

ORDINANCE NO. 2024 - ____

**AN ORDINANCE AMENDING TITLE 17 OF THE CASTLE ROCK
MUNICIPAL CODE REGARDING LOCAL REGULATION OF
NATURAL MEDICINE BUSINESSES**

WHEREAS, the Natural Medicine Health Act of 2022, a citizen-initiated measure intended to decriminalize the use of certain plants or fungi for people 21 years of age and older, was approved by Colorado voters in November, 2022; and

WHEREAS, in May, 2023, the Governor signed Senate Bill 23-290, entitled “Natural Medicine Regulation and Legalization,” into law, which bill clarifies and sets the regulatory framework for a regulated natural medicine program in Colorado; and

WHEREAS, Senate Bill 23-290 authorizes the Town Council to enact an ordinance to: (i) regulate the time, place and manner of the operation of natural medicine business licenses issued by the Colorado Division of Professions and Occupations; (ii) limit the areas where the cultivation, manufacturing, testing, storage, distribution, transfer and dispensation of natural medicine and natural medicine product may be permitted in the Town; and (iii) establish the distance restrictions for buildings where natural medicine services are provided within the vicinity of a child care center, preschool, elementary, middle, junior or high school, residential child care facility, or residential dwelling; and

WHEREAS, Town staff recommends that Title 17 of the Castle Rock Municipal Code (the “Code”) be amended by the addition of a new Chapter 17.64 for the purpose of regulating natural medicine businesses within the authority granted by Senate Bill 23-290; and

WHEREAS, the Town Council finds and determines that it is in the best interests of the residents of the Town to amend Title 17 of the Code for this purpose.

NOW, THEREFORE, IT IS ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF CASTLE ROCK, COLORADO, AS FOLLOWS:

Section 1. Amendment. Title 17 of the Castle Rock Municipal Code is amended by the addition of a new Chapter 17.64 entitled “Natural Medicine Businesses,” which chapter reads as follows:

Chapter 17.64 – Natural Medicine Businesses

17.64.010 - Findings and legislative intent.

The Town Council makes the following legislative findings:

- A. The Town Council finds and determines that the Colorado Natural Medicine Code, as codified in Colo. Rev. Stat. §§ 44-50-101 through 904 (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 licenses issued pursuant to the Regulatory Act.

- B. The Town Council finds and determines that the Regulatory Act specifically authorizes the governing body of a municipality to enact zoning ordinances to locate the area where the cultivation, manufacturing, testing, storage, distribution, transfer and dispensation of natural medicine and natural medicine product, as defined by the Regulatory Act, may be permitted in a municipality.
- C. The Town Council finds and determines that the Regulatory Act specifically authorizes the governing body of a municipality to enact ordinances to establish the distance restrictions for buildings where natural medicine services are provided within the vicinity of a child care center; preschool; elementary, middle, junior or high school; a residential child care facility; or residential dwelling.

17.64.020 - Definitions.

For purposes of this Chapter, the following terms shall have the following meanings:

Natural medicine means psilocybin or psilocin and other substances described in the Regulatory Act as “natural medicine.”

Natural medicine business means any of the following entities licensed under the Regulatory Act and 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.

Natural medicine healing center means a facility where an entity is licensed by the state licensing authority that permits a facilitator as defined by the Regulatory Act, to provide and supervise natural medicine services for a participant as defined by the Regulatory Act, which includes a participant consuming and experiencing the effects of regulated natural medicine or regulated natural medicine product under the supervision of a facilitator.

Natural medicine product means a product infused with natural medicine that is intended for consumption, as provided by the Regulatory Act.

Natural medicine services mean a preparation session, administrative session, and integration session, as provided by the Regulatory Act.

Participant means an individual who is twenty-one (21) years of age or older who receives natural medicine services prescribed by and under the supervision of a facilitator, as provided by the Regulatory Act.

Regulated natural medicine means natural medicine that is cultivated, manufactured, tested, stored, distributed, transported, or dispensed, as provided by the Regulatory Act.

Regulated natural medicine product means a natural medicine product that is cultivated, manufactured, tested, stored, distributed, transported, or dispensed, as provided by the Regulatory Act.

State licensing authority means the authority created under the Regulatory Act for the purpose of regulating and controlling the licensing of the cultivation, manufacturing, testing, storing, distribution, transfer, and dispensation of regulated natural medicine and regulated natural medicine product, as provided by the Regulatory Act.

17.64.030 - Permitted location for a natural medicine healing center.

Natural medicine healing center is a use permitted by right in the I-1-Light Industrial and I-2-General Industrial Districts, subject to the distance requirements contained in the Section 17.64.050 and the time, place and manner requirements contained in Sections 17.64.050 through 17.64.110. Natural medicine healing centers are prohibited in all other zoning districts in the Town, including the PD-Planned Development District.

17.64.040 - Permitted location for natural medicine businesses.

Natural medicine cultivation facility, natural medicine products manufacturer, natural medicine testing facility, and other licensed entity created by the state licensing authority (collectively the “licensed facilities”) are uses permitted by right in the I-1-Light Industrial and I-2-General Industrial Districts, subject to the distance requirements contained in Section 13.17.050 and the time, place and manner requirements contained in Sections 13.17.050 through 13.17.110. The licensed facilities are prohibited in all other zoning districts of the Town, including PD-Planned Development District.

17.64.050 - Distance from schools and residential dwellings.

- A. No natural medicine business that provides natural medicine services shall operate out of a building that is within one thousand (1,000) feet of a child care center; preschool; elementary, middle, junior or high school; or a residential child care facility (collectively “school”).
- B. No natural medicine business that provides natural medicine services shall operate out of a building that is within one thousand (1,000) feet of single-family dwellings, duplexes, or multiple-family dwellings (collectively “residential dwellings”).
- C. Subsections A and B above do not apply to a licensed facility located on land owned by the Town or the state of Colorado or apply to a licensed facility that was actively doing business under a valid license issued by the state licensing authority before the school or residential dwelling was constructed.
- D. The distances referred to in this Section shall 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 natural medicine services are provided, using a route of direct pedestrian access.

17.64.060 - Hours of operation—Natural medicine services.

Natural medicine healing centers and natural medicine businesses that provide natural medicine services shall only operate between the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday.

17.64.070 - Public view of natural medicine businesses.

All doorways, windows and other opening of natural medicine business buildings shall be located, covered, or screened in such a manner to prevent a view into the interior from any exterior public or semipublic area, subject to applicable Town design standards. All activities of natural medicine businesses shall occur indoors.

17.64.080 - Lighting of natural medicine businesses.

Primary entrances, parking lots and exterior walkways shall be clearly illuminated with downward facing security lights to provide after-dark visibility for facilitators, participants, and employees, subject to all applicable Town lighting standards.

17.64.090 - Storage of natural medicine businesses.

All storage for natural medicine businesses shall be located within a permanent building and may not be located within a trailer, tent, or motor vehicle.

17.64.100 - Odor from natural medicine businesses.

Natural medicine businesses shall use an air filtration and ventilation system designed to ensure that the odors from natural medicine and natural medicine products are confined to the premises and are not detectable beyond the property boundaries on which the facility is located.

17.64.110 - Natural medicine businesses secure disposal.

Natural medicine businesses shall provide secure disposal of natural medicine and natural medicine product remnants or by-products. Natural medicine and natural medicine product remnants or by-products shall not be placed within the facilities' exterior refuse container.

17.64.120 - Processing of natural medicine.

- A. The processing of natural medicine that includes the use of hazardous materials, including, without limitation, and by way of example, flammable and combustible liquids, carbon dioxide, and liquified petroleum gases, such as butane, is prohibited.

- B. Nonhazardous materials used to process natural medicine shall be stored in a manner so as to mitigate and ensure odors are not detectable beyond the property boundaries on which the processing facility is located or the exterior walls of the processing facility associated with the processing of natural medicine.
- C. The processing of natural medicine shall meet the requirements of all adopted Town building and life/safety codes.
- D. The processing of natural medicine shall meet all of the requirements of all adopted water and sewer regulations promulgated by the Town and the Plum Creek Water Reclamation Authority.

17.64.130 - Nuisance.

It is unlawful and deemed a nuisance to:

- A. Operate a natural medicine business in violation of any of the requirements set forth in the Regulatory Act or this Chapter 17.64.
- B. Dispose of, discharge out of or from, or permit to flow from any facility associated with natural medicine, any foul or noxious liquid or substance of any kind whatsoever, including, without limitation, by-products of the natural medicine process, into or upon any adjacent ground or lot, into any street, alley or public place, or into any municipal storm sewer and/or system in the Town.

Section 2. Amendment. The use table in Section 17.28.030.A. of the Castle Rock Municipal Code is amended by the addition of the following entries, which entries read as follows:

<i>Use</i>	<i>B Business/ Commercial</i>	<i>I-1 Light Industrial</i>	<i>I-2 General Industrial</i>	<i>I-E Industrial Employment District</i>	<i>WNZOD Wolfens- berger Overlay</i>	<i>DOD Downtown Overlay</i>	<i>FSOD Front Street Overlay</i>
Natural medicine healing center	N	P	P	N	N	N	N
Natural medicine cultivation facility, natural medicine products manufacturer, and natural medicine testing facility	N	P	P	N	N	N	N

Section 3. Severability. If any clause, sentence, paragraph, or part of this ordinance or the application thereof to any person or circumstances shall for any reason be adjudged by a court of competent jurisdiction invalid, such judgment shall not affect the remaining provisions of this ordinance.

Section 4. Safety Clause. The Town Council finds and declares that this ordinance is promulgated and adopted for the public health, safety and welfare and this ordinance bears a rational relation to the legislative object sought to be obtained.

APPROVED ON FIRST READING this ____ day of _____, 2024, by a vote of ____ for and ____ against, after publication in compliance with Section 2.02.100.C of the Castle Rock Municipal Code; and

PASSED, APPROVED AND ADOPTED ON SECOND AND FINAL READING this ____ day of _____, 2024, by the Town Council of the Town of Castle Rock by a vote of for and against.

ATTEST:

TOWN OF CASTLE ROCK

Lisa Anderson, Town Clerk

Jason Gray, Mayor

Approved as to form:

Approved as to content:

Michael J. Hyman, Town Attorney

Tara Vargish, Director of Development Services