

## Memorandum

**DATE:** AUGUST 26, 2024  
**TO:** DOUGLAS COUNTY BOARD OF HEALTH  
**FROM:** DEPARTMENT OF COMMUNITY DEVELOPMENT  
**SUBJECT:** BOARD OF COUNTY COMMISSIONERS REQUEST FOR INPUT

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### **REQUEST**

During a recent Work Session, the Board of County Commissioners had a discussion regarding pending implementation of licensure procedures for Natural Medicine facilities at the State level. During the discussion, Commissioners expressed interest in hearing from the Board of Health if there is therapeutic benefit of this type of treatment, and if the Board of Health has any input on potential impacts the Natural Medicine industry may have on the community.

The Work Session Agenda Item is attached for reference.

### **ATTACHMENT**


August 12, 2024, Work Session Agenda Item – Natural Medicine Facility Regulation

## Agenda Item

**DATE:** August 12, 2024

**TO:** DOUGLAS COUNTY BOARD OF COUNTY COMMISSIONERS

**THROUGH:** DOUGLAS J. DEBORD, COUNTY MANAGER

**FROM:** TERENCE T. QUINN, AICP, DIRECTOR OF COMMUNITY DEVELOPMENT 

**CC:** MARCCO HIGHAM, PLANNER  
LAUREN PULVER, PLANNING SUPERVISOR  
MICHAEL CAIRY, ZONING COMPLIANCE MANAGER  
KATI CARTER, AICP, ASSISTANT DIRECTOR OF PLANNING RESOURCES  
STEVEN E. KOSTER, AICP, ASSISTANT DIRECTOR OF PLANNING SERVICES

**SUBJECT:** NATURAL MEDICINE FACILITY REGULATION

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### SUMMARY

Staff is assessing Senate Bill 23-290, Natural Medicine Regulation and Legalization, and the rulemaking process as it relates to local control by the County. The bill explicitly limits the County's ability to prohibit these uses outright. It does enable the County to regulate time, place, and manner of the operation of natural medicine related facilities.

The Colorado Department of Revenue (DOR) will begin accepting license applications no later than December 31, 2024. The licensing of Natural Medicine Healing Centers and related businesses are subject to applicable zoning laws as directed by the Board of County Commissioners (Board). Therefore, existing Douglas County Zoning Resolution (DCZR) regulations may be applied to the time, place, and manner by which Healing Centers and cultivation, manufacturing, or testing activities are established and operated in the County.

The DCZR currently includes use categories that may be applied to the Natural Medicine related uses in such a manner that Healing Centers would be allowed in the Business and Commercial Zone Districts. Uses related to cultivation, manufacturing, or testing would be allowed in the General Industrial and Light Industrial Zone Districts. Additional State requirements, like minimum separation distances, would still be required.

### BACKGROUND

No later than December 31, 2024, DOR will begin regulating and controlling the licensure of natural medicine. This involves the cultivation, manufacturing, testing, storing, distribution, and dispensing of natural medicine.

Until June 1, 2026, the term “natural medicine” includes psilocybin and psilocin. A recommendation from the Natural Medicine Advisory Board may add the following remaining substances to the regulatory term after June 1, 2026:

- Dimethyltryptamine, or DMT
- Ibogaine
- Mescaline

Five classes of licenses are provided in the bill which include:

- Natural Medicine Healing Center
- Natural Medicine Cultivation Facility
- Natural Medicine Product Manufacturer
- Natural Medicine Testing Facility
- Any other business license determined necessary by the state licensing authority

The bill does not permit local jurisdictions to adopt regulations deemed unreasonable or in conflict with it, regulations prohibiting the transportation of natural medicine on public roads by licensed personnel, or regulations prohibiting state licensed facilitators from providing natural medicine services.

State regulations impose a distance requirement of 1,000 feet for a Healing Center license from a childcare center, preschool, elementary, middle, junior, or high school; or a residential childcare facility. However, local jurisdictions may vary the distance requirement or eliminate one or more of these types of schools or facilities from this requirement.

### **JURISDICTION REGULATIONS**

Staff has reviewed information concerning natural medicine regulation from neighboring jurisdictions including Arapahoe County, the City of Boulder, the City and County of Denver, the Town of Castle Rock, and the Town of Parker.

Currently, the Town of Parker (Parker) is the only neighboring jurisdiction to adopt natural medicine regulations beyond the regulations imposed by the State. The Parker regulations separate uses by permitting Natural Medicine Healing Centers in the Business District and Commercial Zone Districts. The cultivation, manufacturing, and testing uses are allowed in the Light Industrial Zone District. The ordinance restricts the operating hours of natural medicine businesses to 8 a.m. to 5 p.m. Monday through Friday, requires screening the interior views of these businesses, and the mitigation of odors emitted by natural medicine businesses to a level undetectable beyond property boundaries. Parker regulations also require a 1,000 foot separation distance from residential areas for all natural medicine related facilities.

The Town of Castle Rock (Castle Rock) has proposed similar regulations to Parker but is considering restricting all natural medicine related businesses, including Healing Centers,

to the I-1 Light Industrial and I-2 General Industrial Zone Districts within their municipal code. Castle Rock also extended the 1,000 ft. distance requirement to residential areas. A second reading of the proposed ordinance amending Castle Rock's municipal code is scheduled for August 20, 2024.

The City of Boulder (Boulder) discussed the bill and a potential approach to local zoning regulations on August 1, 2024. Boulder is considering the same distance requirements adopted by Parker but regulating operational hours for Healing Centers has not been considered at this point. Boulder is proposing to regulate Natural Medicine Healing Centers as a medical office use and to allow cultivation, manufacturing, and testing uses in all industrial, Business-Commercial (BCS), and Mixed-Use 4 (MU4) zone districts.

Arapahoe County has only been restrictive insofar as permitting natural medicine business uses in specified zone districts through a business licensure process. At this point, no additional restrictions have been identified. It is not clear when the Arapahoe County Commissioners will consider the proposed regulations.

The City and County of Denver (Denver) has concluded its meetings with the Natural Medicine Work Group (NMWG) convened to advise Denver's Department of Excise and Licenses. The NMWG has discussed decreasing the state distance requirement due to the existing density of uses, is considering a Public Needs and Desires Hearing as required of retail marijuana and beer licenses, and is considering allowing the co-location of natural medicine businesses with existing similar use licenses. No additional information was available regarding what may result from this advisory review process.

### **NEXT STEPS**

Staff is prepared to discuss how the DCZR applies to these uses and possible next steps with the Board.