Natural Medicine Business.
- C. One Natural Medicine Cultivation Facility per Licensed Premises. A Licensed Premises shall only have one Natural Medicine Cultivation Facility License.

Basis and Purpose – 5015

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(g), 44-50-203(1)(i), 44-50-203(1)(n), 44-50-203(2)(a), 44-50-203(2)(f), and 44-50-203(2)(k), C.R.S. The purpose of this rule is to identify the permissible inventory and inventory management requirements for Natural Medicine Cultivation Facilities. The Division intends to revisit this rule and the cultivation tiers outlined in this Part 5 during a future rulemaking proceeding once baseline information and data is available from the Regulated Natural Medicine Program in order to determine if additional revisions to cultivation tiers are appropriate. Additional revisions may include a reduction or increase in the amount of Regulated Natural Medicine a Natural Medicine Cultivation Facility may cultivate and store on the Licensed Premises.

5015 – Production and Inventory Management

- A. A Natural Medicine Cultivation Facility Licensee may only possess up to the maximum amount of Natural Medicine permitted by the Licensee's cultivation tier and in accordance with these Rules.
- B. Security Measures.
 1. A Natural Medicine Cultivation Facility Licensee who has obtained a micro-cultivation tier must store all Regulated Natural Medicine in a secured, locked place that is:

- a. Accessible only to the Owner Licensee(s) and/or Natural Medicine Handler Licensee(s); and
 - b. Monitored by video surveillance while Regulated Natural Medicine is possessed or stored on the Licensed Premises.
 2. All other Natural Medicine Cultivation Facility Licensees must comply with all security and surveillance requirements in Rules 3110 and 3115.
- C. Cultivation Tiers. Each Natural Medicine Cultivation Facility shall be designated as either a micro-cultivation tier or a standard cultivation tier for purposes of production and inventory management.
 1. Requests to Cultivate, Possess, and Store More than 5.000 Kilograms of Dried Fruiting Bodies. A Natural Medicine Cultivation Facility Licensee in the standard cultivation tier may apply in a manner prescribed by the Division for approval to cultivate, possess, and store more than 5.000 kilograms of dried Fruiting Bodies. The Division may consider the following in determining whether to approve the request:
 - a. The Natural Medicine Cultivation Facility making the request has consistently transferred Regulated Natural Medicine to other Natural Medicine Businesses or Facilitators in the preceding 180 days;
 - b. The Natural Medicine Cultivation Facility making the request has entered into a written agreement(s) or contract(s) with a Healing Center or Facilitator to provide Regulated Natural Medicine for Administration Sessions that demonstrate the basis for the request;
 - c. The Natural Medicine Cultivation Facility making the request has either entered into written agreement(s) or contract(s) with a Natural Medicine Products Manufacturer and the additional request is necessary to make Natural Medicine Product;
 - d. The Natural Medicine Cultivation Facility making the request has an established history of responsible cultivation, and transfers of Regulated Natural Medicine;
 - e. The Natural Medicine Cultivation Facility and its Owner Licensees have not been subject to an administrative action issued by the State Licensing Authority in the preceding 180 days;
 - f. The Natural Medicine Cultivation Facility making the request will be conducting research and development; and
 - g. Any other information requested to aid the Division in its evaluation of the request.
 2. Notification of Reduction in Cultivation Tier from Standard Tier to Micro-Cultivation Tier. A Natural Medicine Cultivation Facility Licensee in the standard cultivation tier may choose to change its designation to a micro-cultivation tier by notifying the Division in a manner prescribed by the Division. Upon written confirmation that the Division received the notification, the Natural Medicine Cultivation Facility License will be considered a micro-cultivation tier license.

Basis and Purpose – 5020

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(g), 44-50-203(1)(j), 44-50-203(2)(e), 44-50-203(2)(g), 44-50-203(2)(h), 44-50-203(2)(i), 44-50-203(2)(j), 44-50-203(2)(k), 44-50-203(2)(p), C.R.S. The purpose of this rule is to establish health and sanitation requirements for Natural Medicine Cultivation Facilities and the equipment used at Natural Medicine Cultivation Facilities, record requirements, waste and destruction requirements for contaminated Natural Medicine, and storage, packaging and labeling requirements.

5020 – Cultivation Procedures

- A. Regulated Natural Medicine must be produced in a sanitary environment, where all surfaces are maintained and kept in a clean manner.
 - 1. Filters for air conditioning, ventilation, and air filtration systems must be cleaned and replaced regularly. Overhead light fixtures must be reasonably free of dust and insects.
 - 2. Water must be potable. If well water is used, wells must be maintained to protect them from contamination. Floors must drain adequately, and there shall not be standing water on the floor of the Licensed Premises.
- B. Cultivation Activities - Premises and Safety Requirements.
 - 1. Toxic cleaning compounds, sanitizing agents, and other chemicals shall be identified, held, stored, and disposed of in a manner that protects against contamination of Regulated Natural Medicine, and in accordance with any applicable local, state, or federal law, rule, regulation, or ordinance. The use of any of the above compounds must be tracked in the safety data sheet, which must be kept in accordance with Rule 3010.
 - 2. Ambient oxygen and CO2 monitors with alarms for elevated CO2 levels (>1000 ppm) must be used in any fruiting rooms. CO2 monitors should be placed at eye level.
 - 3. All individuals working in direct contact with Regulated Natural Medicine in open-air cultivation rooms must have access to appropriate respiratory protection equipment to prevent mushroom worker's lung.
 - 4. The movement of employees between growing areas and substrate production areas must be controlled to prevent contamination.
 - 5. Any receiving areas for raw materials or substrate must be located away from areas where harvest containers, packaging materials, spores, and other sanitary supplies are received. This includes where Regulated Natural Medicine is located.
- C. Equipment. Equipment must be maintained to prevent contamination.
 - 1. Equipment must be maintained to ensure it is in proper working order and does not contribute to contamination. All lubricants used on machinery with direct or indirect food contact and all processing aids must be food grade.
 - 2. Suppliers of baskets, lugs, trays, tills and boxes must provide documentation that the material purchased is approved by the FDA for food contact surfaces.
 - a. Harvest baskets, lugs, and trays must be cleaned and sanitized before use or stored, and maintained to prevent splinters or shards. Containers with Regulated Natural Medicine must be clearly marked for this purpose and not be used for any other purpose

3. Temperature probes and supporting hardware to monitor growing conditions must be monitored and calibrated on a regular basis. Only non-mercury thermometers are allowed.
 4. Cultivation Equipment. All harvesting equipment must be cleaned and sanitized prior to harvesting, and on a scheduled basis.
 - a. Baskets, lugs, trays and boxes used for harvesting must not contact the floor. Any filled harvest containers must be moved from growing rooms to staging areas in order to not contact the floor. If any Regulated Natural Medicine comes in contact with the floor, it must be discarded.
 - b. Once Regulated Natural Medicine is harvested, it must be placed in a container that is protected from materials that could fall into it.
- D. Cultivation materials.
1. Cultivation materials, ingredients, and Regulated Natural Medicine that can support the rapid growth of undesirable microorganisms must be stored in a manner that prevents the growth of these microorganisms.
 2. Substrate Preparation. Any unpasteurized substrate and storage areas must be adequately separated from areas where pasteurized substrate is stored to prevent cross-contamination.
 - a. Appropriate measures must be in place to prevent any seepage or runoff from the unpasteurized substrate preparation area by collecting or diverting it from the pasteurized substrate area.
- E. Records. All records must be kept on file in accordance with Rule 3010.
1. If a Natural Medicine Cultivation Facility uses raw materials in the production of Regulated Natural Medicine, the Licensee must obtain and maintain documentation of the substrate, compost or other cultivation materials purchased, including the date of purchase.
 2. Standard Operating Procedures (SOP). A Natural Medicine Cultivation Facility must have standard operating procedures for each method of cultivation on file, and available upon request for inspection by the Division. The SOP must include:
 - a. A documented Regulated Natural Medicine safety plan, including worker training on proper Regulated Natural Medicine handling, hand washing, hair restraint, and use of gloves.
 - b. Handling of Chemicals. Written procedures must document how workers are trained on the proper use of chemicals, and containers used to store chemical solutions are clearly marked with the common name of the chemical, and instructions for proper use, and non-food containers are used to prepare and hold all chemical solutions.
 - c. Pest Control. Written procedures must document pest control strategies. All pest control devices must be located away from products so as to avoid contamination. At least one pest control device should be within 10 feet of each side of an outside entrance. If used, poison bait stations are used exclusively on the outside of the building. If used, all live traps are placed a maximum of 30 feet

apart and at entrances. If pest lights are used, they must be placed so as to not attract pests into the building. All pest control devices are located on a map.

- d. Cultivation Materials and Procedures. Written documentation of materials used to cultivate Regulated Natural Medicine, including any equipment, ingredients, substrate, raw materials, spore type, and any additives.
 - e. Instructions for Cultivation and Sampling. Specific instructions detailing each step in the cultivation process, including the expected yield of the cultivation. Written sampling procedures including Sample collection and test submission steps.
3. Corrective Action Preventative Action. A Natural Medicine Cultivation Facility shall establish and maintain written procedures for implementing corrective action and preventive action (CAPA). The written procedures shall include the requirements listed below as determined by the Licensee. All activities required under this Rule, and their results, shall be documented and kept as business records. The written procedures shall include requirements, as appropriate, for:
- a. What constitutes a Nonconformance in the Licensee's business operation;
 - b. Analyzing processes, work operations, reports, records, service records, complaints, returned product, and/or other sources of data to identify existing and potential root causes of Nonconformances or other quality problems;
 - c. Investigating the root cause of Nonconformances relating to product, processes, and the quality system;
 - d. Identifying the action(s) needed to correct and prevent recurrence of Nonconformance and other quality problems;
 - e. Verifying the CAPA to ensure that such action is effective and does not adversely affect finished products;
 - f. Implementing and recording changes in methods and procedures needed to correct and prevent identified quality problems;
 - g. Ensuring the information related to quality problems or Nonconformances is disseminated to those directly responsible for assuring the quality of products or the prevention of such problems; and
 - h. Submitting relevant information on identified quality problems and CAPA documentation, and confirming the result of the evaluation, for management review.
4. Any Adverse Health Events required to be reported in Rule 3015.
5. Certificates of Analysis. All certificates of analysis provided to the Natural Medicine Cultivation Facility by a Natural Medicine Testing Facility for any Samples submitted for testing shall be maintained on the Licensed Premises in accordance with Rule 3010.
- F. Contaminated Regulated Natural Medicine.
- 1. If a Sample that was submitted for testing is contaminated or adulterated, the Harvest Lot must be disposed of according to Rule 3120.

2. If any Regulated Natural Medicine is exposed to blood or bodily fluids or is found to contain filth or foreign matter, it must be disposed of according to Rule 3120.
- G. Directed Testing. A Natural Medicine Cultivation Facility Licensee shall, upon the Division's direction, submit a sufficient quantity of Regulated Natural Medicine to a Natural Medicine Testing Facility for laboratory or chemical analysis in accordance with Rule 4020. The Division will notify the Licensee of the results of the analysis.
- H. Storage, Packaging, and Labeling.
1. Storage. After cultivation, Regulated Natural Medicine should follow best practices for storage prior to packaging. Current best practices for the storage of psilocybin-containing products are to store them at room temperature in darkness and away from moisture or with devices to absorb moisture to improve the stability of the active ingredients in the products.
 2. Packaging. All Regulated Natural Medicine must be packaged in accordance with Rule 3305.
 3. Labeling. All Regulated Natural Medicine must be labeled in accordance with Rule 3305.
 - a. A Natural Medicine Cultivation Facility may establish an expiration date upon which the Regulated Natural Medicine's Total Psilocin will differ by an amount greater than +/- fifteen percent from the original test results.
 - b. The Licensee shall determine the expiration date by conducting the required testing pursuant to Rule 4010 on the Regulated Natural Medicine to ensure the Regulated Natural Medicine can pass tryptamine content and contaminant testing through the established expiration date.
 - c. When determining the expiration date pursuant to this Rule, the Licensee shall also consider the ideal storage conditions for the Regulated Natural Medicine.
 - d. Expiration date determinations, along with any data used to establish the expiration date, such as test results, shall be documented and maintained in the Licensee's records pursuant to these Part 5 Rules and Rule 3010.
- I. Internal Audit. Natural Medicine Cultivation Facilities must conduct an annual internal audit to assess that they are in substantial compliance with the requirements of this Rule 5020. A copy of the internal audit shall be retained as business records for one year.

Basis and Purpose - 5025

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(h), 44-50-203(1)(j), 44-50-203(1)(k), 44-50-203(2)(i), 44-50-203(2)(k), 44-50-203(2)(r), C.R.S. The purpose of this rule is to establish requirements for Natural Medicine Cultivation Facilities to record and track Regulated Natural Medicine transferred to and from Natural Medicine Cultivation Facilities.

5025 – Minimum Inventory Tracking Requirements

- A. All Natural Medicine Cultivation Facilities must have at least one designated Natural Medicine Handler Licensee or Owner Licensee to maintain inventory records.

1. For each tracking event required to be tracked, information must be documented in accordance with subparagraph (A)(3) of this Rule and Rule 3405.
2. Licensees must report on a monthly basis all inventory tracking events from the previous calendar month in a manner prescribed by the Division, using any forms provided by the Division.
3. Tracking Events. For purposes of required inventory tracking, tracking events include events when Regulated Natural Medicine progresses through the cultivation process and moves from the Natural Medicine Cultivation Facility to another Natural Medicine Business or Facilitator. Tracking events include at least the following:
 - a. Harvest Lot activities required by these Rules;
 - b. Transfers of Regulated Natural Medicine permitted by these Rules.

B. Natural Medicine Cultivation Tracking Requirements.

1. The following tracking information must be kept on the inventory tracking document and kept as a Business Record according to Rule 3010.
 - a. The Harvest Lot number. The following naming conventions must be used to assign a Harvest Lot number by a Natural Medicine Cultivation: Two-digit year, two-digit month, two-digit day. For example, January 1, 2024 would be 240101.
 - b. The wet weight of the harvest.
 - c. The dried weight of the harvest.
 - d. *Psilocybe cubensis* strain type.
 - e. The date of the initial packaging.
 - f. Bill of Materials (BOM) detailing the weight, measure or count of each component or ingredient needed to process the Harvest Lot;
2. The following tracking information must be kept on the inventory tracking document for transfer to a Natural Medicine Testing Facility:
 - a. Harvest Lot number;
 - b. Sample weight;
 - c. Date of transfer;
 - d. The Natural Medicine Testing Facility's License number, name, and phone number.
3. The following tracking information must be kept on the inventory tracking document for transfer to a Natural Medicine Product Manufacturer:
 - a. Harvest Lot number;
 - b. Weight (in grams) of the Regulated Natural Medicine;

- c. Date of the transfer; and
 - d. The Natural Medicine Product Manufacturer's License number, name, and phone number.
- 4. The following tracking information must be kept on the inventory tracking document for transfer to a Facilitator.
 - a. Harvest Lot number;
 - b. Weight of the Regulated Natural Medicine;
 - c. Date of the transfer;
 - d. If applicable, the Facilitator's Natural Medicine Handler License number, name, and phone number; and
 - e. The information required by Rule 5005(C)(2)(a).
- 5. The following tracking information must be kept on the inventory tracking document for transfer to a Healing Center.
 - a. Harvest Lot number;
 - b. Weight of the Regulated Natural Medicine;
 - c. Date of the transfer; and
 - d. The Healing Center's License number, name, and phone number.
- 6. If a Natural Medicine Cultivation Facility generates waste while harvesting, processing, or producing Regulated Natural Medicine, or if the Regulated Natural Medicine Waste was previously designated as a finished product, the Licensee must document:
 - a. A reason for the Regulated Natural Medicine Waste in the inventory tracking document.
 - b. The exact time and method of destruction in the inventory tracking document.

Part 6 – Regulated Natural Medicine Product Manufacturing License Requirements

Basis and Purpose – 6005

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(i), 44-50-203(1)(k), 44-50-203(1)(l), 44-50-203(2)(a), 44-50-203(2)(d), 44-50-203(2)(g), 44-50-203(2)(k), and 44-50-403(1), C.R.S. The purpose of this rule is to establish the privileges and permitted acts for Natural Medicine Product Manufacturers.

6005 – License Privileges

- A. A Natural Medicine Products Manufacturer Licensee may only exercise the License privileges established under the Natural Medicine Code and granted by the State Licensing Authority pursuant to these Rules.

1. No later than thirty days after beginning operations, the Natural Medicine Products Manufacturer Licensee must submit complete floor plans or diagrams of the Licensed Premises to the Division in a manner prescribed by the Division. Floor plans or diagrams must clearly show any areas designated as Administration Areas, if co-located with a Healing Center, any areas designated as Restricted Areas, and security camera placement required by these Rules.
- B. A Natural Medicine Product Manufacturer may only manufacture, distribute, and transfer Regulated Natural Medicine Product intended for oral ingestion, and limited to the following product types intended for oral ingestion, unless the Licensee has an extraction endorsement pursuant to subparagraph (C) of this Rule:
 1. Intended for Oral Ingestion
 - a. Capsules; and
 - b. Tea bags.
 2. No other Regulated Natural Medicine Product type is allowed to be produced or transferred unless in accordance with subparagraph (C) of this Rule.
- C. Extraction Endorsement. A Natural Medicine Products Manufacturer with an extraction endorsement may manufacture, distribute, and transfer the following product types in addition to the product types in subparagraph (B) of this Rule:
 1. Intended for Oral Ingestion.
 - a. Chocolate;
 - b. Gelatin- or agar-based gummies in basic geometric shapes; and
 - c. Pressed tablets.
 2. Intended for Sublingual Administration.
 - a. Tinctures
 3. No other Regulated Natural Medicine Product type is allowed to be produced or transferred.
 4. A Natural Medicine Products Manufacturer shall not manufacture or package a Regulated Natural Medicine Product in a manner that reasonably appears to represent a commercially manufactured food product or reasonably appears to target individuals under the age of 21.
 - a. Commercially manufactured food products may be used as ingredients in a Regulated Natural Medicine Product when: (1) they are used in a way that renders them unrecognizable as the commercial food product in the final Regulated Natural Medicine Product, and (2) the Natural Medicine Products Manufacturer does not represent that the final Regulated Natural Medicine Product contains the commercially manufactured food product.
 5. Only Natural Medicine Products Manufacturers with an extraction endorsement may produce Regulated Natural Medicine Product using an extraction process. A Natural Medicine Products Manufacturer without the extraction endorsement may not use any

extractive process. The following solvents are allowed to be used for extraction processes:

- a. Water;
- b. Food grade, non-denatured ethanol; and
- c. Natural food-grade oils, such as coconut oil.

6. A Natural Medicine Products Manufacturer with an extraction endorsement shall not transfer a Natural Medicine Product to a Healing Center or Facilitator until the following actions are completed:

- a. At least one week prior to transfer, the Natural Medicine Products Manufacturer completes a product registration form in a manner prescribed by the Division. The registration requirement in this Rule applies to each type of product the Licensee manufactures and must include the following:
 - i. A copy of the product manufacturing standard operating procedure; and
 - ii. To the extent any of the following is not included in the standard operating procedure:
 - A. A list of ingredients and processing aids;
 - B. Any pertinent information about the safety of the product and constituent ingredients; and
 - C. A picture of the label.
- b. The Licensee receives confirmation of submission from the Division for the Natural Medicine Product intended for transfer.

D. Authorized Sources of Regulated Natural Medicine.

- 1. Regulated Natural Medicine Product may only be manufactured using Regulated Natural Medicine from a Licensed Natural Medicine Cultivation Facility.
- 2. A Natural Medicine Product Manufacturer may accept transfers of Regulated Natural Medicine Waste from a Natural Medicine Cultivation Facility, another Natural Medicine Products Manufacturer, a Healing Center, or a Facilitator licensed by the Department of Regulatory Agencies to dispose of the Regulated Natural Medicine Waste. The Regulated Natural Medicine Waste must be tracked in the waste log, and must be handled in accordance with the transfer requirements in Rule 3405.

E. Authorized Transfers.

- 1. A Natural Medicine Products Manufacturer may transfer Regulated Natural Medicine Product to another Natural Medicine Products Manufacturer, a Natural Medicine Testing Facility, and a Healing Center in accordance with this subparagraph (E)(1).
 - a. Prior to transfer to a Natural Medicine Testing Facility, the Regulated Natural Medicine Product must be in its final form and must comply with packaging requirements in Rule 3305(C).

- b. Prior to transfer to a Healing Center, the Regulated Natural Medicine Product must pass all required testing in Rules 4005 - 4015.
 - c. Prior to transfer to a Healing Center or Facilitator, all Regulated Natural Medicine Product must be packaged and labeled pursuant to Rule 3305.
 - d. Prior to transfer to a Natural Medicine Products Manufacturer, the Regulated Natural Medicine must be packaged and labeled pursuant to Rule 3305(B).
 - 2. A Natural Medicine Products Manufacturer may transfer up to 750 milligrams of Total Psilocin of Regulated Natural Medicine Product that has passed all required testing and is packaged and labeled pursuant to Rule 3305 to a Facilitator for Administration Sessions at authorized locations other than Healing Centers in accordance with this Rule.
 - a. Facilitator Request Requirements. A Natural Medicine Products Manufacturer may only transfer Regulated Natural Medicine Products to a Facilitator after receiving and verifying the Facilitator's request. All requests for Facilitator transfers must including the following information:
 - i. The Facilitator's Department of Regulatory Agencies issued license number;
 - ii. The requested amount of Regulated Natural Medicine Product;
 - iii. The number of Administration Sessions the Facilitator is requesting Regulated Natural Medicine Product(s) for;
 - iv. The number of Participants that will be consuming the requested Regulated Natural Medicine Product(s); and
 - v. The requested date for pick-up.
 - b. Request Verification. A Natural Medicine Products Manufacturer must verify the Facilitator's Department of Regulatory Agencies issued license number in order to complete the transfer.
 - 3. All transfers of Regulated Natural Medicine Product must comply with transport and inventory tracking requirements in Rules 3405 and 6020.
- F. Research and Development Testing. A Natural Medicine Products Manufacturer may conduct or submit Samples to a Natural Medicine Testing Facility for research and development testing on Regulated Natural Medicine Product the Licensee manufactured in the same Licensed Premises.
- 1. A Natural Medicine Products Manufacturer may not conduct or submit Samples to a Natural Medicine Testing Facility for any research and development testing on any Regulated Natural Medicine Products obtained from a source other than the Natural Medicine Products Manufacturer Facility.
 - 2. Results of research and development testing conducted under this subparagraph (F) shall not be relied upon for any required testing as mandated by these Rules.
 - 3. The Natural Medicine Products Manufacturer Licensee must maintain full and accurate records regarding research and development test procedures, results, and other standard operating procedures consistent with these Rules.

Basis and Purpose – 6010

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(g), 44-50-203(1)(k), 44-50-203(1)(l), 44-50-203(2)(a), 44-50-203(2)(d), 44-50-203(2)(g), and 44-50-403(1)(c), C.R.S. The purpose of this rule is to define prohibited activities of Natural Medicine Products Manufacturers.

6010 – Prohibited Acts

- A. A Natural Medicine Products Manufacturer shall not transfer any Regulated Natural Medicine Product that is intended to be consumed through a route of administration other than oral ingestion, unless it is a tincture intended for sublingual administration.
- B. Transfer to unlicensed persons prohibited. A Natural Medicine Products Manufacturer shall not transfer any Regulated Natural Medicine Product to a person who does not hold a Natural Medicine Business License, or a Facilitator licensed by the Department of Regulatory Agencies under article 170 of title 12 in accordance with Rule 6005. Only a Natural Medicine Handler Licensee or Owner Licensee may receive Regulated Natural Medicine Product on behalf of a Natural Medicine Business.
- C. One Natural Medicine Products Manufacturer per Licensed Premises. A Licensed Premises shall only have one Natural Medicine Products Manufacturer License.
- D. Natural Medicine Products Manufacturers are prohibited from:
 - 1. Performing ethanol extractions while applying heat;
 - 2. Performing extractions at pressures above or below atmospheric pressure;
 - 3. Performing solvent removal, concentration of extracts, or distillations; and
 - 4. Adulterating or otherwise including any substances that are not specifically allowed under these Rules. This includes mushrooms that are not safe for human consumption or that have an intoxicating effect, including without limitation amanita muscaria.
 - 5. Manufacturing or transferring a Regulated Natural Medicine Product:
 - a. For which the Natural Medicine Products Manufacturer has not submitted the required product registration in accordance with Rule 6005(C)(6) or that deviates from the submitted product registration.
 - b. That appeals to children. In evaluating whether a Regulated Natural Medicine Product appeals to children, the State Licensing Authority may evaluate the following non-exhaustive factors:
 - i. Design, brand, or name that resembles a product that does not contain Regulated Natural Medicine that are primarily consumed by, and marketed to, children; or
 - ii. Products in the shape of an animal, fruit, person, or cartoon.

Basis and Purpose – 6015

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(g), 44-50-203(1)(j), 44-50-203(1)(k), 44-50-203(2)(a), 44-50-203(2)(e), 44-50-203(2)(g), 44-

50-203(2)(h), 44-50-203(2)(i), 44-50-203(2)(j), 44-50-203(2)(k), and 44-50-403(1), C.R.S. The purpose of this rule is to define the health and sanitation requirements for Natural Medicine Products Manufacturers and the storage, packaging and labeling, record-keeping, and disposal requirements for Natural Medicine Product Manufacturers.

6015 – Manufacturing Procedures

- A. Regulated Natural Medicine Product must be produced in a sanitary environment, where all food surfaces are maintained and kept in a clean manner.
1. Filters for air conditioning, ventilation, and air filtration systems are cleaned and replaced regularly.
 2. Water must be potable. If well water is used, wells must be maintained to protect them from contamination. Floors must drain adequately, and there shall not be standing water on the floor of the Licensed Premises.
- B. Manufacturing Activities - Premises and Safety Requirements.
1. Toxic cleaning compounds, sanitizing agents, and other chemicals shall be identified, held, stored, and disposed of in a manner that protects against contamination of Regulated Natural Medicine, and in accordance with any applicable local, state, or federal law, rule, regulation, or ordinance.
 - a. The use of any of the above compounds must be tracked in the safety data sheet, which must be kept in accordance with Rule 3010.
 - b. If chemicals or fertilizers are used, back-flow prevention devices must be installed on water lines that are used for the application.
- C. Equipment. Equipment must be maintained to prevent contamination.
1. Equipment must be maintained to ensure it is in proper working order and does not contribute to contamination. All lubricants used on machinery with direct or indirect food contact must be food grade.
 2. Manufacturing Equipment. All manufacturing equipment must be cleaned and sanitized prior to manufacturing, processing, or extraction, and on a scheduled basis.
- D. Ingredients. A Natural Medicine Products Manufacturer may use conventional food ingredients in the manufacturing of Regulated Natural Medicine Product.
1. A Licensee manufacturing Regulated Natural Medicine Product may only utilize:
 - a. Federal Food and Drug Administration (FDA) approved ingredients listed on the Substances Added to Food Inventory; and
 - b. FDA approved inactive ingredients listed for the intended route of administration of oral ingestion, including for filler and binding agents in pressed tablets. The inactive ingredient shall not exceed the amount allowed by the inactive ingredient database.
- E. Records. All records must be kept in accordance with Rule 3010.

1. If a Natural Medicine Products Manufacturer uses raw materials in the manufacture of a Regulated Natural Medicine Product, the Licensee must obtain and maintain documentation of the material purchased, including the date of purchase.
2. Standard Operating Procedures (SOP). A Natural Medicine Products Manufacturer must have standard operating procedures for each Regulated Natural Medicine Product it manufactures on file, and available upon request for inspection by the Division. The SOP must include:
 - a. A documented food safety program and food safety plan. The plan must include worker training on proper food handling, hand washing, hair restraint, and use of gloves.
 - b. Handling of Chemicals. Workers are trained on the proper use of chemicals, and containers used to store chemical solutions are clearly marked with the common name of the chemical, and instructions for proper use, and non-food containers are used to prepare and hold all chemical solutions.
 - c. Pest Control. All pest control devices must be located away from products so as to avoid contamination. At least one pest control device must be within 10 feet of each side of an outside entrance. If used, poison bait stations shall be used exclusively on the outside of the building. If used, all live traps shall be placed a maximum of 30 feet apart and at entrances. The location of all pest control devices must be indicated on a facility map.
 - d. Manufacturing Materials and Procedures. Written documentation of materials used to create Regulated Natural Medicine Product, including any equipment, ingredients, raw materials, strain of Fruiting Bodies, and any additives.
 - e. Instructions for Manufacturing and Sampling. Specific instructions detailing each step in the product manufacturing process, including the expected yield of the manufacturing process measured in 10 milligrams of Total Psilocin. Written sampling procedures including Sample collection and test submission steps.
3. Corrective Action Preventative Action (CAPA). A Natural Medicine Product Manufacturer shall establish and maintain written procedures for implementing corrective action and preventive action. The written procedures shall include the requirements listed below as determined by the Licensee. All activities required under this Rule, and their results, shall be documented and kept as business records. The written procedures shall include requirements, as appropriate, for:
 - a. What constitutes a Nonconformance in the Licensee's business operation;
 - b. Analyzing processes, work operations, reports, records, service records, complaints, returned product, and/or other sources of data to identify existing and potential root causes of Nonconformances or other quality problems;
 - c. Investigating the root cause of Nonconformances relating to product, processes, and the quality system;
 - d. Identifying the action(s) needed to correct and prevent recurrence of Nonconformance and other quality problems;
 - e. Verifying the CAPA to ensure that such action is effective and does not adversely affect finished products;

- f. Implementing and recording changes in methods and procedures needed to correct and prevent identified quality problems;
 - g. Ensuring the information related to quality problems or Nonconformances is disseminated to those directly responsible for assuring the quality of products or the prevention of such problems; and
 - h. Submitting relevant information on identified quality problems and CAPA documentation, and confirming the result of the evaluation, for management review.
 - 4. Adverse Health Event Reporting. All Natural Medicine Product Manufacturers shall follow the process in Rule 3015(A) to report any Adverse Health Events that they learn of.
 - 5. Certificates of Analysis. All certificates of analysis provided to the Natural Medicine Products Manufacturer by a Natural Medicine Testing Facility for any Samples submitted for testing shall be maintained on the Licensed Premises in accordance with Rule 3010.
- F. Homogeneity of Regulated Natural Medicine Products. A Natural Medicine Products Manufacturer must ensure that its manufacturing processes are designed so that the psilocybin and psilocin content of any oral ingestion Regulated Natural Medicine Product is homogenous. All Regulated Natural Medicine Product must be submitted for homogeneity testing pursuant to Part 4 of these Rules.
- G. Contaminated Product.
 - 1. If a Sample that was submitted for testing is contaminated or is found to contain pesticides, the Production Lot may not be remediated and must be destroyed according to Rule 3120.
 - 2. If any Regulated Natural Medicine Product is exposed to blood or bodily fluids or is found to contain filth or foreign matter, it must be disposed of according to Rule 3120.
- H. Requested Testing. A Natural Medicine Products Manufacturer Licensee shall, upon the Division's request, submit a sufficient quantity of Regulated Natural Medicine Product to a Natural Medicine Testing Facility for laboratory or chemical analysis in accordance with Rule 4020. The Division will notify the Licensee of the results of the analysis.
- I. Storage, Packaging, and Labeling.
 - 1. Storage. After manufacturing, Regulated Natural Medicine Products Manufacturers should follow best practices for storage prior to packaging.
 - 2. Packaging. All Regulated Natural Medicine Product must be packaged in accordance with Rule 3305.
 - 3. Labeling. All Regulated Natural Medicine Product must be labeled in accordance with Rule 3305.
 - a. A Natural Medicine Products Manufacturer may establish an expiration date upon which the Regulated Natural Medicine Product's Total Psilocin will change +/- fifteen percent from the original test date.
 - b. The Licensee shall determine the expiration date by conducting the required testing pursuant to Rule 4015 on the final Regulated Natural Medicine Product

prior to transfer to ensure the Regulated Natural Medicine Product can pass tryptamine content and contaminant testing prior to the established expiration date.

- c. When determining the expiration date pursuant to this Rule, the Licensee shall also consider:
 - i. Any expiration date of ingredients used to produce the Regulated Natural Medicine Product; and
 - ii. The ideal storage conditions for the Regulated Natural Medicine Product.
 - d. Expiration date determinations, along with any data used to establish the expiration date, such as test results, shall be documented and maintained in the Licensee's records pursuant to these Part 6 Rules and Rule 3010.
- J. Internal Audit. Natural Medicine Products Manufacturers must conduct an annual internal audit to assess that they are in substantial compliance with the requirements of this Rule 6015. A copy of the internal audit shall be retained as business records for one year.

Basis and Purpose - 6020

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(g), 44-50-203(1)(j), 44-50-203(1)(k), 44-50-203(2)(a), 44-50-203(2)(k), and 44-50-203(2)(r), C.R.S. The purpose of this rule is to establish requirements for Natural Medicine Products Manufacturers to record and track Regulated Natural Medicine and Regulated Natural Medicine Product transferred to and from Natural Medicine Product Manufacturers.

6020 - Minimum Inventory Tracking Requirements

- A. Natural Medicine Products Manufacturers must have at least one designated Natural Medicine Handler Licensee or Owner Licensee to maintain inventory records.
 - 1. For each tracking event required to be tracked, information must be documented in accordance with subparagraph 3 of this Rule and Rule 3405.
 - 2. Licensees must report on a monthly basis all inventory tracking events from the previous calendar month in a manner prescribed by the Division, using any forms provided by the Division.
 - 3. Tracking Events. For purposes of required inventory tracking, tracking events include events when Regulated Natural Medicine Product progresses through the manufacturing process and is transferred from the Natural Medicine Products Manufacturer to another Natural Medicine Business or Facilitator. Tracking events include at least the following:
 - a. Production Lot activities required by these Rules; and
 - b. Transfers of Regulated Natural Medicine Product permitted by these Rules.
- B. Natural Medicine Products Manufacturer Tracking Requirements.
 - 1. The following information must be kept on the inventory tracking document and kept as a business record according to Rule 3010.

- a. The Production Lot number, the type of Regulated Natural Medicine Product manufactured, and Regulated Natural Medicine strain;
 - b. The amount (in grams) of Regulated Natural Medicine received from a Natural Medicine Cultivation;
 - c. The name and phone number of the Natural Medicine Cultivation that the Regulated Natural Medicine was received from.
 - d. Bill of Materials (BOM) detailing the weight, measure or count of each component or ingredient needed to process the Production Lot;
2. Following the production of a Regulated Natural Medicine Product, a Natural Medicine Products Manufacturer shall assign a Production Lot number. The following naming conventions must be used to assign a Production Lot number by a Natural Medicine Products Manufacturer: Two-digit year, two-digit month, two-digit day. For example, January 1, 2024 would be 240101.
3. The following tracking information must be kept on the inventory tracking document for transfer to a Natural Medicine Testing Facility:
 - a. Production Lot number;
 - b. Sample units and type of product;
 - c. Date of transfer;
 - d. The Natural Medicine Testing Facility's License number, name, and phone number
4. The following tracking information must be kept on the inventory tracking document for transfer to a Facilitator.
 - a. Production Lot number;
 - b. Units and type of the Regulated Natural Medicine Product;
 - c. Date of the transfer;
 - d. If applicable, the Facilitator's Natural Medicine Handler License number, name, and phone number; and
 - e. The information required by Rule 6005(2)(a).
5. The following tracking information must be kept on the inventory tracking document for transfer to a Healing Center.
 - a. Production Lot number;
 - b. Units and type of the Regulated Natural Medicine Product;
 - c. Date of the transfer; and
 - d. The Healing Center's License number, name, and phone number.

6. If a Natural Medicine Products Manufacturer generates waste while processing, or producing Regulated Natural Medicine Product, or if the Regulated Natural Medicine Waste was previously designated as a finished product, the Licensee must document:
 - a. A reason for the Regulated Natural Medicine Waste in the inventory tracking document.
 - b. The exact time and method of destruction in the inventory tracking document.

Part 7 – Regulated Natural Medicine Testing Facility License Requirements

Basis and Purpose – 7005

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(f), 44-50-203(1)(g), 44-50-203(1)(j), 44-50-203(1)(l), 44-50-203(2)(a), 44-50-203(2)(g), 44-50-203(2)(i), and 44-50-404(1)-(2), C.R.S. The purpose of this rule is to establish the privileges of a Natural Medicine Testing Facility license including the privilege of co-locating a Natural Medicine Testing Facility with a Licensed Marijuana Testing Facility or Certified Hemp Laboratory. This co-location privilege with different license types is exclusive to Natural Medicine Testing Facilities.

7005 – License Privileges

- A. A Natural Medicine Testing Facility Licensee may only exercise the License privileges granted by the State Licensing Authority and these Rules, including conducting required and voluntary tests on Regulated Natural Medicine and Regulated Natural Medicine Product as requested by other Natural Medicine Business Licensees, the Division, the State Licensing Authority, and the Colorado Department of Public Health and Environment.
 1. No later than thirty days after beginning operations, the Natural Medicine Testing Facility Licensee must submit complete floor plans or diagrams of the Licensed Premises to the Division in a manner prescribed by the Division. Floor plans must clearly show any areas designated as Restricted Areas and security camera placement required by these Rules.
- B. A Natural Medicine Testing Facility may be co-located with a Licensed Marijuana Testing Facility or a Certified Hemp Laboratory.
 1. If a Natural Medicine Testing Facility is co-located with any of the above testing facilities, there must be separate storage areas for Samples of Regulated Natural Medicine or Regulated Natural Medicine Product, hemp test samples, and marijuana test samples.
 2. Any shared equipment for different types of testing must be properly cleaned and sanitized between testing of Regulated Natural Medicine or Regulated Natural Medicine Product, hemp, and marijuana.
- C. Testing of Regulated Natural Medicine or Regulated Natural Medicine Product Authorized. A Natural Medicine Testing Facility may accept and test Samples of Regulated Natural Medicine or Regulated Natural Medicine Product properly submitted by a Natural Medicine Business.
- D. A Natural Medicine Testing Facility may transfer Samples to another Natural Medicine Testing Facility for testing.
- E. A Natural Medicine Testing Facility must properly dispose of all Samples it receives, that are not transferred to another Natural Medicine Testing Facility, after all requested tests have been completed and any sample retention period has elapsed, in accordance with Rule 3120.

- F. A Natural Medicine Testing Facility must reject any Sample where the condition of the Sample indicates that the Sample may have been tampered with.
- G. A Licensee may only exercise the License privileges of a Natural Medicine Testing Facility License if the Licensee meets all requirements for certification pursuant to Rule 7015 and any other rules required by the Department of Public Health and Environment to obtain and maintain certification.
- H. Testing Services - Non-required Test Types. A Natural Medicine Testing Facility may conduct non-required testing in accordance with these Rules on Regulated Natural Medicine or Regulated Natural Medicine Product upon a Natural Medicine Business's request in accordance with this subparagraph H.
 - 1. Non-required Regulated Natural Medicine Testing Services. Non-required Regulated Natural Medicine testing services may include, but are not limited to offering:
 - a. Voluntary testing for heavy metals, pesticides, solvents, or mycotoxins;
 - b. Shelf-stability testing; and
 - c. Research and development testing of alkaloid, tryptamine, and other component testing.
 - 2. Required Disclosures. Prior to performing non-required testing on Regulated Natural Medicine or Regulated Natural Medicine Product, the Natural Medicine Testing Facility must notify the requesting Natural Medicine Business that the Natural Medicine Testing Facility Licensee is not certified to perform non-required tests and that such test results have not been certified or subject to state regulator oversight.

Basis and Purpose – 7010

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(d), 44-50-203(1)(e), 44-50-203(1)(f), 44-50-203(1)(n), 44-50-203(2)(a), and 44-50-404(3), C.R.S. The purpose of this rule is to establish conduct that is prohibited by Natural Medicine Testing Facilities which includes conflicts of interest between a Natural Medicine Testing Facility and other Natural Medicine Businesses and transfers to any unlicensed person.

7010 – Prohibited Acts

- A. A person who is an Owner Licensee of a Natural Medicine Testing Facility License may not have a Financial Interest in a Healing Center License, Natural Medicine Cultivation Facility License, or Natural Medicine Products Manufacturer License granted by the State Licensing Authority.
- B. Conflicts of Interest. The Natural Medicine Testing Facility shall establish policies to prevent the existence of or appearance of undue commercial, financial, or other influences that may diminish the competency, impartiality, and integrity of the Natural Medicine Testing Facility's testing processes or results, or that may diminish public confidence in the competency, impartiality, and integrity of the Natural Medicine Testing Facility's testing processes or results. At a minimum, employees, owners or agents of a Natural Medicine Testing Facility who participate in any aspect of the analysis and results of a Sample are prohibited from improperly influencing the testing process, improperly manipulating data, or improperly benefiting from any on-going financial, employment, personal or business relationship with the Natural Medicine Business that provided the Sample.

- C. Transfer to unlicensed persons prohibited. A Natural Medicine Testing Facility shall not transfer any Regulated Natural Medicine or Regulated Natural Medicine Product to a person who does not hold a Natural Medicine Testing Facility License, or a Facilitator licensed by the Department of Regulatory Agencies under article 170 of title 12 in accordance with Rule 5005. Only a Natural Medicine Handler Licensee or Owner Licensee may receive Regulated Natural Medicine and Regulated Natural Medicine Product on behalf of a Natural Medicine Business.
- D. A violation of any test Rule in this series of rules may be a Level I violation which is the highest severity violation under the penalty Rules. See Rule 9050.

Basis and Purpose – 7015

The statutory authority for this rule includes but is not limited to sections 25-2.5-120, 44-50-202(1)(b), 44-50-203(1)(a), 44-50-203(1)(d), 44-50-203(1)(f), 44-50-203(1)(n), 44-50-203(2)(a), and 44-50-404(2), C.R.S. The purpose of this rule is to establish that a Natural Medicine Testing Facility is required to have both a License issued by the State Licensing Authority and a certification from the Colorado Department of Public Health and Environment before performing any tests on Regulated Natural Medicine or Regulated Natural Medicine Product. This rule further provides the requirements for a Natural Medicine Testing Facility if its certification is suspended or reissued.

7015 – Certification Required

- A. All Natural Medicine Testing Facilities licensed by the State Licensing Authority must be certified by the Colorado Department of Public Health and Environment in each of the testing categories required by these Rules. See Part 4, Regulated Natural Medicine Testing Program. Natural Medicine Testing Facilities must be accredited to ISO/IEC 17025:2017 and have each test type the Natural Medicine Testing Facility performs included on that Facility's scope of accreditation. Accreditation must be performed by an accreditation body that conforms to ISO/IEC 17011:2017 and is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement (ILAC MRA) for testing.
1. This Rule incorporates the ISO/IEC 17025:2017 standard effective as of August 9, 2024, and does not include any later amendments or editions to this ISO/IEC accreditation. The Division maintains a copy of ISO/IEC 17025:2017 at 1697 Cole Boulevard, Suite 200, Lakewood, Colorado, 80401, which is available to the public for inspection during the Division's regular business hours.
 2. A Natural Medicine Testing Facility offering non-required testing services, for example, pesticide testing, in accordance with Rule 7005, must disclose to the requestor which test types the Licensee is certified to perform. The Licensee must notify each requestor any requested tests for which the Licensee is not certified to perform and that such test results have not been accredited, validated, or otherwise subject to regulatory oversight and disclose this on the certificate of analysis.
- B. A Natural Medicine Testing Facility shall hold both a Natural Medicine Testing Facility License issued by the State Licensing Authority and a certification issued by the Colorado Department of Public Health and Environment for each required test type that it provides for any Natural Medicine Business. Failure to obtain or suspension or revocation of either the required Natural Medicine Testing Facility License or the certification prohibits the Natural Medicine Testing Facility from providing required testing services to any Natural Medicine Business.
- C. Certification Suspension. If the Colorado Department of Public Health and Environment suspends a Natural Medicine Testing Facility's certification to conduct required Regulated Natural Medicine test(s), the Licensee must immediately notify the Division and cease conducting any tests for which the Licensee has lost certification.

1. Upon notification that a Natural Medicine Testing Facility has lost certification to conduct required test(s) or that the public health, safety, or welfare imperatively require emergency action, the State Licensing Authority may immediately suspend the Natural Medicine Testing Facility's License in accordance with Part 9 of these Rules.
- D. Re-certification. A Natural Medicine Testing Facility must comply with Colorado Department of Public Health and Environment requirements to re-certify to conduct required testing. Upon re-certification, the Natural Medicine Testing Facility must notify the Division with written confirmation from the Department of Public Health and Environment that the Licensee is permitted to conduct required test(s) again.

Basis and Purpose – 7020

The statutory authority for this rule includes but is not limited to sections 25-2.5-120, 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(f), 44-50-203(1)(g), 44-50-203(1)(j), 44-50-203(2)(a), 44-50-203(2)(p), and 44-50-404(2), C.R.S. The purpose of this rule is to establish minimum requirements for standard operating procedures that a Natural Medicine Testing Facility must develop and maintain.

7020 – Standard Operating Procedures

- A. A Natural Medicine Testing Facility must have Standard Operating Procedures. A Standard operating procedure manual must include, but is not limited to, procedures for:
1. Sample receiving;
 2. Sample accessioning;
 3. Sample storage;
 4. Identifying, rejecting, and reporting unacceptable Samples;
 5. Recording and reporting discrepancies during Sample receiving and accessioning;
 6. Security of Samples, aliquots and extracts and records;
 7. Validating a new or revised method prior to testing of Samples to include: accuracy, precision, analytical sensitivity, analytical specificity (interferences), LOD, LOQ, and verification of the reportable range;
 8. Sample preparation, including but not limited to, sub-sampling for testing, homogenization, and aliquoting Samples to avoid contamination and carry-over;
 9. Sample archive retention to assure stability, as follows:
 - a. For Samples submitted for testing, Sample archive retention for 14 days;
 10. Disposal of Samples;
 11. The theory and principles behind each assay;
 12. Preparation and identification of reagents, standards, calibrators and controls and ensure all standards are traceable to National Institute of Standards of Technology ("NIST");
 13. Special requirements and safety precautions involved in performing assays;

14. Frequency and number of control and calibration materials;
15. Recording and reporting assay results;
16. Protocol and criteria for accepting or rejecting analytical procedure to verify the accuracy of the final report;
17. Pertinent literature references for each method;
18. Current step-by-step instructions with sufficient detail to perform the assay to include equipment operation and any abbreviated versions used by a testing analyst;
19. Acceptability criteria for the results of calibration standards and controls as well as between two aliquots or columns;
20. A documented system for reviewing the results of testing calibrators, controls, standards, and Sample results, as well as reviewing for clerical errors, analytical errors and any unusual analytical results and are corrective actions implemented and documented, and does the laboratory contact the requesting entity;
21. Policies and procedures to follow when Samples are requested for referral and testing by another certified Natural Medicine Testing Facility or an approved local state agency's laboratory;
22. Investigating and documenting existing or potential Nonconformances and implementing corrective actions and/or preventive actions;
23. Contacting the requesting entity about existing Nonconformances; and
24. Retesting or additional analyses of Samples, including but not be limited to, when it is appropriate to retest or perform an additional analysis of the Sample, when it is appropriate for the requesting entity to request retesting (e.g., after failing microbial contaminant testing on Regulated Natural Medicine).

Basis and Purpose – 7025

The statutory authority for this Rule includes but is not limited to sections 25-2.5-120, 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(f), 44-50-203(1)(j), 44-50-203(2)(g), 44-50-203(2)(k), and 44-50-404(2), C.R.S. The purpose of this Rule is to establish chain of custody requirements for a Natural Medicine Testing Facility to track and document the Samples received from Licensees.

7025 – Chain of Custody

- A. General Requirements. A Natural Medicine Testing Facility must establish an adequate chain of custody for handling Samples. Instructions must include, but are not limited to:
1. Issue instructions for the minimum Sample requirements and storage requirements;
 2. Document the condition of the external package and integrity seals utilized to prevent contamination of, or tampering with, the Sample;
 3. Document the condition and amount of Sample provided at the time of receipt;
 4. Document all persons handling the original Sample, aliquots, and extracts;

5. Document all transfers of Samples, aliquots, and extracts referred to another certified Natural Medicine Testing Facility Licensee for additional testing or whenever requested by a client;
6. Maintain a current list of authorized personnel and restrict entry to the laboratory to only those authorized;
7. Secure the Licensed Premises during non-working hours;
8. Secure short and long-term storage areas when not in use;
9. Utilize a secured area to log-in and aliquot Samples;
10. Ensure Samples are stored appropriately;
11. Document the disposal of Samples, aliquots, and extracts; and
12. Document the License number, inventory tracking number, photograph(s), and the reason for rejection of Samples that were rejected and notify the Division within 7 days of Sample submission.

Basis and Purpose – 7030

The statutory authority for this rule includes but is not limited to sections 25-2.5-120, 44-50-202(1)(b), 44-50-203(1)(f), 44-50-203(1)(g), 44-50-203(2)(g), 44-50-203(2)(k), and 44-50-404(2), C.R.S. The purpose of this rule is to establish the notification requirements for a Natural Medicine Testing Facility in the event of a failed test or detection of contaminants.

7030 – Notification

- A. If Regulated Natural Medicine or Regulated Natural Medicine Product fails a contaminant test, then the Natural Medicine Testing Facility must immediately:
 1. Notify the Natural Medicine Business that submitted the Sample for testing; and
 2. Report the failure to the Division and track the failure in accordance with Rule 7035.
- B. Other Contaminants. If any Sample is found to contain levels of any microorganism, chemical, elemental impurity, or pesticides that could be toxic if consumed or present, then the Natural Medicine Testing Facility must notify the Natural Medicine Business and the Division. The Natural Medicine Business that was notified must initiate their CAPA plan in accordance with Rule 5020(E)(3) or 6015(E)(3).

Basis and Purpose – 7035

The statutory authority for this rule includes but is not limited to sections 25-2.5-120, 44-50-202(1)(b), 44-50-203(1)(f), 44-50-203(1)(j), 44-50-203(1)(k), 44-50-203(2)(a), 44-50-203(2)(g), 44-50-203(2)(i), 44-50-203(2)(k), 44-50-203(2)(p), and 44-50-404(2), C.R.S. The purpose of this rule is to establish requirements for a Natural Medicine Testing Facility to record and track Regulated Natural Medicine and Regulated Natural Medicine Product transferred to and from the Licensed Premises.

7035 – Minimum Inventory Tracking Requirements

- A. Regulated Natural Medicine Testing Facilities must have at least one designated Natural Medicine Handler Licensee or Owner Licensee to maintain inventory records.

1. For each tracking event required to be tracked, information must be documented in accordance with subparagraph (3) of this Rule and Rule 3405.
2. Licensees must report on a monthly basis all inventory tracking events from the previous calendar month in a manner prescribed by the Division or using any forms provided by the Division.
3. Tracking Events. For purposes of required inventory tracking, tracking events include events prior to and during the Sample testing process. Tracking events include at least the following:
 - a. Sample receiving, rejection, storage, accessioning, testing, retention, and disposal; and
 - b. Transfers of Regulated Natural Medicine and Regulated Natural Medicine Product.

B. Natural Medicine Testing Facility Tracking Requirements

1. The following tracking information must be kept on the inventory tracking document at a Natural Medicine Testing Facility to reflect all incoming transfers of Samples of Regulated Natural Medicine or Samples of Regulated Natural Medicine Product:
 - a. Harvest Lot or Production Lot number;
 - b. Weight (in grams) of the Regulated Natural Medicine received;
 - c. Weight of the Regulated Natural Medicine Product received;
 - d. Date of the transfer; and
 - e. The transferor's Natural Medicine Business License number, name, and phone number.
2. The Natural Medicine Testing Facility must also maintain inventory tracking records that fully and accurately reflect all test results.
3. If a Natural Medicine Testing Facility works with another Natural Medicine Business to dispose of any Regulated Natural Medicine Waste, the Licensee must document:
 - a. A reason for the Regulated Natural Medicine Waste in the inventory tracking document.
 - b. The exact time and method of destruction in the inventory tracking document.

Part 8 – Healing Center License

Basis and Purpose – 8005

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(a), 44-50-203(1)(d), 44-50-203(1)(g), 44-50-203(1)(l), 44-50-203(2)(a), and 44-50-401, C.R.S. The purpose of this rule is to establish the privileges and permitted acts for Healing Centers.

8005 – License Privileges

- A. A Healing Center Licensee may only exercise the License privileges granted by the State Licensing Authority and these Rules.
1. No later than thirty days after beginning operations, the Healing Center Licensee must submit complete floor plans or diagrams of the Licensed Premises to the Division in a manner prescribed by the Division. Floor plans must clearly show any areas designated as Administration Areas, any areas designated as Restricted Areas, and security camera placement required by these Rules.
 2. Micro-Healing Center. A micro-Healing Center is a Healing Center license tier that does not store more than 750 milligrams of Total Psilocin on site. A micro-Healing Center must comply with security requirements in Rule 8025(A).
- B. Co-Location Authorized. A Healing Center may be co-located with another Natural Medicine Business License in accordance with Rule 3105.
- C. A Healing Center must comply with the provisions related to persons with disabilities in section 44-50-401(1)(b), C.R.S.
- D. Authorized Sources and Transfers of Regulated Natural Medicine and Regulated Natural Medicine Product.
1. A Healing Center may only obtain Regulated Natural Medicine and Regulated Natural Medicine Product from a Natural Medicine Cultivation Facility, Natural Medicine Products Manufacturer, or another Healing Center.
 2. A Natural Medicine Handler Licensee employed by the Healing Center may transfer Regulated Natural Medicine or Regulated Natural Medicine Product to a Participant under the supervision of a Facilitator.
 3. A Healing Center may transfer up to 750 milligrams of Total Psilocin at one time of Regulated Natural Medicine or Regulated Natural Medicine Product that has passed all required testing and is packaged and labeled pursuant to Rule 3305 to a Facilitator for Administration Sessions at authorized locations other than Healing Centers in accordance with this Rule.
 - a. Facilitator Request Requirements. A Healing Center may only transfer Regulated Natural Medicine to a Facilitator after receiving and verifying the Facilitator's request. All requests for Facilitator transfers must including the following information:
 - i. The Facilitator's Department of Regulatory Agencies issued license number;
 - ii. The requested amount of Regulated Natural Medicine;
 - iii. The number of Administration Sessions the Facilitator is requesting Regulated Natural Medicine for;
 - iv. The number of Participants that will be consuming the requested Regulated Natural Medicine; and
 - v. The requested date for pick-up.

- b. Request Verification. A Healing Center must verify the Facilitator's Department of Regulatory Agencies issued license number in order to complete the transfer.
 - c. To the extent required to comply with Rule 3405, the Healing Center may place packaged and labeled Regulated Natural Medicine and Regulated Natural Medicine Product in a Child-Resistant container; however, the Healing Center shall not re-package Regulated Natural Medicine or Regulated Natural Medicine Product.
 - 4. All transfers of Regulated Natural Medicine and Regulated Natural Medicine Product must comply with transport and inventory tracking requirements in Rules 3405 and 5025.
- E. Food and Beverages.
- 1. Healing Centers may provide water and pre-packaged, unopened food or beverage items to Participants during an Administration Session. This allowance includes fresh fruit and vegetables.
 - 2. Nothing in these Rules prohibits a Healing Center from obtaining a retail food establishment license pursuant to the Food Protection Act at sections 25-4-1600, *et seq.*, C.R.S. The Healing Center's Administration Area and any Restricted Areas must not overlap with the retail food establishment licensed premises.

Basis and Purpose – 8010

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(g), 44-50-203(1)(k), 44-50-203(2)(a), and 44-50-401, C.R.S. The purpose of this rule is to describe acts which are prohibited at Healing Centers and by persons on the Licensed Premises of Healing Centers during an Administration Session.

8010 – Prohibited Acts

- A. A Healing Center Licensee shall not:
- 1. Transfer Regulated Natural Medicine or Regulated Natural Medicine Product to an individual unless the individual is a Participant in an Administration Session.
 - 2. Allow a Participant to take any Regulated Natural Medicine or Regulated Natural Medicine Product from the Healing Center.
 - 3. Permit consumption of alcohol or marijuana by any person on the Licensed Premises of the Healing Center at any time.
 - 4. Change the form or further process Regulated Natural Medicine or Regulated Natural Medicine Product once it has been transferred to the Healing Center, except an Owner Licensee or a Natural Medicine Handler Licensee may mix Regulated Natural Medicine and Regulated Natural Medicine Product with water, fruit juice, or a pre-packaged, unopened food or beverage for the Participant's consumption.
- B. A Healing Center and its Owner Licensees are responsible for all conduct on the Licensed Premises by licensed and unlicensed persons.

Basis and Purpose – 8015

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(g), 44-50-203(1)(k), 44-50-203(2)(p), 44-50-203(2)(r), and 44-50-401(2), C.R.S. The purpose of this rule is to establish the acceptable forms of identification for a Healing Center to verify the lawful age of a Participant for participation in Natural Medicine Services.

8015 – Acceptable Forms of Identification for a Participant to Receive Natural Medicine Services

- A. A Healing Center must confirm that a Participant is 21 years of age or older by verifying their identification. The following forms of identification in physical or digital form can be used:
1. An operator's, chauffeur's, or similar type driver's license, including a temporary license issued by any state within the United States, District of Columbia, or any U.S. territory;
 2. An identification card, including a temporary identification card, issued by any state within the United States, District of Columbia, or any U.S. territory, for the purpose of proof of age using requirements similar to those in sections 42-2-302 and 42-2-303, C.R.S.;
 3. A United States military identification card or any other identification card issued by the United States government including but not limited to a permanent resident card, alien registration card, or consular card;
 4. A passport or passport identification card; or
 5. An enrollment card issued by the governing authority of a federally recognized Indian tribe, if the enrollment card incorporates proof of age requirements similar to sections 42-2-302 and 42-2-303, C.R.S.
- B. Identification must be valid. A Licensee shall refuse to provide Natural Medicine Services to a potential Participant who provides identification that is expired or invalid.

Basis and Purpose – 8020

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(a), 44-50-203(1)(d), 44-50-203(1)(g), and 44-50-401(1), C.R.S. The purpose of this rule is to provide that no Healing Center shall operate unless the Healing Center employs or contracts with a Facilitator. This rule further provides the circumstances under which a Healing Center may offer group facilitation services.

8020 – Facilitator Required

- A. A Healing Center must employ or contract with at least one Facilitator holding either a Natural Medicine Handler License or an Owner License prior to operating.
- B. A Facilitator that holds a Natural Medicine Handler License is an agent or employee of the Healing Center(s) where the Facilitator provides Natural Medicine Services.
- C. Group Facilitation. A Healing Center may offer group facilitation Natural Medicine Services if there are an appropriate number of Facilitators to facilitate for the number of Participants in accordance with the Department of Regulatory Agencies' rules at 4 CCR 755-1.

Basis and Purpose – 8025

The statutory authority for this Rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(g), 44-50-203(1)(k), 44-50-203(2)(f), and 44-50-203(2)(g), C.R.S. The purpose of this Rule is to establish security requirements based on the amount of Regulated Natural Medicine and

Regulated Natural Medicine Product stored on the Licensed Premises and to provide other requirements for the Licensed Premises of a Healing Center.

8025 – Licensed Premises Requirements

A. Security Measures and Inventory Management.

1. A micro-Healing Center must store all Regulated Natural Medicine and Regulated Natural Medicine Product in a secured, locked place that is:
 - a. Accessible only to the Healing Center Owner Licensee(s) and/or Natural Medicine Handler Licensee(s); and
 - b. Monitored by video surveillance while Regulated Natural Medicine and Regulated Natural Medicine Product is stored.
2. A Healing Center must:
 - a. Store all Regulated Natural Medicine and Regulated Natural Medicine Product in a secured, locked place that is:
 - i. Accessible only to the Healing Center Owner Licensee(s) and/or Natural Medicine Handler Licensees;
 - ii. Monitored by video surveillance while Regulated Natural Medicine and Regulated Natural Medicine Product is stored.
 - b. Maintain a fully operational security alarm system on the Licensed Premises, activated at all times when the Licensed Premises is closed for business. The security alarm system must meet the requirements in Rule 3110(E).
 - c. Maintain a fully operational video surveillance and recording system that satisfies the requirements in Rule 3115.
3. Notification of Change in Inventory Management. If a Healing Center seeks to change the amount of Regulated Natural Medicine and Regulated Natural Medicine Product it possesses and stores, the Licensee must notify the Division, in writing, on a form prescribed by the Division.
4. Participant Information Protected. Healing Center Licensees must take measures to prevent unauthorized access to business records and any Participant or Administration Session records.
5. When the Licensee is not operating as a Healing Center, the Licensee must ensure that all Regulated Natural Medicine and Regulated Natural Medicine Product is appropriately secured. Licensees must take measures to prevent unauthorized access to Regulated Natural Medicine and Regulated Natural Medicine Product.

B. Administration Areas. No one under the age of 21 years old is permitted in the Administration Area when an Administration Session is taking place, including when Regulated Natural Medicine and Regulated Natural Medicine Product are taken out of the secured storage place.

1. Licensees must take all reasonable steps and precautions to provide an environment free of risks to ensure safety of Participants.

2. Administration Areas must be easy to exit, as needed, and the area may not be locked from the outside or otherwise prevent a Participant from exiting the area if necessary.
 3. Indoor Administration Area. Indoor Administration Areas must be adequately lit to allow safe exit if necessary.
 4. Outdoor Administration Areas. If the Healing Center contains outdoor areas, the boundaries must be clearly marked with visible signage or barriers. The Licensee must also take reasonable measures to mitigate risks to Participants in any outdoor area that Participants are permitted to access during an Administration Session.
- C. A Healing Center shall display:
1. A sign identifying any Administration Area or Restricted Area that contains Regulated Natural Medicine or Regulated Natural Medicine Product, as "Authorized Personnel Only."
 2. A copy of the Healing Center's License issued by the State Licensing Authority.
 3. Information regarding safe transportation after an Administration Session.
- D. A Healing Center must make instructions or other guidance available related to:
1. How to file a complaint with the Department of Regulatory Agencies;
 2. How to file a complaint with the Department of Revenue; and
 3. How to report an Adverse Health Event to the Division.

Basis and Purpose – 8030

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(g), 44-50-203(1)(k), 44-50-203(2)(g), 44-50-203(2)(r), and 44-50-401(5), C.R.S. The purpose of this rule is to establish the parameters for the administration of Regulated Natural Medicine and Regulated Natural Medicine Product and consumption of food and beverages during an Administration Session at a Healing Center.

8030 – Administration Sessions

- A. Only Participants, Facilitators, Owner Licensees, and Natural Medicine Handler Licensees may access the Administration Area during an Administration Session, unless each Facilitator and Participant receiving Regulated Natural Medicine and Regulated Natural Medicine Product in the Administration Area provided prior written consent for other individuals to be present.
- B. Licensees must take reasonable steps to prevent access to Administration Areas by unauthorized individuals while Administration Sessions are taking place.
- C. Servings of Regulated Natural Medicine and Regulated Natural Medicine Product.
1. A serving of Regulated Natural Medicine Product may contain no more than 10 milligrams of Total Psilocin.
 2. A container of Regulated Natural Medicine or Regulated Natural Medicine Product may contain no more than 50 milligrams of Total Psilocin.

3. The Participant and Facilitator can agree to any number of servings or partial servings of Regulated Natural Medicine or Regulated Natural Medicine Product to be administered during an Administration Session.
- D. A Natural Medicine Handler Licensee may only transfer Regulated Natural Medicine or Regulated Natural Medicine Product to a Participant within the Administration Area.
1. The Facilitator must observe a Participant consume any Regulated Natural Medicine or Regulated Natural Medicine Product transferred to that Participant. A Facilitator or Natural Medicine Handler Licensee must dispose of packaging waste appropriately.
 2. Regulated Natural Medicine or Regulated Natural Medicine Product may be mixed with water, fruit juice, or pre-packaged food or beverages prior to consumption, as long as the pre-packaged food or beverages was not opened prior to mixing.
 3. Any Regulated Natural Medicine or Regulated Natural Medicine Product that is not consumed by a Participant must be disposed of in accordance with Rule 3120 or returned to a secured, locked place per Rule 8020 at the end of an Administration Session.
- E. A Participant may bring their own water or pre-packaged food or beverages to consume during the Administration Session. This allowance includes fresh fruit and vegetables.
- F. A Healing Center that complies with the requirements in Rule 8005(E)(2), and all state and local requirements related to food handling and preparation, may provide prepared or manufactured foods to Participants after an Administration Session.

Basis and Purpose – 8035

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(g), 44-50-203(1)(j), 44-50-203(2)(i), 44-50-203(2)(k), and 44-50-203(2)(p), C.R.S. The purpose of this rule is to establish specific records a Healing Center must maintain on the Licensed Premises and the requirement for a Healing Center to maintain the confidentiality of personally identifying information and medical data in records.

8035 – Healing Center Record Requirements

- A. A Healing Center must maintain records required by this Rule and Rule 3010.
- B. A Healing Center must maintain copies of:
1. All Facilitator licenses, issued by the Department of Regulatory Agencies, for Facilitators providing Natural Medicine Services at the Healing Center.
 2. All Natural Medicine Handler License(s) or Owner License(s), issued by the State Licensing Authority for Facilitators providing Natural Medicine Services at the Healing Center.
 3. Any Adverse Health Events required to be reported in Rule 3015.
- C. A Healing Center must maintain a log of Administration Sessions. The Healing Center must submit all prior year Administration Session logs required in this Rule in accordance with Rule 2130. Administration Session logs must include at least the following information:
1. The date and duration of each Administration Session;

2. The number of Participants in each Administration Session;
 3. The License numbers for Facilitators participating in each Administration Session;
 4. The package number, dose, and type of Regulated Natural Medicine or Regulated Natural Medicine Product the Participant(s) consumed;
 5. Deidentified information regarding the intention or desired outcome for the Administration Session, including whether the Administration Session is intended to treat physical or behavioral conditions, or is for wellness services;
 6. Any other food or beverages that were consumed during the Administration Session; and
 7. Any amount of Regulated Natural Medicine that is disposed of as Regulated Natural Medicine Waste following each Administration Session.
- D. Standard Operating Procedures. A Healing Center must maintain the following standard operating procedures on the Licensed Premises and provide copies of these standard operating procedures to all employees, Natural Medicine Handler Licensees, and Owner Licensees. The standard operating procedures required by this Rule may be contained in a single document maintained by the Healing Center.
1. Administration Session Preparedness Plan. The Administration Session preparedness plan must address how Healing Center employees, Natural Medicine Handler Licensees, and Owner Licensees will monitor a Participant's access to the Licensed Premises after consuming Regulated Natural Medicine or Regulated Natural Medicine Product when the Participant needs to temporarily leave the Administration Area.
 - a. The plan should include procedures for:
 - i. Escorting or monitoring a Participant who needs to use a restroom during the Administration Session;
 - ii. Ensuring the Licensed Premises is maintained to prevent safety hazards;
 - iii. Monitoring and limiting Participant interaction with vendors, contractors, other Participants, or other persons who may be present at the Healing Center; and
 - iv. Emergency response when a Participant experiences a medical or other emergency during an Administration Session, including but not limited to, instructions for using an on-site medical kit.
 - b. A Healing Center may defer implementing the Administration Session preparedness plan if the Facilitator and Participant have agreed, through written informed consent, to other procedures for the Administration Session if the Healing Center maintains a copy of the informed consent on the Licensed Premises.
 2. Emergency Plan. A Healing Center must have an emergency plan that includes the following:
 - a. Documented procedures for evacuating and relocating Participants to a safe and confidential location when the Administration Areas become unsafe due to unforeseen circumstances, including but not limited to fire or a power outage.

Licensees should take all reasonable steps to maintain Participant confidentiality should evacuation and relocation become necessary.

3. Certificates of Analysis. All certificates of analysis provided to the Healing Center by a Natural Medicine Testing Facility of any Samples submitted for testing shall be maintained on the Licensed Premises in accordance with Rule 3010.
- E. Confidentiality of Patient Records. A Healing Center must maintain the confidentiality of any personally identifying information disclosed in Participant records possessed or stored at the Healing Center's Licensed Premises.

Basis and Purpose – 8040

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-203(1)(b), 44-50-203(1)(g), 44-50-203(1)(j), 44-50-203(1)(k), and 44-50-203(2)(k), C.R.S. The purpose of this rule is to establish requirements for a Healing Center to record and track Regulated Natural Medicine and Regulated Natural Medicine Product transferred to and from its Licensed Premises.

8040 – Minimum Inventory Tracking Requirements

- A. All Healing Centers must have at least one designated Natural Medicine Handler Licensee or Owner Licensee to maintain inventory records.
 1. For each tracking event required to be tracked, information must be documented in accordance with subparagraph (A)(3) of this Rule and Rule 3405.
 2. Licensees must report on a monthly basis all inventory tracking events from the previous calendar month in a manner prescribed by the Division, using any forms provided by the Division.
 3. Tracking Events. For purposes of required inventory tracking, tracking events include any Transfers of Regulated Natural Medicine and Regulated Natural Medicine Product permitted by these Rules.
- B. Healing Center Tracking Requirements.
 1. The following tracking information must be kept on the inventory tracking document at a Healing Center to reflect all incoming transfers of Regulated Natural Medicine or Regulated Natural Medicine Product:
 - a. Harvest Lot or Production Lot number;
 - b. Weight of the Regulated Natural Medicine;
 - c. Weight of the Regulated Natural Medicine Product;
 - d. Date of the transfer; and
 - e. The originating Natural Medicine Business License number, name, and phone number.
 2. If the Healing Center works with another Natural Medicine Business to dispose of any Regulated Natural Medicine Waste, then the following information must be kept on the inventory tracking document:

- a. Weight of the Regulated Natural Medicine Waste;
 - b. Date of the transfer; and
 - c. The receiving Natural Medicine Business License number, name, and phone number.
3. The following tracking information must be kept on the inventory tracking document for transfer to a Facilitator.
 - a. Harvest Lot or Production Lot number;
 - b. Weight of the Regulated Natural Medicine or Regulated Natural Medicine Product;
 - c. Date of the transfer;
 - d. If applicable, the Facilitator's Natural Medicine Handler License number, name, and phone number; and
 - e. The information required by Rule 5005(C)(2)(a).

Part 9 – Enforcement and Discipline

Basis and Purpose – 9005

The statutory authority for this rule includes but is not limited to sections, 44-50-202(1)(a), 44-50-202(1)(b), 44-50-202(1)(c), 44-50-203(1)(a), 44-50-202(1)(b), 44-50-203(1)(j), 44-50-203(2)(l), 44-50-203(2)(p), 44-50-203(2)(q), and 44-50-203(2)(r), C.R.S. This rule explains that Licensees must cooperate with Division employees when they are acting within the normal scope of their duties and that failure to do so may result in sanctions. It also explains the process for voluntary surrender of Regulated Natural Medicine.

9005 – Requirements for Inspections and Investigations and Voluntary Surrenders

A. Applicants and Licensees Shall Cooperate with Division Employees.

1. Applicants and Licensees must cooperate with employees of the Division who are conducting inspections or investigations relevant to the enforcement of laws and regulations related to the Natural Medicine Code.
2. No Applicant or Licensee shall by any means interfere with, obstruct, or impede the State Licensing Authority or any employee of the Division from exercising their duties pursuant to the provisions of the Natural Medicine Code and these Rules. This would include, but is not limited to:
 - a. Threatening force or violence against an employee or investigator of the Division, or otherwise endeavoring to intimidate, obstruct, or impede employees or investigators of the Division, their supervisors, or any peace officers from exercising their duties. The term “threatening force” includes the threat of bodily harm to such individual or to a member of his or her family;
 - b. Denying investigators of the Division access to premises where the Licensee's Regulated Natural Medicine or Regulated Natural Medicine Product are grown,

stored, cultivated, manufactured, tested, distributed, or transferred during business hours or times of apparent activity;

- c. Providing false or misleading statements;
- d. Providing false or misleading documents and records;
- e. Failing to timely produce requested books and records required to be maintained by the Licensee; or
- f. Failing to timely respond to any other request for information made by a Division employee or investigator in connection with an investigation of the qualifications, conduct or compliance of an Applicant or Licensee.

B. Voluntary Surrender of Regulated Natural Medicine or Regulated Natural Medicine Product.

- 1. A Licensee, prior to a Final Agency Order and upon mutual agreement with the Division, may elect to voluntarily surrender any Regulated Natural Medicine or Regulated Natural Medicine Product to the Division.
 - a. Such voluntary surrender may require destruction of any Regulated Natural Medicine or Regulated Natural Medicine Product in the presence of a Division investigator and at the Licensee's expense.
 - b. The individual signing the Division's voluntary surrender form on behalf of the surrendering Licensee must certify that the individual has authority to represent and bind the Licensee to such voluntary surrender.
- 2. The voluntary surrender form may be utilized in connection with a stipulated agency order through which the Licensee waives the right to hearing and any associated rights.
- 3. The voluntary surrender form may be utilized even if the Licensee does not waive the right to hearing and any associated rights, with the understanding that the outcome of the hearing does not impact the validity of the voluntary surrender.
- 4. A Licensee, after a Final Agency Order and upon mutual agreement with the Division, may elect to voluntarily surrender any Regulated Natural Medicine or Regulated Natural Medicine Product to the Division.
 - a. The Licensee must complete and return the Division's voluntary surrender form within 15 calendar days of the date of the Final Agency Order.
 - b. Such voluntary surrender may require destruction of any Regulated Natural Medicine or Regulated Natural Medicine Product in the presence of a Division investigator and at the Licensee's expense.
 - c. The individual signing the Division's voluntary surrender form on behalf of the surrendering Licensee must certify that the individual has authority to represent and bind the Licensee to such voluntary surrender.

Basis and Purpose – 9010

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(a), 44-50-202(1)(b), 44-50-202(1)(c), 44-50-203(1)(a), 44-50-203(2)(l), 44-50-203(2)(m), 44-50-203(2)(r), and 44-50-701,

C.R.S. The purpose of this rule is to provide a procedure for written warnings and assurances of voluntary compliance for non-compliance with the Natural Medicine Code or these Rules.

9010 – Written Warnings and Assurances of Voluntary Compliance

- A. Written Warnings. If a Division investigator identifies a violation(s) of the Natural Medicine Code or these Rules that is eligible for a written warning pursuant to subpart (D) of this Rule, the Division investigator may issue a written warning in lieu of recommending administrative action.
1. The written warning shall identify the alleged violation(s).
 2. The written warning shall not constitute an admission of a violation(s) for any purpose or finding of a violation(s) by the State Licensing Authority, and shall not be evidence that the Licensee violated the Natural Medicine Code, or these Rules.
 3. A written warning shall constitute evidence in any subsequent administrative proceeding, if relevant, that the Licensee was previously warned of the violation(s).
 4. The Division may in its discretion initiate a subsequent administrative action and prove the violation(s) that was the subject of the written warning.
- B. Assurances of Voluntary Compliance. The Director of the Division may accept an assurance of voluntary compliance regarding any act or practice alleged to violate the Natural Medicine Code or these Rules that is eligible for an assurance of voluntary compliance pursuant to subpart (D) of this Rule.
1. The assurance must be in writing and may include a stipulation for the voluntary payment of the cost commensurate with the acts or practices and an amount necessary to restore money or property which may have been acquired by the alleged violator because of the acts or practices.
 2. An assurance of voluntary compliance may not be considered an admission of a violation(s) for any purpose or a finding of a violation(s) by the State Licensing Authority; however, the assurance of voluntary compliance shall constitute evidence in any subsequent administrative proceeding that Licensee entered into an agreement to comply with the Natural Medicine Code, and/or these Rules.
 3. The State Licensing Authority may review an assurance of voluntary compliance.
- C. Not an Administrative Action. Neither a written warning nor an assurance of voluntary compliance constitutes an administrative action.
- D. Not Eligible for Written Warning or Assurance of Voluntary Compliance. If a Division investigator identifies a violation(s) of the Natural Medicine Code or these Rules, the following conduct is not eligible for a Written Warning or Assurance of Voluntary Compliance:
1. Knowingly adulterating or altering a Sample, Production Lot, or Harvest Lot;
 2. A violation by a Natural Medicine Testing Facility including a deliberate or willful violation of a testing rule, a violation or deviation from a rule or a standard operating procedure that results in the potential to harm public health or safety, or any acts by a Natural Medicine Testing Facility that produce a test result favorable to a Licensee (over reporting tryptamine content, under reporting contaminants, other inaccurate test results).

3. Any sale or transfer of Regulated Natural Medicine or Regulated Natural Medicine Product in violation of the Natural Medicine Code or these Rules;
4. Transferring Regulated Natural Medicine or Regulated Natural Medicine Product to an individual under the age of 21 years;
5. Any unlawful act by a Person licensed pursuant to article 50 in violation of section 44-50-501, C.R.S.; and
6. Inversion of unregulated Natural Medicine or Natural Medicine Product to a Natural Medicine Business from a source other than another Natural Medicine Business.

Basis and Purpose – 9015

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-202(1)(d), and 44-50-203(2)(r), C.R.S. The purpose of this rule is to establish the criteria and process by which the Division petitions a district court for an investigative subpoena for a person who is not licensed pursuant to the Natural Medicine Code.

9015 – Investigative Subpoenas

- A. Criteria. The State Licensing Authority may petition a district court for an investigative subpoena applicable to a person who is not licensed pursuant to the Natural Medicine Code to obtain documents or information necessary to enforce the Natural Medicine Code and these Rules after the Division has taken reasonable efforts to obtain requested documents or information.
- B. Reasonable Efforts. For purposes of this Rule 9015, “reasonable efforts” may include but shall not be limited to obtaining the documents or information through a request to the unlicensed person and such unlicensed person has either declined to provide the documents or information, or failed to respond to the Division within the applicable time frame.
- C. Affidavit. When seeking an investigative subpoena, the Division will supply the district court with a sworn affidavit explaining the bases for seeking the subpoena

Basis and Purpose – 9020

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-202(1)(c), 44-50-203(1)(b), 44-50-203(2)(l), and 44-50-203(2)(p), C.R.S. The purpose of this rule is to establish the circumstances in which the Division may seek an administrative search warrant for a Natural Medicine Licensee.

9020 – Administrative Warrants

- A. Criteria. The Division may seek from a district court an administrative search warrant authorizing search and seizure in circumstances in which the Division makes a proper showing that:
 1. A Licensee has refused entry of Division investigators during business hours or times of apparent activity;
 2. A Licensee subject to an embargo or summary suspension has failed to comply with applicable rules; or
 3. A Licensee otherwise has acted in a manner demonstrating willful or deliberate disregard for the Natural Medicine Code or these Rules or that threatens the public health, safety, and welfare.

- B. Affidavit. When seeking an administrative search warrant, the Division will supply the district court with a sworn affidavit explaining the bases for seeking the warrant.
- C. Seized Property. Neither the Division nor the State Licensing Authority shall cultivate or care for any seized Regulated Natural Medicine. The Division may seize and destroy Regulated Natural Medicine and Regulated Natural Medicine Product pursuant to agreement with the Licensee or may seek from the State Licensing Authority or a district court an order to destroy any seized Regulated Natural Medicine and Regulated Natural Medicine Product.

Basis and Purpose – 9025

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-202(1)(c), 44-50-203(1)(a), 44-50-203(1)(b), 44-50-203(2)(l), 44-50-203(2)(m), 24-4-105, and 44-50-701, C.R.S. The purpose of this rule is to describe the process for disciplinary actions that do not involve summary suspension of a Natural Medicine License.

9025 – Non-Summary Suspensions

- A. How a Disciplinary Action is Initiated.
 - 1. If the State Licensing Authority, on its own initiative or based on a complaint, has reasonable cause to believe that a Licensee has violated the Natural Medicine Code, any of these Rules, or any of its orders, the State Licensing Authority may issue and serve upon the Licensee an Order to Show Cause (administrative action) as to why its license should not be suspended, revoked, restricted, fined, or subject to other disciplinary sanction.
 - 2. The Order to Show Cause shall identify the statute, rule, regulation, or order allegedly violated, and the facts alleged to constitute the violation. The order shall also provide an advisement that the license could be suspended, revoked, restricted, fined, or subject to other disciplinary sanction should the charges contained in the notice be sustained upon final hearing.
- B. Disciplinary Hearings. Disciplinary hearings will be conducted in accordance with Rule 9040 Administrative Hearings.
- C. Renewal. The issuance of an Order to Show Cause does not relieve the Licensee of the obligation to timely comply with all license renewal requirements. The Division's approval of any renewal application filed by a Licensee does not constitute a Final Agency Order or an agreement to settlement of any administrative action. The License shall continue to comply with the requirements of this Rule pending a Final Agency Order resolving any Order to Show Cause.

Basis and Purpose – 9030

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-202(1)(c), 44-50-203(1)(a), 44-50-203(1)(b), 44-50-203(2)(l), 44-50-203(2)(m), 24-4-104(4)(a), 24-4-105, and 44-50-701, C.R.S. The purpose of this rule is to describe the conditions and process for disciplinary actions that involve summary suspension of a Natural Medicine License.

9030 – Summary Suspensions

- A. How a Summary Suspension is Initiated.
 - 1. When the State Licensing Authority has reasonable grounds to believe and finds that a Licensee has been guilty of a deliberate and willful violation of any applicable law or

regulation or that the public health, safety, or welfare imperatively requires emergency action it shall serve upon the Licensee a Summary Suspension Order that temporarily or summarily suspends the license.

2. The Summary Suspension Order shall identify the nature of the State Licensing Authority's basis for the summary suspension. The Summary Suspension Order shall also provide an advisement that the License may be subject to further discipline or revocation following a hearing on an Order to Show Cause.
3. Proceedings for suspension or revocation shall be promptly instituted and determined after the Summary Suspension Order is issued according to the following Procedure:
 - a. Either contemporaneously with, or promptly after the Summary Suspension Order is issued, the State Licensing Authority will issue and serve upon the Licensee an Order to Show Cause (administrative citation) as to why the Licensee's license should not be suspended, revoked, restricted, fined, or subject to other disciplinary sanction.
 - b. The Order to Show Cause will identify the statute, rule, regulation, or order allegedly violated, and the facts alleged to constitute the violation. The Order to Show Cause will also provide an advisement that the license could be suspended, revoked, restricted, fined or subject to disciplinary sanction should the charges contained in the Order to Show Cause be sustained upon final Hearing.
 - c. The Order to Show Cause shall be filed with the Department's Hearings Division. The hearing on the allegations set forth in the Order to Show Cause shall be expedited to the extent practicable and will be conducted in accordance with Rule 9040– Administrative Hearings.

- B. Duration of Summary Suspension. Unless lifted by the State Licensing Authority, the Summary Suspension Order will remain in effect until issuance of a Final Agency Order.

Basis and Purpose – 9035

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-202(1)(c), 44-50-202(1)(e), 44-50-203(1)(a), 44-50-203(1)(b), 44-50-203(2)(l), 44-50-203(2)(n), and 44-50-203(2)(r), 24-4-104, 24-4-105, and 44-50-701, C.R.S. The State Licensing Authority recognizes that if Licensees are not able to care for their products during a period of active suspension, then their cultivated Regulated Natural Medicine could die, their products could deteriorate, and their on-hand inventory may not be properly maintained. Accordingly, this rule was written to clarify that Licensees whose licenses are summarily suspended may care for on-hand inventory, and manufactured products during the suspension (unless the State Licensing Authority does not allow such activity), provided the Licensed Premises and all Regulated Natural Medicine and Regulated Natural Medicine Product is adequately secured. In addition, the rule clarifies what activity is always prohibited during such suspension.

9035 – Suspension Process: Regular and Summary Suspensions

- A. Signs Required During Suspension. Every Licensee whose license has been suspended, whether summarily or after an administrative hearing, shall post two notices in conspicuous places, one on the exterior and one on the interior of its Licensed Premises, for the duration of the suspension. The notices shall be at least 17 inches in length and 11 inches in width containing lettering not less than 1/2" in height.

1. For suspension following issuance of a Final Agency Order, the sign shall be in the following form:

NOTICE OF SUSPENSION REGULATED NATURAL MEDICINE LICENSES ISSUED FOR THESE PREMISES HAVE BEEN SUSPENDED BY ORDER OF THE STATE LICENSING AUTHORITY FOR VIOLATION OF THE COLORADO NATURAL MEDICINE CODE.

2. For a summary suspension pending issuance of a Final Agency Order, the sign shall be in the following form:

NOTICE OF SUSPENSION REGULATED NATURAL MEDICINE LICENSES ISSUED FOR THESE PREMISES HAVE BEEN SUSPENDED BY ORDER OF THE STATE LICENSING AUTHORITY FOR ALLEGED VIOLATION OF THE COLORADO NATURAL MEDICINE CODE.

Any advertisement or posted signs that indicate that the premises have been closed or business suspended for any reason other than by the manner described in this Rule shall be deemed a violation of these Rules.

B. Prohibited Activity During Active Suspension.

1. Unless otherwise ordered by the State Licensing Authority, during any period of active license suspension the Licensee shall not permit the serving, giving away, distribution, manufacture, acquisition, purchase, testing, transfer, or transport of Regulated Natural Medicine or Regulated Natural Medicine Product at the Licensed Premises, nor allow Participants to enter the Licensed Premises.
2. Unless otherwise ordered by the State Licensing Authority, during any period of suspension the Licensee may continue to possess, maintain, cultivate, or harvest Regulated Natural Medicine and Regulated Natural Medicine Product on the Licensed Premises. The Licensee must fully account for all such Regulated Natural Medicine and Regulated Natural Medicine Product during any period of suspension. The Licensee must safeguard any Regulated Natural Medicine or Regulated Natural Medicine Product in its possession or control. The Licensee must possess and maintain the Licensed Premises in reasonable condition according to health, safety, and sanitary standards, and must fully comply with all security requirements including but not limited to surveillance, lock and alarm requirements set forth in the Natural Medicine Code and these Rules.

C. Removal and Destruction of Regulated Natural Medicine and Regulated Natural Medicine Product. Regulated Natural Medicine and Regulated Natural Medicine Product shall not be removed from the Licensed Premises or destroyed unless:

1. The State Licensing Authority orders forfeiture and destruction;
2. The Licensee has voluntarily surrendered the Regulated Natural Medicine or Regulated Natural Medicine Product in accordance with Rule 9005 – Voluntary Surrender; or
3. The State Licensing Authority has seized the Regulated Natural Medicine or Regulated Natural Medicine Product pursuant to an Administrative Warrant. See Rule 9020 – Administrative Warrant.

D. Renewal. The issuance of an Order to Show Cause or an Order of Summary Suspension does not relieve the Licensee of the obligation to timely comply with all license renewal requirements. The Division's approval of any renewal application filed by a Licensee while subject to an Order to

Show Cause or an Order of Summary Suspension shall not constitute a Final Agency Order or an agreement to a settlement of the administrative action. The Licensee shall continue to comply with the requirements of this Rule pending a Final Agency Order resolving the Order of Summary Suspension and any related Order to Show Cause.

Basis and Purpose – 9040

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-202(1)(c), 44-50-202(1)(e), 44-50-203(1)(a), 44-50-203(1)(b), 44-50-203(2)(l), 44-50-203(2)(n), and 44-50-203(2)(r), 24-4-104, 24-4-105, and 44-50-701, C.R.S. The purpose of this rule is to describe the requirements and procedures for administrative hearings, including prehearing practices.

9040 – Administrative Hearings

A. General Procedures.

1. Hearing Location. Hearings will generally be conducted by the Department's Hearings Division. Hearings will be held virtually unless otherwise ordered by the hearing officer for good cause. "Good cause" for an in-person hearing means that there are unusual circumstances where justice, judicial economy, and convenience of the parties would be served by holding a hearing in person. The Division, Respondent or Denied Applicant may request a hearing officer order an in-person hearing upon a showing of good cause. If the hearing officer orders an in-person hearing, the hearing will be conducted at a location in the greater Denver metropolitan area to be determined by the hearing officer.
2. Scope of Hearing Rules. This Rule shall be construed to promote the just and efficient determination of all matters presented.
3. Right to Legal Counsel. Any Denied Applicant or Respondent has a right to legal counsel throughout all processes described in rules associated with the denial of an application and disciplinary action. Such counsel shall be provided solely at the Denied Applicant's or Respondent's expense. Unless a Denied Applicant or Respondent that is an entity satisfies the exception in section 13-1-127(2), C.R.S., the Denied Applicant or Respondent must be represented by an attorney admitted to practice law in the state of Colorado.
4. Service. An Order to Show Cause, a Notice of Destruction, or a Notice of Denial must be served on a Respondent or Denied Applicant personally or by first-class mail. Service of pleadings or other papers on a Denied Applicant, Respondent, or any attorney representing a party, may be made by hand delivery, by mail to the party's last known address, or by electronic mail. Service of pleadings or other papers on the Division in an administrative hearing may be made to the attorney(s) of record, as identified on the Certificate of Service to the Order to Show Cause, Order of Summary Suspension, Notice of Embargo, or Notice of Denial, by electronic mail or first-class mail.

B. Requesting a Hearing.

1. A Denied Applicant that has been served with a Notice of Denial may request a hearing within 60 days of service of the Notice of Denial by making a written request for a hearing to the Division. The request must be submitted by United States mail or by hand delivery. Email or fax requests will not be considered. The request must be sent to the mailing address of the Division's headquarters, as listed on the Division's website. Include "Attn: Hearing Request" in the mailing address. The written request for a hearing must be received by the Division within the time stated in the Notice of Denial. An untimely request for hearing will not be considered.

2. A Denied Applicant that timely requests a hearing following issuance of a Notice of Denial shall be served with a Notice of Grounds for Denial, and shall be entitled to a hearing regarding the matters addressed therein.
3. A Respondent that has been served with an Order to Show Cause shall be entitled to a hearing regarding the matters addressed therein.
4. A Licensee that has been served with a Notice of Destruction may request a hearing within 60 days of service of the Notice of Destruction by making a written request for a hearing to the Division.
 - a. The request must be submitted by United States mail or by hand delivery. Email or fax requests will not be considered. The request must be sent to the mailing address of the Division's headquarters, as listed on the Division's website. Include "Attn: Hearing Request" in the mailing address. The written request for a hearing must be received by the Division within the time stated in the Notice of Destruction. An untimely request for hearing will not be considered.
 - b. If a Notice of Destruction is served concerning embargoed Regulated Natural Medicine or Regulated Natural Medicine Product that is also subject of an administrative action, and a hearing is timely requested by the Respondent, a single hearing shall be held for the efficiency of the Hearings Division and the parties.

C. When a Responsive Pleading is Required.

1. A Respondent shall file a written answer with the Hearings Division and the Division within 30 days after the date of mailing of any Order to Show Cause. The written answer shall comply with the requirements of Rule 8 of the Colorado Rules of Civil Procedure. If a Respondent fails to file a required answer, the hearing officer, upon motion, may enter a default against that person pursuant to section 24-4-105(2)(b), C.R.S. For good cause, as described in this Rule, shown, the hearing officer may set aside the entry of default within ten days after the date of such entry.
2. A Denied Applicant shall file a written answer with the Hearings Division and the Division within 30 days after the date of mailing of any Notice of Grounds for Denial. The written answer shall comply with the requirements of Rule 8 of the Colorado Rules of Civil Procedure. If a Denied Applicant fails to file a required answer, the hearing officer, upon motion, may enter a default against that person pursuant to section 24-4-105(2)(b), C.R.S. For good cause, as described in this Rule, shown, the hearing officer may set aside the entry of default within ten days after the date of such entry.

D. Hearing Notices.

1. Notice to Set. The Division shall send a notice to set a hearing to the Denied Applicant or Respondent in writing by electronic mail or by first-class mail to the last mailing address of record if an electronic mail address is unknown.
2. Notice of Hearing. The Hearings Division shall notify the Division and Denied Applicant or Respondent of the date, place, time, and nature of the hearing regarding denial of the license application, order of destruction, or whether discipline should be imposed against the Respondent's license at least 30 days prior to the date of such hearing, unless otherwise agreed to by both parties. This notice shall be sent to the Denied Applicant or Respondent in writing by first-class mail to the last mailing address of record. Hearings shall be scheduled and held as soon as is practicable.

- a. If an Order of Summary Suspension has been issued, the hearing on the Order to Show Cause will be scheduled and held promptly.
- b. Continuances may be granted for good cause, as described in this Rule, shown. A motion for a continuance must be timely.
- c. "Good cause" for a continuance may include but is not limited to: death or incapacitation of a party or an attorney for a party; a court order staying proceedings or otherwise necessitating a continuance; entry or substitution of an attorney for a party a reasonable time prior to the hearing, if the entry or substitution reasonably requires a postponement of the hearing; a change in the parties or pleadings sufficiently significant to require a postponement; a showing that more time is clearly necessary to complete authorized discovery or other mandatory preparation for the hearing; or agreement of the parties to a settlement of the case which has been or will likely be approved by the final decision maker. Good cause normally will not include the following: unavailability of counsel because of engagement in another judicial or administrative proceeding, unless the other proceeding was involuntarily set subsequent to the setting in the present case; unavailability of a necessary witness, if the witness' testimony can be taken by telephone or by deposition; or failure of an attorney or a party timely to prepare for the hearing.

E. Prehearing Matters Generally.

1. Prehearing Conferences Once a Hearing is Set. Prehearing conferences may be held at the discretion of the hearing officer upon request of any party, or upon the hearing officer's own motion. If a prehearing conference is held and a prehearing order is issued by the hearing officer, the prehearing order will control the course of the proceedings.
2. Depositions. Depositions are generally not allowed; however, a hearing officer has discretion to allow a deposition if a party files a written motion and can show why such deposition is necessary to prove its case. When a hearing officer grants a motion for a deposition, C.R.C.P. 30 controls. Hearings will not be continued because a deposition is allowed unless (a) both parties stipulate to a continuance and the hearing officer grants the continuance, or (b) the hearing officer grants a continuance over the objection of any party in accordance with subsections (D)(2)(b) and (c) of this Rule.
3. Prehearing Statements. Once a Hearing is Set. Prehearing Statements are required and unless otherwise ordered by the hearing officer, each party shall file with the hearing officer and serve on each party a prehearing statement no later than seven calendar days prior to the hearing. Parties shall also exchange exhibits at that time. Parties shall also file exhibits with the hearing officer. Parties shall exchange exhibits by the date on which prehearing statements are to be filed. Prehearing statements shall include the following Information:
 - a. Witnesses. The name, mailing address, and telephone number of any witness whom the party may call at hearing, together with a detailed statement of the expected testimony.
 - b. Experts. The name, mailing address, and a brief summary of the qualifications of any expert witness a party may call at hearing, together with a statement that details the opinions to which each expert is expected to testify. These requirements may be satisfied by the incorporation of an expert's resume or report containing the required information.

- c. Exhibits. A description of any physical or documentary evidence to be offered into evidence at the hearing. Exhibits should be identified as follows: Division using numbers and Denied Applicant or Respondent using letters.
 - d. Stipulations. A list of all stipulations of fact or law reached, as well as a list of any additional stipulations requested or offered to facilitate disposition of the case.
 - 4. Prehearing Statements Binding. The information provided in a party's prehearing statement is binding on that party throughout the course of the hearing unless modified to prevent manifest injustice. New witnesses or exhibits may be added only if: (1) the need to do so was not reasonably foreseeable at the time of filing of the prehearing statement; (2) it would not prejudice other parties; and (3) it would not necessitate a delay of the hearing.
 - 5. Consequence of Not Filing a Prehearing Statement Once a Hearing is Set. If a party does not timely file a prehearing statement, the hearing officer may impose appropriate sanctions including, but not limited to, striking proposed witnesses and exhibits.
- F. Conduct of Hearings.
- 1. The hearing officer shall cause all hearings to be electronically recorded.
 - 2. The hearing officer may allow a hearing, or any portion of the hearing, to be conducted in real time by telephone or other electronic means. If a party is appearing by telephone, the party must provide actual copies of the exhibits to be offered into evidence at the hearing to the hearing officer when the prehearing statement is filed. Electronic filings will be accepted at: dor_regulatoryhearings@state.co.us.
 - 3. The hearing officer shall administer oaths or affirmations to all witnesses at hearing. The hearing officer may question any witness.
 - 4. The hearing, including testimony and exhibits, shall be open to the public unless otherwise ordered by the hearing officer in accordance with a specific provision of law.
 - a. Reports and other information that would otherwise be confidential pursuant to subsection 44-50-204(1)(a), C.R.S., may be introduced as exhibits at hearing.
 - b. Any party may move the hearing officer to seal an exhibit or order other appropriate relief if necessary to safeguard the confidentiality of evidence.
 - 5. Court Rules.
 - a. To the extent practicable, the Colorado Rules of Evidence apply. Unless the context requires otherwise, whenever the word "court," "judge," or "jury" appears in the Colorado Rules of Evidence, such word shall be construed to mean a hearing officer. A hearing officer has discretion to consider evidence not admissible under such rules, including but not limited to hearsay evidence, pursuant to section 24-4-105(7), C.R.S.
 - b. To the extent practicable, the Colorado Rules of Civil Procedure apply. However, Colorado Rules of Civil Procedure 16 and 26-37 do not apply, although parties are encouraged to voluntarily work together to resolve the case, simplify issues, and exchange information relevant to the case prior to a hearing. Unless the context otherwise requires, whenever the word "court" appears in a rule of civil procedure, that word shall be construed to mean a hearing officer.

6. Exhibits.
 - a. All documentary exhibits must be paginated by the party offering the exhibit into Evidence.
 - b. The Division shall use numbers to mark its exhibits.
 - c. The Denied Applicant or Respondent shall use letters to mark its exhibits.
7. The hearing officer may proceed with the hearing or enter default judgment if any party fails to appear at hearing after proper notice.
- G. Post Hearing. After considering all the evidence, the hearing officer shall determine whether the proponent of the order has proven its case by a preponderance of the evidence, and shall make written findings of evidentiary fact, ultimate conclusions of fact, conclusions of law, and a recommendation. These written findings shall constitute an Initial Decision subject to review by the State Licensing Authority pursuant to the Colorado Administrative Procedure Act and as set forth in Rule 9045 – Administrative Hearing Appeals process: Exceptions to Initial Decision.
- H. No Ex Parte Communication. Ex parte communication shall not be allowed at any point following the formal initiation of the hearing process. A party or counsel for a party shall not initiate any communication with a hearing officer or the State Licensing Authority, or with conflicts counsel representing the hearing officer or State Licensing Authority, pertaining to any pending matter unless all other parties participate in the communication or unless prior consent of all other parties (and any pro se parties) has been obtained. Parties shall provide all other parties with copies of any pleading or other paper submitted to the hearing officer or the State Licensing Authority in connection with a hearing or with the exceptions process.
- I. Natural Medicine Division Representation. The Division will be represented by the Colorado Department of Law.

Basis and Purpose – 9045

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(b), 44-50-202(1)(c), 44-50-202(1)(e), 44-50-203(1)(a), 44-50-203(1)(b), 44-50-203(2)(l), 44-50-203(2)(m), and 44-50-203(2)(r), C.R.S. The purpose of this rule is to describe the exceptions process by which a Denied Applicant or Respondent may appeal an Initial Decision issued by a hearing officer pursuant to the Administrative Procedure Act.

9045 – Administrative Hearing Appeal Process: Exceptions to Initial Decision

- A. Exception(s) Process. Any party may appeal an Initial Decision to the State Licensing Authority pursuant to the Colorado Administrative Procedure Act by filing written exception(s) within 30 days after the date of mailing of the Initial Decision to the Denied Applicant or Respondent and the Division. The written exception(s) shall include a statement giving the basis and grounds for the exception(s). Any party who fails to properly file written exception(s) within the time provided in these rules shall be deemed to have waived the right to an appeal. A copy of the exception(s) shall be served on all parties. The address of the State Licensing Authority is: State Licensing Authority, 1707 Cole Boulevard, Suite 350, Lakewood, CO 80401.
- B. Designation of Record. Any party that seeks to reverse or modify the Initial Decision of the hearing officer shall file with the State Licensing Authority, within 20 days from the mailing of the Initial Decision, a designation of the relevant parts of the record and of the parts of the hearing transcript which shall be prepared, and advance the costs therefore. A copy of this designation shall be served on all parties. Within ten days thereafter, any other party may also file a

designation of additional parts of the transcript of the proceedings which is to be included and advance the cost therefore. No transcript is required if the review is limited to a pure question of law. A copy of this designation of record shall be served on all parties.

- C. Deadline Modifications. The State Licensing Authority may modify deadlines and procedures related to the filing of exceptions to the Initial Decision upon motion by either party for good cause shown.
- D. No Oral Argument Allowed. Requests for oral argument will not be considered.

Basis and Purpose – 9050

The statutory authority for this rule includes but is not limited to sections 44-50-202(1)(a), 44-50-202(1)(b), 44-50-203(1)(a), 44-50-203(1)(b), 44-50-203(2)(l), 44-50-203(2)(m), 44-50-203(2)(r), and 44-50-701, C.R.S. The purpose of this rule is to establish guidelines for enforcement and penalties that will be imposed by the State Licensing Authority for non-compliance with the Natural Medicine Code or these Rules.

9050 – Penalties

- A. This penalty structure is a framework providing guidance as to the range of violations, suspension description, fines, and mitigating and aggravating factors. The circumstances surrounding any penalty imposed will be determined by the State Licensing Authority on a case-by-case basis.
- B. Penalty Schedule. The State Licensing Authority will make determinations regarding the type of penalty to impose based on the severity of the violation(s) in the following categories:
 - 1. Level I Violation(s). This category of violation is the most severe and generally has an immediate or potential negative effect on public health, safety, or welfare.
 - a. The range of available penalties for Level I violations include one or more of the following: license suspension, a fine of up to \$25,000.00 per individual violation, and/or license revocation. Sanctions may also include restrictions on the license.
 - b. Level I Violation(s). This category of violations includes the most severe and may include willful or deliberate violations or violations that result in harm or the potential to harm public safety, health or welfare. Level I violations include, but are not limited to:
 - i. Inversion of unregulated Natural Medicine or Regulated Natural Medicine Product to a Natural Medicine Business from a source other than another Natural Medicine Business;
 - ii. Diversion of Regulated Natural Medicine or Regulated Natural Medicine Product to a person other than a Natural Medicine Business or a Facilitator;
 - iii. Any transfer of Regulated Natural Medicine or Regulated Natural Medicine Product to an individual under the age of 21 years;
 - iv. Knowingly adulterating or altering a Sample, Production Lot, or Harvest Lot;
 - v. Conduct by a Natural Medicine Testing Facility that demonstrates a deliberate or willful violation of a testing rule, a deviation from a rule or a

standard operating procedure that results in the potential to harm public health or safety, or any acts by a Natural Medicine Testing Facility that produce a test result favorable to a Licensee (over reporting tryptamine content, under reporting contaminants, other inaccurate test results);

- vi. The manufacture or transfer of Regulated Natural Medicine or Regulated Natural Medicine Product in violation of the Natural Medicine Code or these Rules, including but not limited to the manufacture or transfer of synthetic Natural Medicine;
- vii. Violations related to the sharing of Licensed Premises between Natural Medicine Businesses;
- viii. Advertising violations including misleading, deceptive, or false advertising or advertising targeting individuals under the age of 21;
- ix. Packaging or labeling violations that have an immediate or potential negative impact on public health and safety; or
- x. Releasing personally identifying information or medical data maintained or stored at a Natural Medicine Business's Licensed Premises other than as permitted by the Code, these Rules, or any other local, state or federal law.

2. All other Violation(s). This category of violation generally does not have an immediate or potential negative impact on the public health, safety, and welfare.

- a. The range of available penalties for all other violations include one or more of the following: license suspension, a fine of up to \$10,000.00 per individual violation, and/or license revocation. Sanctions may also include restrictions on the license.

C. Mitigating and aggravating factors. The State Licensing Authority may consider mitigating and aggravating factors when considering the imposition of a penalty. Mitigating and aggravating factors may impact the severity of the penalty imposed for the violation(s).

1. Mitigating factors include:

- a. No prior written warning(s), assurance(s) of voluntary compliance, or disciplinary action against Licensee in the preceding 24 months;
- b. Corrective action(s) taken by the Licensee related to the violation(s);
- c. The Licensee initiated a voluntary recall of the Natural Medicine or Regulated Natural Medicine Product;
- d. Good faith efforts taken by the Licensee to comply with the rules;
- e. Good faith measures by the Licensee to prevent the violation(s) prior to the Division's investigation, including standard operating procedures which comply with the rules and directly address the conduct leading to the violation, proper supervision, and regularly provided and documented employee training;
- f. Licensee self-reported the violation(s); and
- g. Any other relevant circumstances which mitigate the violation(s).

2. Aggravating factors include:
 - a. Licensee transferred unsafe or potentially unsafe Regulated Natural Medicine or Regulated Natural Medicine Product;
 - b. Conduct or violation(s) resulted in a recall pursuant to Rule 3215, an embargo pursuant to Rule 3220, or a health and safety advisory;
 - c. Willful or deliberate nature of actions by Licensee;
 - d. Duration of conduct and violations(s) by Licensee;
 - e. The quantity of Regulated Natural Medicine or Regulated Natural Medicine Product involved in the conduct or violation(s) by Licensee;
 - f. Licensee received verbal or written warning(s) or signed assurance(s) of voluntary compliance pursuant to Rule 9035 for the same conduct or violation(s) in the previous 24 months;
 - g. Prior disciplinary action against Licensee in the previous 24 months for the same conduct or violation(s);
 - h. Licensee subject to a summary suspension for any conduct or violation(s) in the previous 24 months;
 - i. Owner or manager involvement in the conduct or violation(s);
 - j. Involvement by a person unlicensed to work for a Natural Medicine Business;
 - k. Substantial risk for diversion of Regulated Natural Medicine or Regulated Natural Medicine Product as a result of the Licensee's conduct or violation(s); and
 - l. Any other relevant circumstances which aggravate the violation(s).

Considered Zone Districts - Natural Medicine Businesses

Legend

-  School or Child Care Property
-  School/Child Care 1,000 ft Buffer
-  Municipal Boundary

General Zoning Districts

-  Agriculture
-  Open Space/Recreation
-  Office
-  Industrial
-  Commercial
-  Commercial/Residential
-  Residential

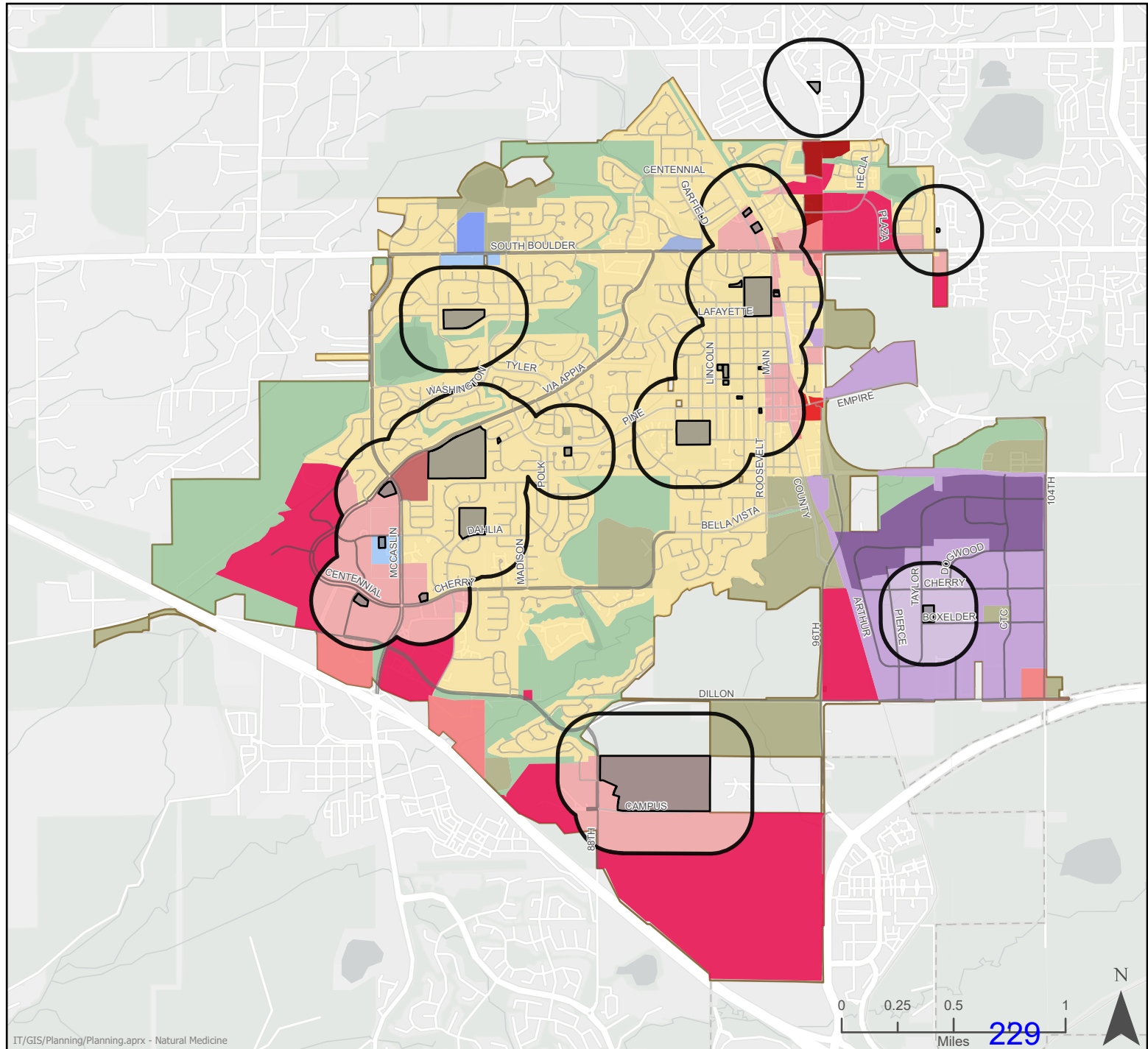
Considered Zones

Natural Medicine Healing Center

-  Administrative Office
-  Business Office
-  Commercial Business
-  Commercial Community
-  Planned Community Commercial
-  Planned Community Commercial/Residential

Natural Medicine Cultivation, Production, and Testing Facilities

-  Industrial
-  Planned Community Industrial



From: [Genny Kline](#)
To: [Matt Post](#); [Rob Zuccaro](#)
Subject: Fwd: Comments for Council regarding Natural Medicine
Date: Tuesday, September 3, 2024 5:49:28 PM

Please see the comments below sent to Council.
Thank you,

Genny Kline
Interim City Clerk
City of Louisville, CO
Sent from mobile device

From: Erin Carpenter <erin.f.carpenter@gmail.com>
Sent: Tuesday, September 3, 2024 3:55:07 PM
To: Genny Kline <gkline@louisvilleco.gov>
Cc: City Council <Council@louisvilleco.gov>
Subject: Comments for Council regarding Natural Medicine

Hi Genny,

Unfortunately I've come down with a cold and I won't be able to come speak tonight at the City Council meeting regarding time, use, and manner regulations for Natural Medicine businesses (aka Healing Centers, to use the language of the [Natural Medicine Program](#)).

I've put together some comments below, can you please pass this along to Council? I am happy to discuss further with any member of council as well.

(I've paraphrased my comments from material provided by [The Healing Advocacy Fund](#), a nonprofit that has been involved in guiding the regulatory model for the program).

As a therapist and Louisville resident, I hope to add Natural Medicine services as a clinical modality to my practice. I plan to apply for a Healing Center license next year. Cities can regulate the time, use, and manner of Healing Centers.

Colorado has already created a [robust regulatory framework](#) to support public safety, prevent youth access and ensure high quality services. Here are my comments about Healing Centers.

- **Safety First for Healing:** Local policies should be designed to support safe, regulated access reflective of the potential of psychedelic therapy to benefit adults struggling with mental health conditions like depression, anxiety and addiction.
- **Safety First for Access:** Healing centers should be zoned in alignment with the underlying business. For example, many healing centers will closely resemble a therapist's office; others will be structured like a retreat center. Each approach can have unique benefits for mental health outcomes, and the

state regulations require clear safety precautions tailored to these different settings. Counties that require setbacks from residences or strictly limit healing centers to industrial-zoned areas could prevent existing mental health practices from offering natural psychedelic therapy to current clients and may unnecessarily force residents to seek care elsewhere.

· **Safety First for Client Health:** Restricted hours of operation at healing centers is a safety issue. Psilocybin therapy sessions generally last about 4 to 6 hours, but they can occasionally last longer for people who metabolize the substance differently due to underlying health conditions. In those scenarios, ending the session early due to limited hours of operation could put clients at risk. I would recommend reasonable hours of 8am to 8pm.

Thank you,

--

Erin Carpenter, LCSW
www.psychedelictgrowth.net
erin.f.carpenter@gmail.com
720.295.7801

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City Council

December 3, 2024

Ordinance No. 1887, Series 2024 - Amending Title 17 of the Louisville Municipal Code to allow and regulate Natural Medicine Businesses and Title 9 to establish penalties for unlawful use and cultivation of Natural Medicine



Summary: Natural Medicine

- Colorado voters passed Proposition 122 in November of 2022
- Decriminalized the possession, cultivation, sharing, and use of psilocybin and other related substances, referred to as “Natural Medicine”
- This State law Permits the supervised use of Natural Medicine and the cultivation, manufacturing, and testing of Natural Medicine at “Natural Medicine Businesses”
- Local jurisdictions may not prohibit Natural Medicine Businesses, though they may regulate the time, place, and manner.
- State will accept Natural Medicine Business applications in 2025



City Council Discussion and Direction

- Presented discussion and direction memorandum to City Council on September 3 to inform them of the City's obligations under SB 23-290 and receive feedback and direction in preparation for this draft ordinance.
- Define Natural Medicine Businesses, allowed zone districts, and supplemental regulations.
- Council expressed agreement with proposed definitions and regulations.

Natural Medicine Healing Centers

- Natural Medicine for mental health treatment or other medicinal purposes is restricted to "Natural Medicine Healing Centers"
- Allow for the supervised use of Natural Medicine administered by a trained and licensed facilitator
- Facilitator is licensed by the state after completing 150 hours of related coursework; best practices, ethics, rules and regulations, drug effects, contraindications and interactions, and trauma informed care
- Staff anticipate Natural Medicine Healing Centers to operate similar medical or therapy offices

Natural Medicine Cultivation, Manufacturing, and Testing Facilities

- Natural Medicine Business permitting the cultivation, manufacture, and testing of Natural Medicine products.
- Staff anticipate these facilities to operate similar to light industrial or manufacturing facility uses
- Excluding testing facilities, the joint location of Natural Medicine Businesses – including Healing Centers – within one establishment or location is allowed and subject to local zoning restrictions



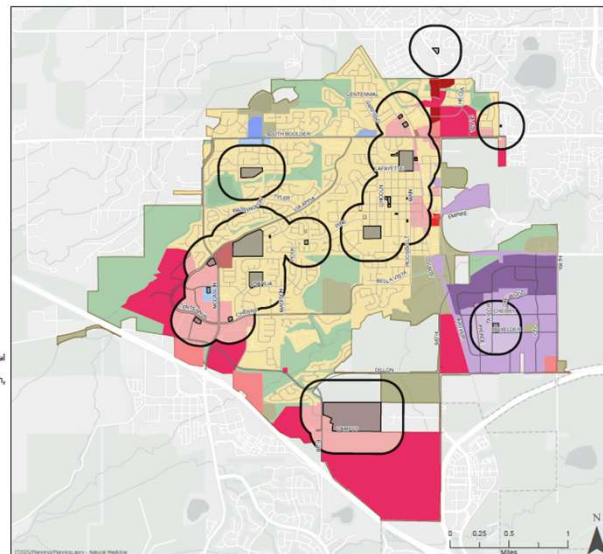
Buffer and Hours of Operation

- Natural Medicine Businesses must be located at least 1,000 feet from licensed childcare centers and schools.
- Downtown Louisville currently within the buffer area, but buffer is subject to change.

Considered Zone Districts - Natural Medicine Businesses

Legend

- School or Child Care Property
- School/Child Care 1,000 ft Buffer
- Municipal Boundary
- General Zoning Districts
 - Agriculture
 - Open Space/Recreation
 - Office
 - Industrial
 - Commercial
 - Commercial/Residential
 - Residential
- Considered Zones
 - Natural Medicine Healing Center
 - Administrative Office
 - Business Office
 - Commercial Business
 - Commercial Community
 - Planned Community Commercial
 - Planned Community Commercial/Residential
 - Natural Medicine Cultivation, Production, and Testing Facilities
 - Industrial
 - Planned Community Industrial



Natural Medicine Business Analysis

Natural Medicine Healing Center

- Staff anticipate Natural Medicine Healing Centers to operate similar to medical and therapy offices.
- Most appropriate to align with “professional or medical office”, permitted in the following zone districts.
 - Administrative Office (A-O)
 - Business Office (B-O)
 - Commercial Community (C-C)
 - Commercial Business (C-B)
 - Residential Mixed-Use (MU-R)
 - Planned Community Commercial (P-C)
 - Permitted with Special Review Use:
 - Commercial Neighborhood (C-N)
 - Industrial (I)



Natural Medicine Business Recommendation

Staff recommend Approval of Ordinance No. 1887, Series 2024 amending Title 9 and Title 17 of the Louisville Municipal Code (LMC) regarding Natural Medicine.

Planning Commission recommended approval on October 10, 2024



SUBJECT: **ORDINANCE NO. 1888, SERIES 2024 – AN ORDINANCE
AMENDING THE LOUISVILLE MUNICIPAL CODE TO ADD A
NEW CHAPTER 3.25 REGARDING ENHANCED ASSISTANCE
FOR TARGETED BUSINESSES – 2ND READING, PUBLIC
HEARING (advertised *Daily Camera* 11/24/24)**

DATE: **DECEMBER 3, 2024**

PRESENTED BY: **VANESSA ZARATE, CECD, ECONOMIC VITALITY MANAGER**

SUMMARY:

In 2007, the Louisville City Council adopted Chapter 3.24 of the Louisville Municipal Code establishing the City's Tax and Fee Business Assistance Program (BAP), which authorizes rebates of certain taxes and fees to businesses to encourage recruitment, retention, establishment and/or expansion of sales tax generating businesses and employers within the City. The intent of the program is to provide financial rebates to businesses that provide employment opportunities, provide goods and services and positively contribute to the economy and quality of life for Louisville.

The BAP has proven to be quite successful over the years. The BAP allows businesses to take advantage of multiple rebates to include building permit and sign permit fee rebates, construction and use tax rebates and sales tax rebates. If and where applicable, an applicant can receive a vacancy bonus. All incentives are performance based and rebates are determined based on true costs incurred for the project. As of October 2024, there are 35 active BAPs that include retail, office and industrial users. In addition, there are 76 completed BAPs.

The BAP is the only city-wide attraction, retention and expansion incentive available to businesses looking to locate, relocate or expand in Louisville. Businesses of all sizes and industries can apply for a BAP incentive through the Economic Vitality team. To be eligible, a company must be one of the following: a new business seeking to open in or relocate to Louisville; an existing Louisville business which proposes to expand in the City; or an existing Louisville business that must relocate to a new premises due to non-renewal of a lease or other unforeseen circumstance outside of the business owner's control. Application for inclusion in the BAP must be made prior to the proposed opening, acquisition or expansion. All agreements are structured as rebates, no up-front incentives are offered through this program.

Through the current program, the City can offer rebates on the following items for a period of time or until a specified maximum amount is reached:

- Building Permit Fees
- Sign Permit Fees
- Construction Use Tax
- Consumer Use Tax or Retail Sales Tax

Historically, the City's most used parameters are to issue rebates equal to approximately 50% of the above-listed fees and taxes for projects that are awarded an incentive through the BAP. The 50% rebate is from 3% of the taxes charged and eligible for rebate, 0.775% of the taxes are not rebate-able as they are dedicated to various funds within the City (Historic Preservation, Parks and Open Space).

In 2010, the City adopted a tax for using, storing, distributing or otherwise consuming tangible personal property or taxable services inside the City, aka 'consumer use tax', which became effective following voter approval. In 2023, the City approved an amendment to the Business Assistance Program to codify the practice of rebating a portion of the City's consumer use tax under a BAP agreement. A definition of "consumer use tax" has been added to the Business Assistance Program and the definition of "fees" has been expanded to include the amount of consumer use taxes collected. As part of this amendment, new language requires that businesses remain open for 10 years following the issuance of a certificate of occupancy or pay back 10% of assistance for each year out of the 10 that they failed to remain open.

Staff is proposing a new amendment to the BAP to allow for additional assistance for Boulder County's targeted industries. This enhanced support would exempt software, machinery, machinery tools and property used in space flight from sales and use tax.

Boulder County's Targeted Industries

Boulder County's Targeted Industries are currently Aerospace, Bioscience, Cleantech, IT/Software, Natural Products and Outdoor Recreation. Targeted industries are industries that have been identified as providing significant economic benefits, including the creation of high-paying employment opportunities, the expansion of the tax base, and/or the elevation of the community's quality of life. Communities can pick their own targeted industries and targeted industries can be identified on the municipal, county and state-wide level. Boulder County's targeted industries, for this purpose, are those identified by the Boulder Economic Council. As economies change, industries can be added to or removed from the targeted industry list.

Colorado's Office of Economic Development and International Trade (OEDIT) is the state's economic development arm and identifies their priorities by Key Industries. Their key industries are Advanced Manufacturing, Aerospace, Bioscience, Creative Industries, Defense & Homeland Security, Electronics, Energy & Natural Resources, Financial Services, Food & Agriculture, Health & Wellness, Infrastructure Engineering, Technology & Innovation, Tourism, Outdoor Recreation and Transportation & Logistics. OEDIT creates programs to assist community's targeted industries across the state to include targeted incentives, workforce programming, technical support and more.

In Louisville, we are operating within a larger ecosystem that includes our neighbors in Boulder County and largely across the Denver Metro. We need to be competitive to attract

and retain businesses while setting the stage for expansion for businesses within Louisville, Colorado and elsewhere. Incentives are a way to remain competitive and ensure that the business climate and operating environment can support business sustainability and growth.

Louisville is located in a prime location with easy access to Boulder, Denver and other communities across the metro and state. Some key advantages for all industries locating in Louisville include proximity and access to a highly educated workforce, partnerships with institutions such as University of Colorado Boulder, hospitals, research institutions, national and federal labs and agencies and access to vast open space and outdoor recreation amenities.

Aerospace Industry

Aerospace is an identified targeted industry for both Boulder County and the State of Colorado. Aerospace thrives in Colorado for many reasons including concentration of commercial and academic space assets and concentration of military and government partners. Colorado has the second largest space economy in the U.S. and Colorado's central location within the United States provides one-bounce satellite communications to Europe and Asia in the same day. The aerospace industry also benefits from the success of Denver International Airport and other regional airports across the state.

Colorado's aerospace cluster is made up of over 350 businesses that employ over 37,000 and have a yearly economic output of \$12.7M. The average wage for an aerospace employee is \$135,550. 80% of the state's aerospace employment is in the nine-county Denver metro region. Over 60% of Colorado's aerospace companies have 10 or fewer employees, while nearly 10% have over 250 employees.

The state of Colorado passed legislation creating a Sales and Use Tax exemption for qualified property used in space flight. There are also multiple state incentives that aerospace companies in Louisville can take advantage of such as a job growth incentive tax credit, a Procurement Technical Assistance Center, accelerator programs and advanced industry accelerator programs.

Bioscience Industry

Bioscience is a target industry for both Boulder County and the State of Colorado. The Denver/Boulder metro was ranked 11th among the top metros in 2022 for bioscience support and growth. We have also been ranked second highest for density of bioengineers and biomedical engineers. Similarly to other industries, the bioscience industry benefits from access to highly educated workers, science and research institutions and quality of life components to support their business missions.

The nine-county metro is home to over 950 companies and more than 20,220 bioscience employees. The average wage for a bioscience employee, in 2022, was \$117,220. From

2019-2023, the bioscience cluster grew over 20%, adding nearly 3,500 jobs. A majority of bioscience businesses, 75%, have 10 or fewer employees. Colorado raised \$1.6 billion in capital across the life science ecosystem in 2022.

OEDIT's Advanced Industries Accelerator has awarded over 500 grants to more than 80 life science companies, resulting in over 1,000 new jobs and over \$1 billion in follow-on capital. At the end of 2022, it was estimated that the demand for commercial life-science space was responsible for nearly 3 million feet of construction in the Denver/Boulder metro. Bioscience companies partner with federal agencies, labs, the Colorado Bioscience Association, universities, K-12 school systems and health care facilities to advance life science research, education, and breakthroughs.

Louisville is a partner within the US 36 Collaborative with the Health for Hub Impact Campaign, a national campaign promoting bioscience and other high-tech businesses. Sub-sectors include Pharmaceuticals, Biotechnology and Medical Devices & Instruments.

Cleantech Industry

Cleantech is a targeted industry in Boulder County and the State of Colorado has a key industry of Energy and Natural Resources (natural and renewable energy). Colorado was the first state to pass clean energy standards at the ballot and is 4th in the nation in terms of cleantech employment concentration. Colorado is home to many top-tier universities, labs and research institutions, resulting in being 8th, and climbing, in terms of cleantech capital investment according to the Colorado Cleantech Industries Association. In Colorado, Energy and Natural Resources has over 10,000 companies and more than 88,000 employees with an average wage of \$104,700.

Colorado is a top 10 state for renewable energy and is in the top-5 for states with most LEED-certified energy efficient buildings. Colorado is second in the nation for sustainability startups, with Boulder ranking the number one city for sustainability in the nation. The state of Colorado has energy goals to include a 50% reduction of emissions by 2030 and 90% reduction by 2050. Colorado ranked 5th in the nation in 2022 for top cleantech innovation hub.

Louisville continues to expand on its commitment to clean technology and energy standards locally with clean energy building codes, a bag tax, all electric trash service and a decarbonization plan. Louisville has aligned with partners in Boulder County to continue to elevate cleantech and support innovation within the industry, and innovation that can be integrated into other industries.

IT/Software Industry

IT/Software are two industries that took a predominant hold on the coasts, and a few select areas internal to the United States, to include Colorado. Many companies view Colorado as a finalist for a location decision due to the access to talent and access to other markets from the airport. Many employees within the IT/Software industry are younger than some of their industry counterparts, making Colorado a prime location for businesses wanting to reach the young, smart talent that has been flocking to Colorado for many years.

IT/Software is a targeted industry in Boulder County and a key industry for the State of Colorado. Colorado is home to over 8,200 businesses and nearly 90,000 employees with an average wage of \$148,310. Colorado's IT/Software industry is a leader within startups, venture capital, second-stage growth, and rapid expansion. From 2017 to 2022, the IT/Software industry grew in Colorado by over 50%, twice that of the national average. Growth has been so significant in Colorado that growth just within this industry has outpaced US employment growth for nearly a decade. Almost 90% of the employees in IT/Software in Colorado are in the nine-county metro.

Natural Products

Natural and organic product companies are a targeted industry in Boulder County and Food and Agriculture are a key industry in the State of Colorado. Boulder county is often the epicenter of clean and natural foods, leading the county in highest per capital consumption of organic foods. Businesses in the natural products realm generally research products, make and sell products, and conduct marketing and awareness campaigns.

Boulder is home to the nation's largest concentration of natural and organic product companies. According to a 2020 Naturally Boulder Economic Impact Study done by CU-Boulder's Business Research Division, the natural and organic food industry in Colorado contributes \$3.1 billion to the state's economy and supports over 22,000 jobs across the state.

Outdoor Recreation

Outdoor recreation is a targeted industry in Boulder County and a key industry for the State of Colorado. This is often the most readily known asset residents and visitors associate with Colorado. Residents, visitors and businesses all benefit from access to a wide variety of open space and outdoor recreation amenities and options. In addition to participating in the industry, Colorado often leads in cutting-edge technology as well as preservation and support for our outdoor spaces. In 2022, the outdoor recreation industry accounted for \$13.9 billion in value-added GDP annually and 130,000 direct jobs. Nearly 7,500 businesses statewide conduct over \$25 billion in annual sales each year.

The Outdoor Industry Association is based in Boulder, serving more than 4,000 manufacturers, distributors, suppliers, sales representatives and retailers- and is the leading trade association representing the nearly \$650 billion outdoor recreation industry in the United States. Trade shows, gear summits, and outdoor festivals often host their annual events in Colorado, creating an environment where business and recreation come together.

Louisville has dedicated 26% of the city's land area to open space, parks and public spaces. There are 32 miles of trails within the community that connect Louisville to other parts of the region and beyond. Louisville is also proud to have a wide array of bike lanes and advisory bike lanes to connect neighborhoods, commercial centers and people.

Jobs

Economic Vitality works with businesses and our partners to attract, retain and expand businesses in Louisville. The census reports that as of 2022, the median income in Louisville was \$135,000, 51% higher than the state average of \$89,300. Over 65% of Louisville's population has at least a bachelor's degree. Louisville's 1,600 businesses employ over 20,000 people, providing a diverse offering of services and employment opportunities.

The median income for Boulder County is \$102,200, with many of the targeted industries paying an average wage above this figure. Qualified employees are essential to business success and growth. Jobs provide direct and indirect benefit to the person employed and the community at large. Local jobs provide an opportunity for people to live and work in the same community, spending time, energy and money within that community.

Incentive Impact

Businesses have a lot of factors and inputs to consider when making location and expansion decisions. Businesses want to be in a place that is sustainable in the short through long term and in a community that provides them the ability to attract and retain talent and grow as needed to meet demand and company goals. Some vital inputs include availability of labor, availability of land/building, construction timeframe, business-friendliness of the community and cost of the project. One way for Louisville to impact the competitive nature of our available site opportunities is to impact the cost of the project through available incentives.

All things comparable, a location decision will come down to cost and ability to get a project completed in a timely manner. Not all costs are related to City policy or can be influenced by the City but the City having a clear and easy to engage with incentive policy is crucial for business attraction and retention.

Some of the costs associated with business operations include salaries, overhead, property taxes, sales and use taxes, insurances, unemployment insurance, marketing, operational costs, building and tenant finish costs, permit fees, additional employee costs (health insurance), and local, county, state and federal fees/taxes. In order to be competitive, Louisville should work to positively influence the costs that are within their jurisdiction and control.

The State of Colorado has exempted sales/use tax on property used in space flight and manufacturing equipment to remain competitive with other states.

In some cases, businesses are paying costs that they would not have to pay elsewhere in Colorado or in the nation, making us no longer a competitive location. Louisville needs to be competitive to continue to attract, expand and support a robust and diverse economy. Below are some examples of current sales and use tax exemptions.

Entity	Exemption
State of Colorado	Property used in space flight and manufacturing equipment
Boulder County	Purchases of machinery or machine tools for manufacturing
Lafayette, CO	Manufacturing/wholesale purchases
Broomfield, CO	Property used in space flight
Centennial, CO	Manufacturing equipment
Lakewood, CO	Manufacturing equipment
Ft. Collins, CO	Tiered rebate for manufacturing equipment
Colorado Springs, CO	Alternative tax rate for manufacturing equipment
Grand Junction, CO	Manufacturing equipment
Texas	Manufacturing machinery and equipment
Florida	Machinery and equipment,

PROPOSED BUSINESS ASSISTANCE PROGRAM AMENDMENTS

Staff is proposing the Business Assistance Program be amended to allow for additional assistance for Boulder County's targeted industries. This additional assistance would be in the form of a rebate, up to 100%, of the sales and use taxes collected on machinery, machinery tools, software and property used in space flight.

The following criteria would need to be met in order for a business to be considered for enhanced assistance:

- Must be a targeted industry (subject to verification of operations).
- New business, qualified expansion or retention
- The average wage of jobs must be at least 80% of the annual wage of Boulder County (not including benefits).

A qualified expansion could include an increase in personnel, production and/or product lines. The company must provide proof of ability and intent to expand at the Louisville location to be considered a qualified expansion. The BAP will not be retroactive, and must be applied for before machinery or software is purchased.

The BAP is also a retention tool that can be used to keep companies in Louisville that may be exploring location options elsewhere. To qualify for an incentive as a retained business, the business would need to provide ample proof and due diligence that they are looking at relocating to a different community, as well as the location factors being considered. This can be due to costs, expansion, business changes, lease expiration, or other business factors, but proof must be provided showing the need to look for different sites and the competing sites.

All BAP applications will continue to follow the existing application process that includes requiring the company to submit all needed information and verifications. Economic Vitality staff will review all applications for completeness and, verify supplemental information and confirm that all qualifications have been met. To ensure the stability of the program, a 'claw-back' clause is included in the ordinance amendment so that in the event a project does not remain in Louisville, a proportional portion of the rebates would be returned to the City.

This BAP amendment focuses on machinery, machinery tools, space flight property, and software due to the high-cost nature of these business components, even more so for specialized industries, product lines and business operations. The enhanced assistance would align Louisville's competitiveness with many of our direct competitors and continue to support a strong economy.

Future Considerations for the BAP

The City may want to consider additional amendments to the BAP program in the future as market and industry trends evolve. Regular review of the BAP program is crucial to ensure we are offering incentives that are needed, relevant and competitive in the market. All of the components of the Business Assistance Program are rebates. There is no up-front cost to the City and a rebate program ensures performance measures are met before any rebate is dispersed. Competitive and clear incentive programs help attract, retain and expand businesses within the City of Louisville while showcasing our business community and providing a supportive environment for businesses and employees to thrive.

FISCAL IMPACT:

Financial assistance through the Business Assistance Program is all provided on a case-by-case basis and rebated from taxes and fees paid by the business for the specified project. Incentives are paid from the revenues received by the City from the business and

are anticipated to be additionally offset by the increase in fees and taxes received from the new, retained or expanding entity.

As part of the application, the business must also include project costs, community impact and growth factors to highlight how the businesses will positively impact Louisville.

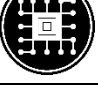
RECOMMENDATION:

Staff recommends that City Council adopt the proposed Business Assistance Program amendment for enhanced assistance for Boulder County's targeted industries.

ATTACHMENT(S):

1. Ordinance No. 1888, Series 2024
2. Presentation

STRATEGIC PLAN IMPACT:

☐		Financial Stewardship & Asset Management	☐		Reliable Core Services
☒		Vibrant Economic Climate	☐		Quality Programs & Amenities
☐		Engaged Community	☐		Healthy Workforce
☐		Supportive Technology	☐		Collaborative Regional Partner

**ORDINANCE NO. 1888
SERIES 2024**

**AN ORDINANCE AMENDING THE LOUISVILLE MUNICIPAL CODE TO ADD A NEW
CHAPTER 3.25 REGARDING ENHANCED ASSISTANCE FOR TARGETED
BUSINESSES**

WHEREAS, the Boulder Chamber Economic Council has identified certain targeted industries that provide significant economic benefits to local communities, including creating high-paying employment opportunities, expanding the tax base, and enhancing the community's quality of life; and

WHEREAS, the targeted industries in Boulder County are currently aerospace, bioscience, cleantech, IT/software, natural products, and outdoor recreation; and

WHEREAS, offering incentives to businesses within these targeted industries is a way for the City to attract and retain businesses, to encourage business sustainability and growth, and to expand and support a robust and diverse economy; and

WHEREAS, the City Council previously adopted Chapter 3.24 of the Louisville Municipal Code, which established a Tax and Fee Business Assistance Program ("BAP") that authorizes the rebate of certain taxes and fees to businesses; and

WHEREAS, the City's practice under the BAP has been to rebate up to fifty (50%) of eligible taxes and fees, thus preserving the remainder for City purposes; and

WHEREAS, the City Council finds it appropriate to offer enhanced assistance to targeted businesses in order to increase the probability such businesses will locate and keep their operations in Louisville; and

WHEREAS, the City Council further finds that the enhanced assistance for targeted businesses should take the form of a rebate of sales and use tax collected on machinery, machinery tools, software, and property used in space flight due to the high-cost and specialized nature of these items; and

WHEREAS, the City Council, therefore, desires to amend Title 3 of the City Code to add a new Chapter 3.25 concerning enhanced assistance for targeted businesses.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOUISVILLE, COLORADO:

Section 1. Title 3 of the Louisville Municipal Code is hereby amended by the addition of a new Chapter 3.25 to read as follows:

CHAPTER 3.25 ENHANCED ASSISTANCE FOR TARGETED BUSINESSES

- Sec. 3.25.010. Established.
- Sec. 3.25.020. Findings, intent, and purpose.
- Sec. 3.25.030. Definitions.
- Sec. 3.25.040. Basis for participation.
- Sec. 3.25.050. Approval of agreement; conditions; term.
- Sec. 3.25.060. EAP payments.
- Sec. 3.25.070. Criteria for approval.
- Sec. 3.25.080. Agreement with City; required contents.

Sec. 3.25.010. Established.

There is established within the City an Enhanced Assistance Program for Targeted Businesses ("EAP").

Sec. 3.25.020. Findings, intent, and purpose.

A. The purpose of the EAP created by this chapter is to encourage the recruitment, retention, establishment, and/or substantial expansion within the City of certain targeted businesses, including businesses in the industries of aerospace, bioscience, cleantech, IT/software, natural products, and outdoor recreation.

B. The City Council specifically finds and determines these targeted businesses have a greater-than-average potential to create a large number of jobs with high earning potential for residents of the City and others, and to otherwise stimulate the City's economy, and following the period of assistance under this chapter, the potential to increase the taxes and fees collected by the City, which increased tax and fee collections will enable the City to provide expanded and improved municipal services to and for the benefit of the residents of the City.

C. The City Council further specifically finds and determines that creation of the EAP is consistent with the City's powers as a home rule municipal corporation, and that exercise of said powers in the manner set forth in this chapter is in furtherance of the public health, safety and welfare. Notwithstanding any provision of this chapter, the City shall never be a joint venturer in any private entity or activity which participates in the EAP, and the City shall never be liable or responsible for any debt or obligation of any participant in the EAP.

Sec. 3.25.030. Definitions.

As used in this chapter and all sections thereof, the following terms and phrases shall have the following meanings:

Applicant means the owner(s) of a targeted business located or proposed to be located within the City.

Enhanced assistance means a rebate of up to one hundred percent (100%) of sales and use taxes on machinery, machinery tools, software, and property used in space flight collected by the City from a targeted business. *Enhanced assistance* shall exclude all revenues derived from: (i) the City's temporary 0.375% sales and use tax for open space and parks approved at the November 7, 2023 election; (ii) the temporary 0.125% sales tax for historic preservation approved at the November 7, 2017 election; (iii) the temporary 0.125% sales and use tax for open space approved at the November 7, 2023 election; (iv) the 0.15% sales and use tax for the Louisville Recreation & Senior Center approved at the November 8, 2016 election; and (v) any future special sales or use taxes imposed following the effective date of the EAP agreement between the City and the applicant.

Targeted business means a business engaged in an industry identified as a key or targeted industry by the Boulder Chamber Economic Council. Currently, the targeted industries are aerospace, bioscience, cleantech, IT/software, natural products, and outdoor recreation, but the Boulder Chamber of Commerce may change its list of targeted industries from time to time without further action required by City Council.

Sec. 3.25.040. Basis for participation.

A. Any owner of a proposed targeted business, or the owner of an existing targeted business which proposes to expand substantially, may apply to the City for inclusion within the EAP, provided that the proposed new or expanded business meets the eligibility criteria set forth in subsection B. Application for inclusion in the EAP must be made prior to the proposed opening, acquisition, or expansion.

B. To be eligible for enhanced assistance under this section, a targeted business must meet the following criteria:

1. The average annual wage of the business's employees must be at least eighty percent (80%) of the annual average wage for Boulder County, not including the value of any employee benefits.

2. An expanding business must show expansion in terms of personnel, production, or product lines.

C. Enhanced assistance may be used by a targeted business only for machinery, machinery tools, software, and property used in space flight.

D. Enhanced assistance may be provided to targeted businesses meeting the above-listed criteria in lieu of or in addition to the BAP assistance authorized under chapter 3.24.

E. Targeted businesses not meeting the above-listed criteria are not eligible for enhanced assistance, but may apply for BAP assistance pursuant to chapter 3.24.

Sec. 3.25.050. Approval of agreement; conditions; term.

A. Execution of an agreement by the City and an applicant implementing the EAP shall entitle the applicant to enhanced assistance in an amount not to exceed the amount specified in the agreement required by section 3.25.080.

B. The time period for enhanced assistance shall not commence until all public or public-related improvements are completed and meet City standards (where applicable) and until the targeted business has commenced its operations or completed its expansion within the City.

C. The time period for enhanced assistance shall be limited to a specified time set forth in the agreement or until a specified maximum amount is reached.

Sec. 3.25.060. EAP payments.

A. Enhanced assistance payments shall be made no less than annually and no more than quarterly, as the City and applicant shall agree.

B. Payments under this section shall commence no earlier than issuance of a certificate of occupancy or completion of a qualified expansion for the subject location and satisfaction of the requirements of this chapter and of the agreement.

C. No interest shall be paid on any enhanced assistance amounts.

Sec. 3.25.070. Criteria for approval.

Approval of an application for EAP incentives totaling \$50,000.00 or more shall require the affirmative vote of four members of the City Council. Incentives totaling less than \$50,000.00 may be approved, and the agreement required by section 3.25.080 may be executed, by the City Manager. Whether approved by City Council or the City Manager, the decision to approve an EAP application shall be based upon consideration of the following criteria:

- A. The applicant's total investment in its Louisville operation, including the cost of construction, expansion, and hiring;
- B. The total number of jobs created over the five year period immediately following commencement of the targeted business's operation in Louisville;
- C. The average annual wage of the targeted business's employees;
- D. The quality of the proposed development;
- E. Whether the proposal complements existing Louisville businesses (i.e. a buyer or supplier that serves an existing business in the City);
- F. Whether the proposal represents job diversity in industry sectors and is part of a growing industry;
- G. The proposal's contribution to the diversity of jobs or employment opportunities within the City;
- H. Whether the proposal brings a value added result to the City or a development within the City (for example, by moving the company's corporate headquarters to the City);
- I. The amount of the enhanced assistance as a percentage of new revenue anticipated to be created by the proposal (for example, by relocation of the company to the City);
- J. The conformance of the applicant's property or project with the comprehensive plan and zoning ordinances of the City; and

K. Whether a proposed agreement required by section 3.25.080 has been reached, which agreement shall contain and conform to all requirements of said section 3.25.080.

Sec. 3.25.080. Agreement with City; required contents.

Each application for inclusion in the EAP submitted to the City shall be considered solely on its own merits. Approval of an application shall require that an agreement be executed by the applicant and the City, which agreement shall, at a minimum, contain:

A. The maximum amount of enhanced assistance, the timing of payment of any enhanced assistance, and the maximum time during which the agreement shall continue, it being expressly understood that any such agreement shall expire and be of no further force and effect upon the occurrence of the earlier to be reached of the maximum time of the agreement (whether or not the maximum amount of enhanced assistance has been reached) or the maximum amount of enhanced assistance (whether or not the maximum time set forth has expired);

B. A statement that the agreement is a personal agreement which does not run with the land;

C. A statement that the agreement shall never constitute a multi-year fiscal obligation, debt or other obligation of the City within the meaning of any constitutional or statutory provision;

D. A provision that, in the event the applicant, and/or its successors and assigns, ceases business operations in the City within five (5) years after the certificate of occupancy has been received or the qualified expansion was completed for the business location, the applicant, or its permitted successors and assigns, shall pay to the City ten percent (10%) of the enhanced assistance rebated by the City under the EAP agreement for each full year that the applicant, and/or its successors and assigns, cease operations at the business location.

E. A provision that any enhanced assistance subject to sharing shall be escrowed in the event there is a legal challenge to the EAP or the approval of any application therefor;

F. An affirmative statement that the obligations, benefits and provisions of the agreement may not be assigned in whole or in any part without the express written authorization of the City Council, and further that no third party shall be entitled to rely upon or enforce any provision of the agreement;

G. A statement that the agreement shall be subject to the annual appropriation of sufficient funds for payments as provided in this chapter, pursuant to Section 20, Article X of the Colorado Constitution;

H. A statement that the applicant shall have no right, claim, lien or priority in or to the City's sales or use tax revenue superior to or on parity with the rights, claims or liens of the holders as any sales or use tax revenue bonds, notes, certificates or debentures payable from or secured by any sales or use taxes, existing or hereafter issued by the City; and that all rights of the successful applicant are, and at all times shall be, subordinate and inferior to the rights, claims and liens of the holders of any and all such existing or hereafter issued sales and use tax revenue bonds, notes, certificates or debentures, payable from or secured by any sales or use taxes issued by the City; and

I. Any other provisions agreed upon by the parties and approved by the City Council.

Section 4. If any portion of this ordinance is held to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares it would have passed and approved this ordinance and each part hereof irrespective of the fact that any one part be declared invalid.

Section 5. The repeal or modification of any provision of the Municipal Code of the City of Louisville by this ordinance shall not release, extinguish, alter, modify, or change in whole or in part any penalty, forfeiture, or liability, either civil or criminal, which shall have been incurred under such provision, and each provision shall be treated and held as still remaining in force for the purpose of sustaining any and all proper actions, suits, proceedings, and prosecutions for the enforcement of the penalty, forfeiture, or liability, as well as for the purpose of sustaining any judgment, decree, or order which can or may be rendered, entered, or made in such actions, suits, proceedings, or prosecutions.

Section 6. All other ordinances or portions thereof inconsistent or conflicting with this ordinance or any portion hereof are hereby repealed to the extent of such inconsistency or conflict.

**INTRODUCED, READ, PASSED ON FIRST READING, AND ORDERED
PUBLISHED** this 19th day of November 2024.

Christopher M. Leh, Mayor

ATTEST:

Genny Kline, Interim City Clerk

APPROVED AS TO FORM:

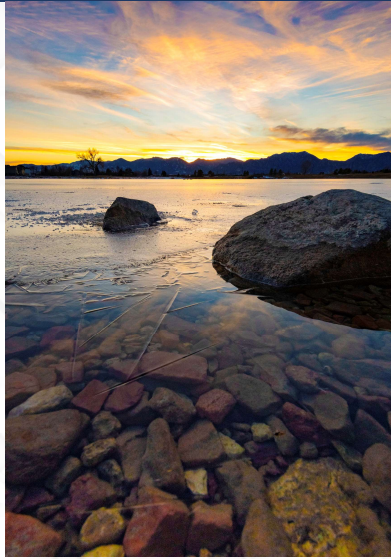
Kelly PC
City Attorney

PASSED AND ADOPTED ON SECOND AND FINAL READING, this 3rd day of
December 2024.

Christopher M. Leh, Mayor

ATTEST:

Genny Kline, Interim City Clerk



Enhanced Assistance for Targeted Industries

December 3, 2024



Existing Business Assistance Program

- New, expanding or relocating businesses
- Expenses eligible
 - Building Permit Fees
 - Sign Permit Fees
 - Construction Use Tax
 - Consumer Use Tax or Retail Sales Tax
 - Vacancy Bonus**



Program to date

- 35 Active BAPs
- 76 Completed Baps
- Some previous applicants include
 - Fresca
 - Ironton
 - Loxo Oncology
 - Snarf's
 - Tilt

Targeted Industry

- Industries identified as providing significant economic benefits including the creation of high-paying employment opportunities, the expansion of the tax base or the elevation of a community's quality of life.
- Aerospace
- Bioscience
- Cleantech
- IT/Software
- Natural Products
- Outdoor Recreation

Competitiveness

Entity	Exemption
State of Colorado	Property used in space flight and manufacturing equipment
Boulder County	Purchases of machinery or machine tools for manufacturing
Lafayette, CO	Manufacturing/wholesale purchases
Broomfield, CO	Property used in space flight
Centennial, CO	Manufacturing equipment
Lakewood, CO	Manufacturing equipment
Ft. Collins, CO	Tiered rebate for manufacturing equipment
Colorado Springs, CO	Alternative tax rate for manufacturing equipment
Grand Junction, CO	Manufacturing equipment
Texas	Manufacturing machinery and equipment
Florida	Machinery and equipment

Proposed Amendment

- Enhanced assistance for Boulder County's targeted industries
- Exempt Software, Machinery, Machinery Tools and Property Used in Space Flight from the Sales and Use Tax
 - Allow a full rebate on the 3% tax paid on these business components (only 3% of the tax paid is eligible for rebate as other percentages are dedicated to other purposes)
 - The assistance would be the form of a rebate on true tax paid on the property

Business Eligibility

- Must be a targeted industry (subject to verification of operations).
- New business, qualified expansion or retention
- The average wage of jobs must be at least 80% of the annual wage of Boulder County (not including benefits)

*A qualified expansion could include an increase in personnel, production or product lines.

*A qualified retention must show qualified interest in sites outside of Louisville.



Agreement Structure

- Applicants apply with all applicable information, and should eligibility and community impact requirements be met; staff will bring forward a proposal to City Council.
- All components will be rebates, the applicant will pay the costs and will be rebated based on true costs.
- Company should remain in Louisville for 5 years after the end of the agreement, or the City is eligible for a proportional return of rebates provided



Questions?

SUBJECT: FINAL AMENDMENTS TO THE CITY OF LOUISVILLE AND THE LOUISVILLE REVITALIZATION COMMISSION 2024 BUDGETS – PUBLIC HEARING (advertised *Daily Camera* 11/29/24)

- i. **RESOLUTION NO. 62, SERIES 2024 – A RESOLUTION AMENDING THE 2024 BUDGET BY AMENDING APPROPRIATIONS IN THE GENERAL FUND, CEMETERY FUND, DEBT SERVICE-REC CTR BOND FUND, GOLF FUND, OPEN SPACE FUND, PARKS FUND, OPEN SPACE AND PARKS FUND, CAPITAL PROJECTS FUND, STORM WATER UTILITY FUND, AND TECHNOLOGY MANAGEMENT FUND FOR ADDITIONAL APPROPRIATIONS WITHIN SUCH FUNDS AND ADJUSTING BUDGETED REVENUE IN THE GENERAL, CEMETERY, AND GOLF FUND**
- ii. **RESOLUTION NO. 63, SERIES 2024 – A RESOLUTION AMENDING THE 2024 BUDGET BY AMENDING APPROPRIATIONS IN THE LOUISVILLE REVITALIZATION COMMISSION**

DATE: DECEMBER 3, 2024

PRESENTED BY: RYDER BAILEY, CPA, FINANCE DIRECTOR

SUMMARY:

Staff is seeking the Council's approval of the Final Amendment to the 2024 City and Revitalization Commission Budgets. This information was presented and recommended for approval by the City Finance Committee on November 21st. Attached to this communication are Appendices (A-D) to the proposed Resolutions. The amendment contains four general sections/purposes, which can be summarized as previously approved Council Capital and Operational Adjustments since the 2024 Budget Adoption, City Manager recommended appropriation adjustments, the Closing of the former Open Space and Parks Fund, Adjustments to City Sources/Revenue, and adjustments to LRC appropriations, all of which correspond to the following appendices:

- A. Adopt previous Council approved operational and capital appropriation adjustments to the 2024 expenditure budget. The total amount of this portion of the expenditure amendment, broken out by fund is:
 - a. Fund 101 – General - \$471,472
 - b. Fund 301 – Capital - \$168,786
 - c. Fund 503 – Utilities/Storm - \$0

Total - \$640,258

*- Line-item detail of this Section can be found in Appendix A

B. Adopt other Staff Recommended operating appropriation adjustments to 2024 expenditures for Museum Grant funded expenses, Golf Variable Staffing and Pro Shop resale merchandise, computer disposal and recycling and transfer appropriations required to close out the former Open Space and Parks fund to the newly created Open Space and Parks Funds. The total amount of this portion of the expenditure amendment, broken out by fund is:

- a. Fund 101 – General - \$35,000
- b. Fund 204 – Cemetery - \$20,000
- c. Fund 402 – Debt Service-Rec Ctr. Bond Fund - \$1,000
- d. Fund 520 – Golf - \$200,000
- e. Fund 602 – Tech Management Fund - \$4,500
- f. Fund 201 – Open Space and Parks Fund - \$900,000
- g. Fund 210 – Open Space Fund - <\$500,000>
- h. Fund 211 – Park Fund - <\$400,000>

Total - \$260,500

*- Line-item detail of this Section can be found in Appendix B

C. Adopt Sources/ Revenue adjustments to the 2024 Budget. The total amount of this portion of the amendment, broken out by fund is:

- a. Fund 101 – General - \$235,000
- b. Fund 204 – Cemetery - \$20,000
- c. Fund 520 – Golf - \$200,000

Total -\$455,000

*- Line-item detail of this Section can be found in Appendix C

D. Louisville Revitalization Commission (LRC) recommended adjustments to appropriations.

- a. Fund 221* – Urban Revitalization District - <\$107,870>

Total -<\$107,870>

*- Line-item detail of this Section can be found in Appendix D

Note: The proposed LRC budget amendment was reviewed and approved by the LRC at their October 30th meeting.

FINANCE COMMITTEE NOVEMBER 21ST, 2024 MEETING:

At their November 21st, 2024 meeting, the Finance Committee recommended Council approval of the Final Budget Amendment to the 2024 City and LRC Budgets.

RECOMMENDATION:

Council is being asked to approve the proposed budget amendments to the Budget Year 2024 necessary to complete budgeted and existing Capital projects and Department Operational functions and goals.

FISCAL IMPACT:

The proposed budget amendment increases the City expenditure budget by \$900,758, offset by additional revenues in the amount of \$455,000, for a net impact to all City funds of \$445,758.

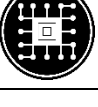
The proposed budget amendment decreases the LRC 2024 Budget by \$107,870 to \$4,466,427.

Upon approval of this adjustment, all funds with reserve requirements are to remain in full compliance with Reserve Policies.

ATTACHMENTS

1. Resolution No. 62, Series 2024
2. Resolution No. 63, Series 2024 – Louisville Revitalization Commission
3. Appendices A-D
4. PowerPoint Presentation

STRATEGIC PLAN IMPACT:

☒	 Financial Stewardship & Asset Management	☒	 Reliable Core Services
☐	 Vibrant Economic Climate	☐	 Quality Programs & Amenities
☐	 Engaged Community	☐	 Healthy Workforce
☐	 Supportive Technology	☐	 Collaborative Regional Partner

**RESOLUTION NO. 62
SERIES 2024**

**A RESOLUTION AMENDING THE CITY OF LOUISVILLE 2024 BUDGET BY
AMENDING APPROPRIATIONS IN THE GENERAL FUND, GOLF FUND,
OPEN SPACE FUND, PARKS FUND, OPEN SPACE AND PARKS FUND,
CAPITAL PROJECTS FUND, STORM WATER UTILITY FUND, AND
TECHNOLOGY MANAGEMENT FUND FOR ADDITIONAL APPROPRIATIONS
WITHIN SUCH FUNDS AND ADJUSTING BUDGETED REVENUE IN THE
GENERAL AND GOLF FUND.**

WHEREAS, the need exists to amend the 2024 budget by amending appropriations in the General Fund, Open Space Fund, Parks Fund, Open Space and Parks Fund, Capital Projects Fund, Storm Water Utility Fund, and Technology Management Fund and adjusting the budget revenue in the General Fund, and

WHEREAS, the need to amend the 2024 budget arises:

1. To adopt other operating and capital adjustments to the 2024 expenditure budget for previously Council approved items since Council adopted the original 2024 budget;
2. To adopt other operating adjustments to the 2024 expenditure budget recommended by the City Manager;

WHEREAS, funding for any increase in appropriations will come from new/increased revenue or from fund reserves.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOUISVILLE, COLORADO:

SECTION 1. That the 2024 General Fund appropriation be increased by \$506,472, from \$28,602,031 to \$29,108,503.

SECTION 2. That the 2024 Debt Service-Rec Ctr Bond Fund appropriation be increased by \$1,000, from \$1,740,600 to \$1,741,600.

SECTION 3. That the 2024 Cemetery Fund appropriation be increased by \$20,000, from \$224,478 to \$244,478.

SECTION 4. That the 2024 Golf Fund appropriation be increased by \$200,000, from \$2,673,473 to \$2,873,673.

SECTION 5. That the 2024 Capital Projects Fund appropriation be increased by \$168,786, from \$33,329,167 to \$33,497,953.

SECTION 6. That the 2024 Technology Management Fund appropriation be increased by \$4,500, from \$92,599 to \$97,099.

SECTION 7. That the 2024 Open Space and Park Fund appropriation be increased by \$900,000, from \$1,173,406 to \$2,613,406.

SECTION 8. That the 2024 General Fund revenue budget be increased by \$235,000, from \$26,644,763 to \$26,879,763.

SECTION 9. That the 2024 Cemetery Fund revenue budget be increased by \$20,000, from \$215,160 to \$235,160.

SECTION 10. That the 2024 Golf Fund revenue budget be increased by \$200,000, from \$2,657,220 to \$2,857,220.

PASSED AND ADOPTED this 3rd day of December 2024.

Christopher M. Leh, Mayor

ATTEST:

Genny Kline, Interim City Clerk

**RESOLUTION NO. 63
SERIES 2024**

**A RESOLUTION AMENDING THE 2024 BUDGET BY AMENDING
APPROPRIATIONS IN THE LOUISVILLE REVITALIZATION COMMISSION**

WHEREAS, the need exists to amend the 2024 budget by amending appropriations in the Louisville Revitalization Commission; and

WHEREAS, the need to amend the 2024 budget arises:

1. Adjustments to appropriations for certain projects in 2024;

WHEREAS, funding for any increase in appropriations will come from new / increased revenue or from fund reserves.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF LOUISVILLE, COLORADO:**

SECTION 1. That the 2024 Louisville Revitalization Commission appropriation be decreased by \$107,870, from \$4,574,297 to \$4,466,427.

PASSED AND ADOPTED this 3rd day of December 2024.

Christopher M Leh, Mayor

ATTEST:

Genny Kline, Interim City Clerk

Appendix A
City of Louisville, Colorado
2024 Budget Amendment Detail
Changes to 2024 Expenditure Budget - Items Previously Approved by Council

Account Number	Account Description	Current Budget	Proposed Amendment	Proposed Budget	Comments/Notes
101110-532909	Marshall Fire - Services	59,137	93,724	152,861	This effort supports recovery efforts for the Marshall Fire, funded by permit fees. Approved by Council on June 4th Pet Memorial Installation and Landscaping. Approved by Council on April 2nd. Senior Water Rebate Program adjustment. Approved by Council on August 6th. City funded portion of City Skate. Approved by Council on June 4th.
101121-580050	Contingency	10,000	13,386	23,386	
101121-538420	Contributions and Grants	45,500	5,000	50,500	
101122-531100	City Skate	-	54,362	54,362	Approved by Council on May 21st. On Call Plan Review and Plan Inspections, funded by permit fees. Approved by Council on July 30th. Emergency repairs to Steinbaugh. Approved by Council on July 1st.
101431-540111	Prof Serv - Traffic Signal Maintenance	155,000	25,000	180,000	
101530-540140	Prof Serv-Plan Review/Insp. Parts/Repairs/Maintenance -	200,000	200,000	400,000	
101736-550000	Bldgs-Facilities	6,000	80,000	86,000	
101 Total			471,472		
301191-620144	City Services Roof Repair	35,000	131,786	166,786	Maintenance and repairs of the City Services building roof - Approved by Council on May 7th Library Server replacements - Approved by Council on Oct 1st
301173-650099	Storage, Server, Backup Refresh	2,789	37,000	39,789	
301 Total			168,786		
503499-630096	Detention Pond Maintenance	623,784	(458,030)	165,754	Shift appropriations to two projects; SW Quality and MP - Approved by Council on Oct 1st Stormwater Quality Master Plan - Approved by Council on Oct 1st Stormwater Master Plan - Approved by Council on Oct 1st
503499-660287	Storm Water Quality Master Plan	328,019	413,517	741,536	
503499-660273	Storm Water Quality Master Plan	150,000	44,513	194,513	
503 Total			-		
Totals			640,258		

Appendix B
City of Louisville, Colorado
2024 Budget Amendment Detail
Changes to 2024 Expenditure Budget - Staff Recommendations

Account Number	Account Description	Current Budget	Proposed Amendment	Proposed Budget	Comments/Notes
101610-538395	Museum Grant Expense	33,086	35,000	68,086	Scientific and Cultural Facilities District Grant
101 Total			35,000		
204752-511000	Regular Salaries	53,537	20,000	73,537	Full time salaries came in higher than anticipated
204 Total			20,000		
402111-640410	Prof Serv-Investment Fee	300	1,000	1,300	Investment fees came in higher than anticipated
402 Total			1,000		
520713-511100	Variable Salaries	94,889	150,000	244,889	Busier season than anticipated, required additional staff Higher than anticipated Pro Shop sales, need to replenish low stock
520712-529100	Resale Merchandise	160,000	50,000	210,000	
520 Total			200,000		
602120-540420	Prof Serv-Disposal & Recycling	500	4,500	5,000	Recycling e-waste
602 Total			4,500		
201910-990210	Transfer to Open Space	612,844	500,000	1,112,844	Transferring to OS Fund -Close out of Former Fund
210001-980201	Transfer from OS&P Fund	(612,844)	(500,000)	(1,112,844)	Transferring from OS&P to OS Fund - Close out of Former Fund
201910-990211	Transfer to Parks	1,100,562	400,000	1,500,562	Transferring to Parks Fund - Close out of Former Fund
211001-980201	Transfer from OS&P Fund	(1,100,562)	(400,000)	(1,500,562)	Transferring from OS&P to Parks Fund - Close out of Former Fund
Transfer Total		-	-		
Totals			260,500		

Appendix C
City of Louisville, Colorado
2024 Budget Amendment Detail
Changes to 2024 Revenue Budget

Account Number	Account Description	Current Budget	Proposed Amendment	Proposed Budget	Comments/Notes
101016-421500	Construction Permit Revenues	1,209,720	200,000	1,409,720	Fees to cover/offset On Call Plan Reviews and Plan Inspections. Approved by Council on July 30th.
101055-432570	State Grant Museum	33,086	35,000	68,086	Scientific and Cultural Facilities District Grant
101 Total			235,000		
204051-448110	Burial Fees (Open & Close)	41,760	20,000	61,760	Better than anticipated Cemetery revenue
204 Total			20,000		
520053-447100	Green Fees	1,361,000	150,000	1,511,000	Better than anticipated Green Fee revenues
520053-447130	Driving Range Fees	200,000	50,000	250,000	Better than anticipated Drivng Range revenues
520 Total			200,000		
Totals			455,000		

Appendix D
City of Louisville, Colorado
2024 Budget Amendment Detail
Adjustments to 2024 Urban Revitalization Budget

Account Number	Account Description	Current Budget	Proposed Amendment	Proposed Budget	Comments/Notes
		-			
221120-532000	Advertising/Marketing	75,870	(75,870)	-	LRC Oct 30th meeting Budget Adj recommendation
221120-532302	C-I-P Consulting - COL (Staffing Support)	75,000	(75,000)	-	LRC Oct 30th meeting Budget Adj recommendation
221120-532313	Cap Contr - COL - Undergrounding	187,000	(67,000)	120,000	LRC Oct 30th meeting Budget Adj rec. / Project Complete
221120-532319	Cap Contr - COL - Downtown Streetlight Convers	480,000	(84,700)	395,300	LRC Oct 30th meeting Budget Adj rec. / Project Complete
221120-532322	Cap Contr - COL - Downtown Conduit Paver Repa	268,300	(268,300)	-	LRC Oct 30th meeting Budget Adj recommendation
221120-530830	Façade Improvement Programming	350,000	(275,000)	75,000	LRC Oct 30th meeting Budget Adj recommendation
221120-530831	Property Improvement Programming	250,000	(250,000)	-	LRC Oct 30th meeting Budget Adj recommendation
221120-537213	Assistance Agreement - 1303 Empire Rd - Ironton	-	650,000	650,000	LRC Oct 30th meeting Budget Adj recommendation
221120-540900	Professional Services - Other	20,000	60,000	80,000	LRC Oct 30th meeting Budget Adj recommendation
221111-570100	Principal-Bonds	681,000	278,000	959,000	LRC Oct 30th meeting Budget Adj rec. / Pledged Revenue adj
221 Total			(107,870)		
Totals			(107,870)		



Harper Lake



City of Louisville Final Budget Amendment - City and LRC 2024 Budgets

Ryder Bailey, CPA
Finance Director
December 3rd, 2024

Budget Amendment – Res. Nos. XX & XX Amending the 2024 City and LRC Budgets

- Staff is seeking City Council’s approval of the Final Budget Amendments to the 2024 City and Revitalization Commission’s Budgets.
- The Budget Amendment is largely administrative, as Financial Staff “batches” budget amendments from previously heard and approved Council items.
- This Budget Amendment also requests transfer appropriations necessary to close the former Open Space and Parks Fund into the Open Space and Parks Fund.



Budget Amendment – Res. Nos. XX & XX Amending the 2024 City and LRC Budgets

- Today's amendment can be broken out into the following categories;
 - Previously Approved Council Adjustments to Operational Budgets and Capital Projects;
 - Staff Recommended Adjustments;
 - Adjustments required to close out of Former Open Space and Parks Fund;
 - Adjustments to Sources/Revenues; and
 - Louisville Revitalization Commission's recommended adjustments to their Budget.

Budget Amendment – Res. Nos. XX & XX Amending the 2024 City and LRC Budgets

- Resolution Nos. XX & XX are the official amending documents and present the amendments by fund, the City's legal level of budgetary control.
- The bodies of the Resolutions present the budget changes by Fund totals.
- Appendices A - D to the Resolutions present the amendment by line item account, the greatest level of amendment detail.

Budget Amendment – Res. Nos. XX & XX Amending the 2024 City and LRC Budgets

Fiscal Impacts:

A. The total amount of previously approved Council operational and capital appropriation adjustments to the 2024 budget, broken out by Fund as follows;

- Fund 101 – General - \$471,472
- Fund 301 – Capital - \$168,786

Total - \$640,258

*Detail can be found in Attachment – Appendix A.

Budget Amendment – Res. Nos. XX & XX Amending the 2024 City and LRC Budgets

Fiscal Impacts:

B. The total amount of Staff Recommended appropriation adjustments to 2024 operating expenditures for Museum Grant funded expenses, Golf and Cemetery staffing, and Golf Pro Shop resale merchandise and IT computer disposal and recycling, broken out by Fund as follows;

- Fund 101 – General - \$35,000
- Fund 204 – Cemetery - \$20,000
- Fund 402 – Debt Service-Rec Ctr Bond Fund - \$1,000
- Fund 520 – Golf - \$200,000
- Fund 602 – Tech Management Fund - \$4,500

Total - \$260,500

*Detail can be found in Attachment – Appendix B.

Budget Amendment – Res. Nos. XX & XX Amending the 2024 City and LRC Budgets

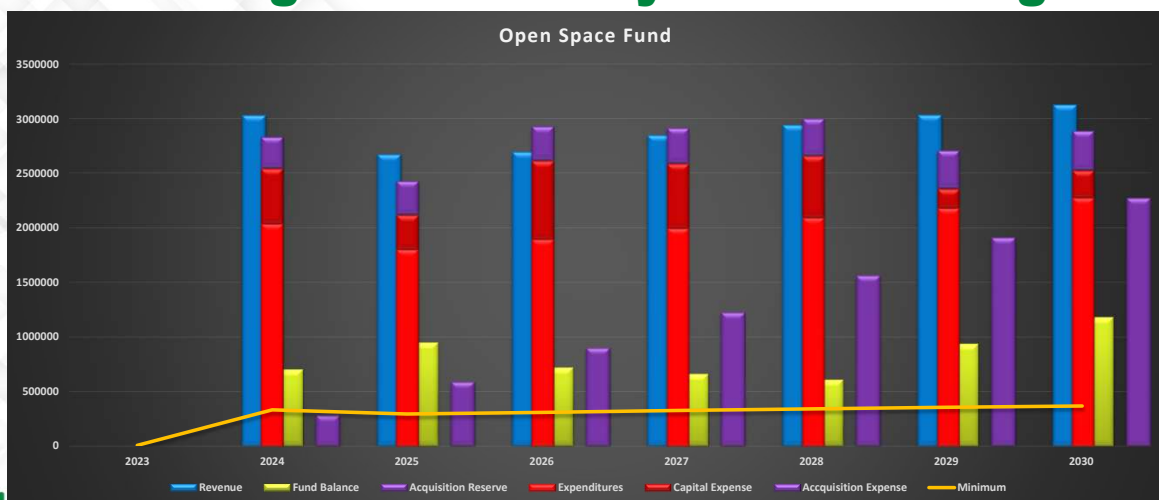
Fiscal Impacts:

Also within Appendix B, Staff is Recommending the following appropriation adjustments to transfers required to close to the formerly shared Open Space and Parks fund;

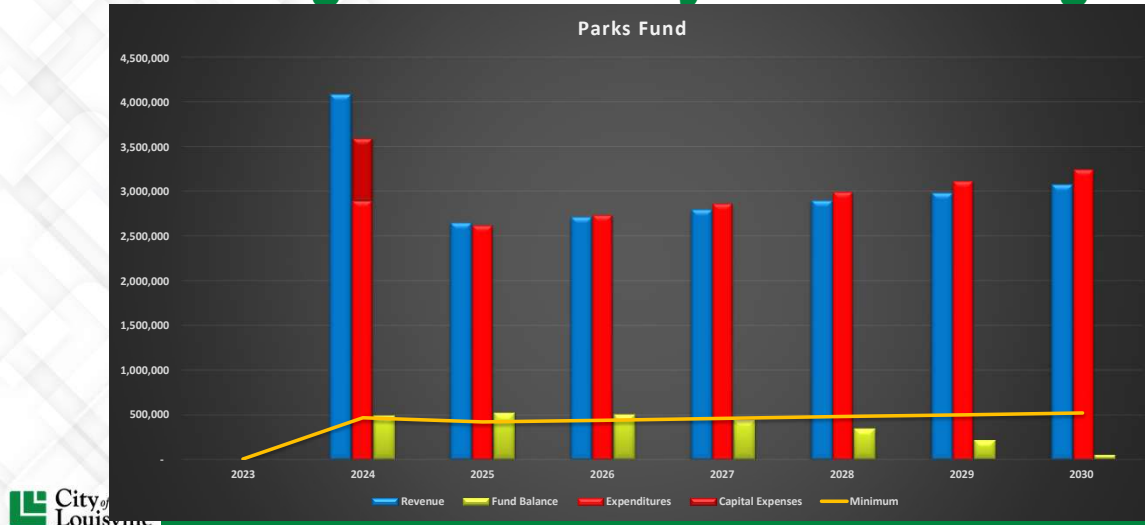
- Fund 201 – Open Space and Parks Fund – Transfer Out - \$900,000
- Fund 210 – Open Space Fund - Transfer In - <\$500,000>
- Fund 211 – Park Fund - Transfer In - <\$400,000>
- Current/Estimated Fund Balance in former Fund 201 - ~\$900,000
- Ensures Parks Fund minimum fund balance is met, with balance transfer to Open Space Fund
- Ensures each Fund meets minimum reserve requirements as of January 1, 2025.



Budget Amendment – Res. Nos. XX & XX Amending the 2024 City and LRC Budgets



Budget Amendment – Res. Nos. XX & XX Amending the 2024 City and LRC Budgets



9

December 3, 2024

Budget Amendment – Res. Nos. XX & XX Amending the 2024 City and LRC Budgets

Fiscal Impacts:

C. The total amount Sources/Revenue adjustments to the 2024 Budget for Permit, Grant, and Golf revenues are as follows;

Broken out by Fund;

- Fund 101 – General - \$235,000
- Fund 204 – Cemetery - \$20,000
- Fund 520 – Golf - \$200,000

Total - \$455,000

*Detail can be found in Attachment – Appendix C.

Budget Amendment – Res. Nos. XX & XX Amending the 2024 City and LRC Budgets

Fiscal Impacts:

D. The total amount of adjustments to existing appropriations for Louisville Revitalization Commission (LRC) are;

Broken out by Fund as follows;

- Fund 221* – Urban Revitalization District
- **Total <\$107,870>**

These adjustments were presented and approved by the LRC at their October 30th meeting.

*Detail can be found in Attachment – Appendix D.



Budget Amendment – Res. Nos. XX & XX Amending the 2024 City and LRC Budgets

Impacts to Financial Reserves:

- Upon budget amendment adoption, funds with reserve requirements will remain in full compliance with the City's Reserve Policies.

Fund	Minimum Reserve Met (15%)	Target Reserve Met (25%)
General Fund	√	√
Open Space Fund	√	n/a
Parks Fund	√	n/a
Capital Fund	√	n/a
Golf Fund	√	n/a



Budget Amendment – Res. Nos. XX & XX Amending the 2024 City and LRC Budgets

The Finance Committee reviewed and recommended approval of a preliminary draft of the proposed amendment at their November 21st meeting.

Staff's Recommendation is for Council to approve the Proposed Final Amendments to the 2024 City and Louisville Revitalization Commission's Budget.

Thank you, Staff is available to answer questions.



SUBJECT: CITY COUNCIL COMMITTEE ASSIGNMENTS

DATE: DECEMBER 3, 2024

PRESENTED BY: MEREDYTH MUTH, INTERIM DEPUTY CITY MANAGER

SUMMARY:

Below is a list of committees to which the Mayor appoints City Councilmembers. The Mayor will present a new list of appointments at the meeting on December 3. Members will serve on committees until November 2025. The following list may not be inclusive.

- City Council Economic Vitality Committee
- City Council Finance Committee
- Colorado Communities for Climate Action (CC4CA)
- Colorado Municipal League Policy Committee
- Commuting Solutions
- Consortium of Cities
- Downtown Business Association Street Faire Committee
- Denver Regional Council of Governments
- Joint Interest Committees (Superior & Lafayette)
- Revitalization Commission

FISCAL IMPACT:

None at this time.

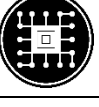
RECOMMENDATION:

None.

ATTACHMENT(S):

None.

STRATEGIC PLAN IMPACT:

☐		Financial Stewardship & Asset Management	☒		Reliable Core Services
☐		Vibrant Economic Climate	☐		Quality Programs & Amenities
☒		Engaged Community	☐		Healthy Workforce
☐		Supportive Technology	☒		Collaborative Regional Partner