

Community Values

Authentic
Connected
Accountable
Bold

Town Council
5-year Goals:

- Approach community challenges through active collaboration and public engagement.
- Accommodate growth in a way that maintains our rural feel.
- Enable people who live and work here to thrive.
- Retain the unique character and traditions of Crested Butte.
- De-emphasize cars and focus on walking, biking, and transit.
- Continue to passionately care for our natural surroundings and forever protect Red Lady.
- Act on the urgency of climate change and prepare for the changes we expect from it.

Critical to our success is an engaged community and knowledgeable and experienced staff.

AGENDA
Town of Crested Butte
Regular Town Council Meeting
Town Council Chambers
507 Maroon Ave; Crested Butte, CO
Monday, February 3, 2025

Please note, the Town Council meeting, scheduled for Tuesday, February 18, 2025, is cancelled.

Meeting information to connect remotely:
<https://us02web.zoom.us/j/89808714734>
Join via audio: +1 719 359 4580 US +1 669 444 9171 US +1 253 205 0468 US +1 689 278 1000 US +1 305 224 1968 US +1 309 205 3325 US +1 360 209 5623 US +1 386 347 5053 US +1 507 473 4847 US +1 564 217 2000 US +1 646 931 3860 US
Webinar ID: 898 0871 4734

Public comments may be submitted at any time to the entire Council via email at towncouncil@crestedbutte-co.gov.

The times are approximate. The meeting may move faster or slower than expected.

- 6:00 WORK SESSION**
1) Redeveloping the Original Center for the Arts Building.
Staff Contact: Town Manager Dara MacDonald
- 7:00 REGULAR TOWN COUNCIL MEETING CALLED TO ORDER BY MAYOR OR MAYOR PRO-TEM**
- 7:02 APPROVAL OF AGENDA**
- 7:03 CONSENT AGENDA**
1) January 21, 2025 Regular Town Council Meeting Minutes.
Staff Contact: Town Clerk Lynelle Stanford
The listing under Consent Agenda is a group of items to be acted on with a single motion. The Consent Agenda is designed to expedite Council business. Council members may request that an item be removed from Consent Agenda prior to the Council’s vote. Items removed from the Consent Agenda will be considered under New Business.
- 7:05 PUBLIC COMMENT**
The public has the opportunity to comment during the public comment period at the beginning of every regular Council meeting. At this time people may speak for up to five minutes on any topic that is not on the agenda. The Mayor may limit public comments to no more than three minutes if it appears there will be many comments on a similar topic. The public comment period is a time for the Council to listen to the people. Council generally should not engage in a two-way conversation at this time nor should the Council feel compelled to respond to the comments. If Council choses to discuss or take action on a subject brought up during Public Comment that discussion should be held at the end of the Council meeting under “Other Business to Come Before the Council.”
- 7:10 PROCLAMATION IN HONOR OF COMMUNITY DEVELOPMENT DIRECTOR TROY RUSS**
- 7:15 STAFF UPDATES**
- 7:20 LEGAL MATTERS**
- 7:25 PUBLIC HEARING – Con’t from 1-21-2025**
1) (Second Reading) Ordinance No. 1, Series 2025 - An Ordinance of the Crested Butte Town Council Amending Chapter 16, Section 16-1-20 and Section 16-5-520 of the Crested Butte Municipal Code to Accommodate the Colorado Natural Medicine Health Act Requirements.
Staff Contact: Community Development Director Troy Russ
- 7:40 NEW BUSINES**
1) Initial Debrief on Paradise Park Workforce Rental Housing Lottery of January 22nd, 2025.
Staff Contact: Housing Director Erin Ganser
- 8:00 2) Town Council Adoption of the 2030 Climate Action Plan.**
Staff Contact: Sustainability Coordinator Dannah Leeman
- 8:10 3) Reconsideration of Property Manager Discussion.**
Staff Contact: Town Manager Dara MacDonald, Finance Director Kathy Ridgeway, and Housing Director Erin Ganser
- 8:30 COUNCIL REPORTS AND COMMITTEE UPDATES**
- 8:35 OTHER BUSINESS TO COME BEFORE THE COUNCIL**

8:40 DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE

- Monday, February 10, 2025 - 6:00 Work Session on Long Range Financial Planning
- **Meeting Cancelled** - *Tuesday*, February 18, 2025 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, March 3, 2025 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, March 17, 2025 - 6:00PM Work Session - 7:00PM Regular Council

8:45 ADJOURNMENT



To: Crested Butte Town Council

From: Jillian Liebl, Executive Director of the Center for the Arts

Subject: Work Session: Redeveloping the Original Center for the Arts Building

Summary: The original Center for the Arts building is not usable in its current condition. Redevelopment of the facility (“Phase II”) has not been a priority over the past five years, but with the Community Plan and other regional planning efforts underway, now is the time to initiate a dialogue about Phase II, working toward a public-private partnership that can both deliver the Center’s mission and further the Town’s goal of supporting people who live and work here to thrive.

Previous Council Action:

- The Center approached Council at a work session in May 2024 to request that you consider supporting construction-related debt retirement as a way to initiate the Phase II project. While Council was open to a request with the condition that other local partners join the effort too, the Center chose not to pursue a formal request. With private support, we recently refinanced the remaining \$1M of debt, securing more favorable terms and somewhat reducing the pressure of debt retirement on our operating budget in the near term.
- In the Town’s 2025 budget priorities, presented to Council on September 16, 2024:
 - Goal 3: “Enable people who live and work here to thrive”
 - Strategy 3: “Assess the functionality and accessibility of Town facilities and leverage them to better meet the community’s needs”
 - 2025 budget priority: “Continue to implement the Town Facilities Plan through planning for a new Marshals facility, Town Hall renovations and civic campus, and discussions around Phase II at the Center for the Arts.”

- Phase II was identified in the Town’s Facilities Use Plan in 2023 as a future anticipated opportunity: “Supporting an arts/cultural hub through a redevelopment of the old Center for the Arts building to provide flexible space for arts and culture organizations to collaborate, perform, and create.” Strategy 3 of the Facilities Use Plan “contemplates leveraging Town facilities or conglomerates or ‘hubs’ of facilities to be shared by different entities and organizations to collaboratively support multiple community needs and promote community vitality.”
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Background:

The Center for the Arts mission: Enriching our community through arts and cultural experiences for everyone.

Our vision: We present captivating, transformative, and fun experiences that enliven the creative soul and are essential to the vitality of our community.

The Center for the Arts has been a cornerstone of creativity and engagement in Crested Butte since 1987. We fulfill our mission by:

- Producing diverse year-round arts and cultural programming, including 75 free community events and nearly 100 live performances annually;
- Collaborating with local partners like the School of Dance and CBCS to support their arts and cultural programs; and
- Hosting local community events at accessible facility use rates, including Move the Butte, Avalanche Awareness Night, and Disco Inferno.

The Center is currently undergoing a strategic plan revision that will be complete by summer 2025. We anticipate that we will continue to pursue operational sustainability, community programming and partnerships, and financial durability as our main priorities. Strategies may include streamlining the facility booking process, increasing event partnerships with local organizations, expanding community programs, and supporting the local creative community through the Crested Butte Creative District.

Phase II:

The original design of the new Center for the Arts building was a phased approach, with the new building as Phase I, redevelopment of the original building as Phase II, and a rebuild of the Alpenglow Stage as Phase III. Initial concepts for Phase II included 6,000 square feet of office space for arts non-profits, visual arts classrooms, a commercial kitchen, and general-purpose community space. However, due to funding constraints and COVID, the Center postponed these plans.

In 2019-2020, the original building was utilized by various organizations, but the Town closed it to occupancy in late 2020 after identifying code compliance issues. Multi-year remediation efforts were followed by a comprehensive code study in early 2023, which identified even more extensive and costly issues. In February 2023, the Town and the Center jointly decided to close the building, with limited access for storage, until a redevelopment effort could be launched.

The Town leases both buildings to the Center under a 2020 agreement. The Center maintains the dormant building at a cost of about \$10k annually, and covers it under our liability insurance.

Over the past five years, Phase II has not been a top priority; the Center has focused on strengthening and stabilizing operations in the new facility while aggressively reducing construction-related debt.

A new facility is not mission-critical for the Center in the immediate future. Specific current needs—such as a commercial kitchen—could potentially be addressed through more cost-effective retrofits of or additions to our current facility. As outlined below, the Center would need to accomplish certain objectives in order to proceed on Phase II. However, we recognize that planning and community engagement for public-private partnerships requires time and due process, and so are coming to you now for your initial feedback and ideas.

Community Plan and Compass Alignment:

The Phase II project is an opportunity for the Town and Center to work together to address the Community Compass goal of enabling people who live and work here to thrive and to contribute to the Community Plan's goal of improving the livability, functionality, and sense of community in Crested Butte. The Community Plan Committee was asked in their December 20, 2024 meeting: "How can we increase opportunities for community gathering spaces? Can Town facilities and parcels be leveraged to meet this need?"

The answer is an emphatic "Yes!" Not only does the Center for the Arts want to expand community programs and partnerships in the current facility in the coming years, but we also hope to move forward with Phase II in partnership with the Town. Additionally, as the conversation evolves, robust collaboration with local creatives, organizations, and community members will be key in shaping a vision for a facility that reflects Crested Butte's values.

Crested Butte has long been a place where arts and culture thrive, and Phase II represents a meaningful opportunity to expand creative spaces that support local artists, creatives, and makers; increase community gathering spaces that foster connection beyond large-scale events; and encourage community members to create art together.

Next Steps and Process:

Who will fund it? The Center and Town of Crested Butte should work together to identify funding strategies that can leverage both public and private investment. The Center has the fundraising experience to solicit private contributions, and with the Town's support, we can also unlock additional funding sources, like state and federal grants only accessible to municipalities.

What will it be? Scope and design are unknown at this time, though the primary focus would be expanding arts and cultural programming and gathering spaces for the community. We have begun initial outreach efforts to over 30 individuals and organizations to gather feedback and start mapping community needs, and we are also engaged with other regional facilities planning processes.

When can it be built? The timeline is dependent on multiple factors. Our historical financial data shows that a large capital campaign will strain our organization's capacity and reduce general operations contributions. In order to undertake such a large project, we would need a mission-critical imperative for an expanded facility, after achieving other objectives, which could include:

1. Build operating cash reserve for financial stability
2. Retire remaining \$1M of construction debt from current facility
3. Expand community arts programs, partnerships with local groups, and community facility use in the current building
4. Conduct a broad community engagement process and organizational needs assessment

What could partnership look like? If the Center accomplishes the objectives listed above (and potentially other objectives to be determined), we could begin participating in a pre-design process for Phase II. Funding through private contributions and grants is the most likely avenue for success on this project. The current facility is an example of a public-private partnership that offers a very significant addition to the Town's cultural offerings, providing amenities and services to the community without raising taxes.

As it stands, the Town owns both Center for the Arts buildings and the land; the Center leases the facilities for \$1/year under a 50-year lease with two 10-year extensions. The Center is responsible for all liability insurance, utilities, and maintenance of both facilities, with the Town doing some of the landscaping and snow removal around the campus. The total cost of building maintenance, insurance, and utilities is around \$300k annually, which we anticipate to increase significantly in the coming years as the facilities age.

Unlike Phase I, local philanthropists have indicated that they would be unlikely to invest in the Phase II project if it is constructed under the current ownership structure.

Facility ownership is needed to secure future private support for a capital campaign because it will help ensure the Center's long-term financial stability.

Like most nonprofit arts centers around the country, the Center relies on donations for the majority of our operating revenue (around 66% in 2025). If the Center and Town worked collaboratively to restructure ownership, the Center would be eligible for a broader range of financial instruments we might utilize both to access working capital for programming expansion and facilities maintenance, and in the construction of Phase II. Additionally, the Center can fundraise more effectively with building ownership, allowing us to efficiently meet community needs and ensure the Center is financially stable for the future (e.g. by fundraising for an endowment).

Allowing the Center to access all available options for financing in the future and to strengthen its working capital position will help ensure the long-term viability of the Center and the operation and maintenance of the facilities for the benefit of the Town and the community.

In a discussion about transferring title of the facilities to the Center, we would like to explore mechanisms to ensure the facilities are well-stewarded and remain a community asset in perpetuity. These mechanisms could include:

- Deed restrictions to guarantee nonprofit, community, cultural, arts, and educational use.
- Oversight frameworks to ensure alignment with community priorities.
- Maintenance funding agreement to preserve the facilities' integrity over time.
- Requirement for Town Council approval of debt that leverages the property or utilizes the property as collateral.

Expectations of transfer could be established through an MOU with execution completed upon meeting specific milestones (i.e. meeting a fundraising goal, BOZAR approval, building permit, etc.)

As we move forward, we will seek the Town's feedback on key considerations such as community needs, concerns, and desired outcomes. We welcome discussions on how the Town envisions its role as a partner.

We could also explore other options for the original Center facility. These could include things like maintaining the status quo, demolition and open space development/modest additions to the current facility, limited renovation, Town leadership of redevelopment, or partnering with other entities to pursue redevelopment.

Ultimately, we are committed to working collaboratively to pursue solutions that align with the community's needs and values, and to ensure that the original building no longer remains an unused liability. We look forward to working together to create a sustainable and vibrant future for the arts in Crested Butte.

Questions for Council at this Work Session:

At this work session, we have the goal of starting the discussion about Phase II and getting your input and feedback on next steps. Some questions for Council:

1. What would your ideal outcome look like?
2. What are your concerns with:
 - a. Transferring title of the improvements or improvements and the land to the Center?
 - b. Redevelopment of the original Center building?
 - c. The timeline to redevelop the original Center building?
3. Is the Council open to considering a transfer of the title to the improvements only or to the improvements and land under the conditions suggested above?
4. Is the Council supportive of continuing to sponsor grant applications and/or considering other operations funding requests from the Center in the future?
5. Is the Council willing to consider direct financial support of Phase II in the future?

MINUTES
Town of Crested Butte
Regular Town Council Meeting
Tuesday, January 21, 2025

Mayor Billick called the meeting to order at 7:06PM.

Council Members Present: Mayor Ian Billick, Beth Goldstone, Mallika Magner, Gabi Prochaska, John O’Neal, Kent Cowherd, and Anna Fenerty

Staff Present: Town Manager Dara MacDonald, Town Attorney Karl Hanlon, and Town Clerk Lynelle Stanford

Parks, Recreation, Open Space and Trails Director Janna Hansen, Town Planner III Mel Yemma, Community Development Director Troy Russ, and Housing Director Erin Ganser (for part of the meeting)

APPROVAL OF AGENDA

Prochaska moved and Fenerty seconded a motion to approve the agenda. A roll call vote was taken with all voting, “Yes,” except Goldstone was momentarily absent and did not vote. **Motion passed unanimously.**

CONSENT AGENDA

1) January 6, 2025 Regular Town Council Meeting Minutes.

Staff Contact: Town Clerk Lynelle Stanford

2) Alley Loop Nordic Marathon Special Event Application for January 31st, 2025 and February 1st, 2025, closing Elk Avenue from the Zero Block through the 400 Block and Alleys and Special Event Liquor Permit for February 1st, 2025.

Staff Contact: Town Clerk Lynelle Stanford

3) Resolution No. 4, Series 2025 - A Resolution of the Crested Butte Town Council Approving the Fourth Amendment to the Intergovernmental Agreement Establishing the Gunnison Valley Regional Housing Authority.

Staff Contact: Housing Director Erin Ganser

4) Reappointment of BOZAR Board Member - Ed Schmidt.

Staff Contact: Town Planner III Jessie Earley

5) Award of Contract to A&M Renovations LLC for the Town Hall Exterior Masonry and Select Window Replacement Project 2025.

Staff Contact: Town Planner III Jessie Earley

6) Approval of Contract to Fixture Studio Construction & Development LLC for the Town Hall Second Floor Interior Renovation.

Staff Contact: Town Building Inspector Matt Flick

Fenerty moved and Prochaska seconded a motion to approve the Consent Agenda. A roll call vote was taken with all voting, “Yes,” except Goldstone was momentarily absent and did not vote. **Motion passed unanimously.**

PUBLIC COMMENT

Billick acknowledged written comments received from Jessie Schattner, the Land Trust, and Western.

STAFF UPDATES

MacDonald updated.

LEGAL MATTERS

Hanlon provided an update.

PUBLIC HEARING

1) (Second Reading) Ordinance No. 1, Series 2025 - An Ordinance of the Crested Butte Town Council Amending Chapter 16, Section 16-1-20 and Section 16-5-520 of the Crested Butte Municipal Code to Accommodate the Colorado Natural Medicine Health Act Requirements.

Staff Contact: Community Development Director Troy Russ

Russ requested a continuation of the public hearing. Billick opened the public hearing. Chris Smith, 808 Gothic Avenue and Sylvia Salcedo, 17 Beckwith Avenue, spoke. The Council discussed.

Magner moved and Fenerty seconded a motion to continue the public hearing to February 3rd, 2025. A roll call vote was taken with all voting, “Yes.” **Motion passed unanimously.**

2) Application to Change the Location of the Liquor License for Sherpa Dharma LLC DBA Sherpa Café from 313 3rd Street to 309 6th Street.

Staff Contact: Town Clerk Lynelle Stanford

Billick opened the public hearing. There were no comments from the public. The public hearing was closed.

Prochaska moved and O’Neal seconded a motion to approve the change of location for Sherpa Dharma LLC to 309 6th Street. A roll call vote was taken with all voting, “Yes.” **Motion passed unanimously.**

NEW BUSINESS

1) Resolution No. 3, Series 2025 - A Resolution of the Crested Butte Town Council Adopting Changes and Additions to the 2024 Budget and Appropriations Relative to the Utility Enterprise Fund.

Staff Contact: Finance Director Kathy Ridgeway

Goldstone moved and Fenerty seconded a motion to approve Resolution No. 3, Series 2025. A roll call vote was taken with all voting, “Yes.” **Motion passed unanimously.**

2) Discussion of Policy Regarding Town Support of Community Non-Profits.

Staff Contact: Town Manager Dara MacDonald

MacDonald introduced Lauren Kugler and Alicia Corliss, from the Community Foundation, who were on Zoom. Billick summarized the discussion.

COUNCIL REPORTS AND COMMITTEE UPDATES

Fenerty updated.

OTHER BUSINESS TO COME BEFORE THE COUNCIL

O’Neal and Fenerty asked questions, and there were additional discussions.

DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE

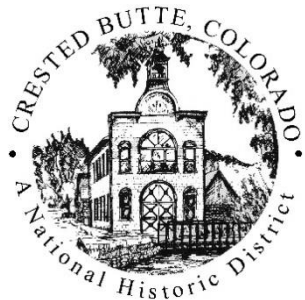
- Monday, January 27, 2025 - 6:00PM - Dinner with the Mt. Crested Butte Town Council in Mt. Crested Butte
- Monday, February 3, 2025 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, February 10, 2025 - 6:00 Work Session on Long Range Financial Planning
- **Meeting Cancelled** - Tuesday, February 18, 2025 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, March 3, 2025 - 6:00PM Work Session - 7:00PM Regular Council

ADJOURNMENT

Mayor Billick adjourned the meeting at 8:59PM.

Ian Billick, Mayor

Lynelle Stanford, Town Clerk (SEAL)



Memorandum

To: Town Council

From: Dara MacDonald, Town Manager

Subject: Manager's Report

Date: February 3, 2025

Town Manager

- 1) No updates

Sustainability

- 1) **GCEA Updates** – GCEA has postponed their scheduled Feb. 3 presentation until federal guidance on project funding has settled. Staff will inform Town Council when they are ready to present.
- 2) **Waste Management Contract** – Waste Management and staff are finalizing contract terms with Waste Management on Municipal Refuse and Recycling services. Staff anticipates this contract will be ready for the Mar. 3 Town Council Meeting consent agenda.

Public Works

- 1) Bustang will be offering a second daily bus pick up in Crested Butte, starting February 1st, 2025. The Town will provide for bus parking along the west side of 6th street, between Bellevue and Red Lady Aves. See Pic Below. This area will be signed “bus parking only, 1100 AM – 100 PM daily”.



- 2) Snow Removal Updates:

- a. Water Service Lines: Based on the population dynamics of Town, the subsequent demand on the Town's Water System, and the burial depth of the existing water system (Town owned mains), the Town does not typically have to contend with frozen water mains; however, water services are prone to freezing if proper installation procedures have not been adhered too. Proper installation procedures include installation of the water service at a proper burial depth. Currently, the Town requires a 7 foot minimum burial depth. If this cannot physically be achieved, then the Town requires additional frost protection, such as foam pipe insulation or blue board. In addition to burial depth, the amount and consistency of use also directly impacts the ability of a service to freeze. For example, a house with a 5 foot deep service that supports a year round family will be far less likely to freeze than the same service supplying water to a house that sits inactive for a period of time in the winter. Although the removal of snow from the ground above a water service has the potential to increase the likelihood of a frozen pipe, proper installation methodology is the only true way to prevent frozen water services. To that end, the homeowner is responsible for the installation, on going maintenance and replacement of the service line from the saddle at the main through the property.
- b. Snow Removal Assistance Program: Currently has 15 active participants.
- c. Alley Snow Removal Procedures: Per the Snow and Ice Control Plan,
"Few alleys are maintained by the Town of Crested Butte. Private contractors may be hired by residents for alley maintenance. Any private contractor interested in plowing, hauling, or storing snow on public property must;
 1. *Obtain a Snow Management Permit from the Town of Crested Butte.*
 2. *Have a current Town of Crested Butte business license.*
 3. *State Registered Vehicle.*
 4. *Provide a current certificate of insurance listing the Town as additionally insured.**Additionally, any snow stored in Town alleys must be hauled prior to the snow reaching a height of one half the height of the adjacent fence line. At a minimum snow MUST be hauled from alleys prior to April 1st of each calendar year, except as otherwise permitted by the Town Manager in writing."*
- d. A map of snow removal operations, including alleys plowed by the Town is attached. Complete information about snow removal operations can be found on the [Snow Removal](#) page of the Town's website.

Marshals

- 1) A friendly reminder to everyone parking in the neighborhood and skier zones. If you have registered your vehicle appropriately, awesome. Please keep in mind, and remind guests, winter parking rules ALSO apply in those areas. Just because your vehicle is registered doesn't make it exempt from winter parking.
 Registrations: <https://www.parkcrestedbutte.com/townofcrestedbutte>
 Winter parking rules: <https://www.crestedbutte-co.gov/parking>

Parks, Recreation, Open Space and Trails

- 1) Waste Management has awarded the Town \$1,000 in sponsorship of this year's Town Picnic! We want to send a big THANK YOU to Sampson Brozek, our Regional Manager, for nominating us to WM for this generous sponsorship.
- 2) Per Council request at the last meeting, open space and trail maps [can be found here](#).
- 3) Per Council request at the last meeting, please see the attached memo with details regarding the PROST funding sources and budget.

Community Development

1. At the January 21, 2025 Council meeting. Staff was asked to provide a breakdown of the Town owned employee rental housing units and share a copy of the [Town Employee Rental Housing Policy](#)

Address	
19 Ninth Street (ADU)	Studio
716 Elk (Depot)	1 Bed
814 Teocalli	1 Bed
902 Ninth Street #1 (Town Ranch)	1 Bed
902 Ninth Street #3 (Town Ranch)	1 Bed
817 Gothic	2 bed
107 Teocalli	2 bed
906 Butte	2 bed
815 Gothic	2 bed
902 Ninth Street #2 (Town Ranch)	2 bed
263 A Escalante CB South	3 bed
18 Tenth Street (Haney)	3 bed
812 Teocalli	3 bed
17 Ninth Street	3 bed

Total - 14 Units

27 Bedrooms

2. **Senate Bill 23-166 – Colorado Wildfire Resiliency Code.** The State of Colorado is drafting the rules and regulations for the implementation of Senate Bill 23-166, the Colorado Wildfire Resiliency Code. All local jurisdictions will be required to adopt the State code as a minimum requirement. Home Rule municipalities, like Crested Butte, would be welcome to make their rules more restrictive.

Note, this code would not function retroactively. This code would only be triggered by a building code application. Specifically, the subcommittee is recommending the new code apply to the following three circumstances:

- All new construction
- Construction of an additional 500sf or more to an existing building, or
- Construction/repair of 25% or greater of an existing structure's total surface area (roof, siding)

Note, there are no provisions for historic structures in the current draft.

The subcommittee creating the rules and regulations has started a public comment period on the new rules and regulations. Community Development staff participated in the meeting and raised several questions regarding the draft code. The public comment period will be open until May 10, 2025. You can find links to the subcommittee's work below:

[DRAFT Colorado Resiliency Code \(Link\)](#)
[Initial WUI Hazard Map \(Link\)](#)

The subcommittee will finish their work, and the code will be ratified by the State no later than July 1, 2025. Crested Butte will be required to adopt a Wildfire fire code no later than October 1, 2025. Enforcement of the Code by the Town will be required no later than January 1, 2026.

Town Clerk

- 1) The Alley Loop is coming up this upcoming weekend, January 31 and February 1. Town crews, the Fire Department, and Mountain Express have all coordinated with staff from Nordic, and we are lucky to have so many experienced people involved in planning the event. Thank you particularly to Public Works for all of their help with snow moving logistics.
- 2) Nordic has also been busy planning the Gothic Mountain Tour, planned for February 22, 2025, with Town Ranch the area that is affecting Town.
- 3) Laserfiche, software utilized as Town's digital records repository, was recently upgraded, which effectively moves the Town's data to the cloud, ensuring one more level of physical security with the removal of the extra server.

Finance/HR/IT

- 1) December and 2024 revenue report:

TOWN SALES TAX DECEMBER 2024								
Business Category	Total Amount 2024	Total Amount 2023	\$ Diff	% Diff	YTD 2024	YTD 2023	\$ Diff	% Diff
BARS/REST	155,571	149,349	6,222	4.17%	2,127,117	1,933,160	193,958	10.03%
ECOMMERCE	32,461	51,145	(18,685)	-36.53%	345,421	318,665	26,756	8.40%
GROCERY	74,302	79,781	(5,479)	-6.87%	934,834	733,684	201,150	27.42%
RETAIL	122,616	137,312	(14,695)	-10.70%	1,448,071	1,552,030	(103,959)	-6.70%
RETAIL:MMJ	10,307	10,946	(639)	-5.84%	133,528	145,105	(11,577)	-7.98%
LODGING	63,054	60,368	2,686	4.45%	814,168	864,005	(49,837)	-5.77%
CONST/HRDWR/AUTO	68,585	82,951	(14,366)	-17.32%	691,529	679,324	12,204	1.80%
SERVICE	77,158	81,505	(4,347)	-5.33%	519,785	486,728	33,057	6.79%
Grand Total	604,055	653,358	(49,303)	-7.5%	7,014,453	6,712,700	301,753	4.5%
OTHER REVENUE SOURCES								
Vacation Rental Excise Tax	74,054	77,276	(3,222)	-4.2%	814,744	913,599	(98,855)	-10.8%
Tobacco & Nicotine Tax	15,759	16,326	(567)	-3.5%	189,442	191,499	(2,056)	-1.1%
RETT	187,587	168,300	19,287	11.5%	2,534,386	2,908,084	(373,698)	-12.9%
Carry Out Bag Fee	563	412	152	36.8%	6,012	4,032	1,980	49.1%

- 2) The website redesign project is kicking off. As a reminder we have secured a grant of \$150,000 from the State of Colorado which will cover the cost of the project. We have selected [Propeller Consulting](#) as the project consultant from the list of vendors pre-approved by the State. The reimagined website will be user-friendly and meet all accessibility requirements. The project will be completed by May.

Upcoming Meetings or Events Council may choose to attend

Upcoming Agenda Items

See attached **draft** list of upcoming Council agenda topics

* As always, please let me know if you have any questions or concerns. You may also directly contact department directors with questions as well.



MEMO

2/3/25

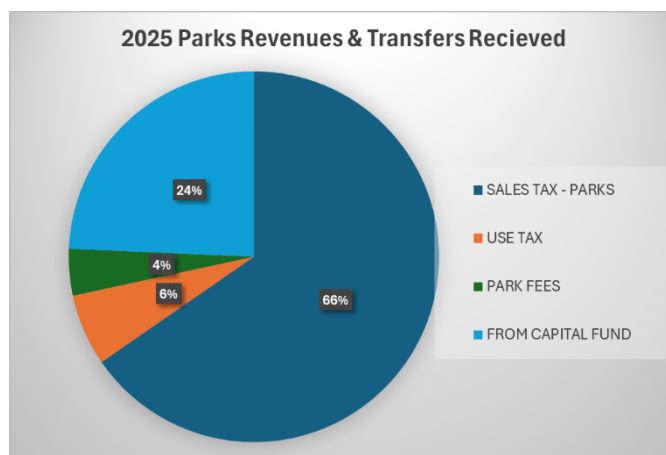
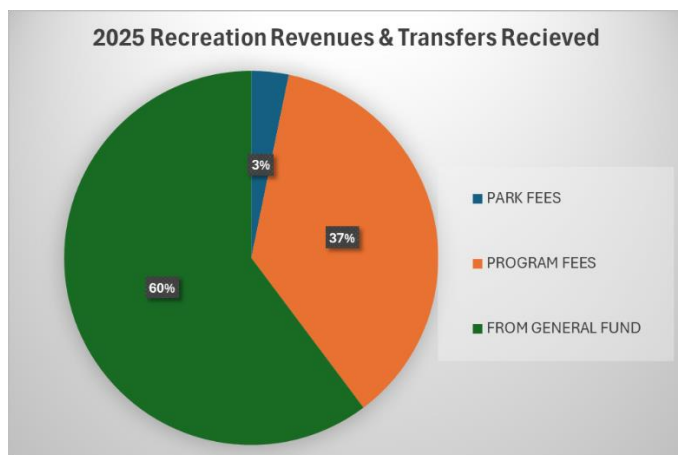
To: Mayor and Town Council

Prepared By: Janna Hansen, PROST Director

Thru: Dara MacDonald, Town Manager

Subject: PROST Budget

During the January 21st meeting Town Council requested a memo with further details around the PROST budget with particular attention to funding sources in preparation for 2025 PROST Master Plan discussions.



A more detailed discussion of funding for parks, recreation and open space follows:

I. Available Funding Sources

Sales and Use Tax:

“The Town shall distribute proceeds from the one-half percent (0.5%) **parks and recreation sales tax** on a formula allocating one hundred percent (100%) thereof to the Parks, Recreation and Trails Fund.” - [Crested Butte Town Code Sec. 4-3-20\(d\)\(2\)](#)

“Except as specified in this Subsection, the Town shall distribute proceeds from the one-half percent **(0.5%) parks and recreation use tax** on a formula allocating one hundred percent (100%) to the Parks, Recreation and Trails Fund.” - [Crested Butte Town Code Sec. 4-4-30\(2\)](#)

“The Town’s 4.5% sales tax is allocated to various funds and uses as follows:

Of the 4%

75% - General fund or Capital fund as needed

25% - Transit Mobility fund (95% allocation directly to Mt. Express)

Of the 0.5%

100% - Parks, Recreation, and Trails

The use tax rate within the Town of Crested Butte is 4.5% and is applied to construction materials and motor vehicles. The revenue is allocated as follows:

60% of 4.0% - General fund

40% of 4.0% - Capital fund

100% of 0.5% - Parks, Recreation and Trails fund” - [2025 Budget Pg. 20-21](#)

Ordinance No. 6, Series 2015:

“An ordinance of the Town Council of Crested Butte submitting to the registered electors at an election to be held on November 3, 2015, the question of whether the Town of Crested Butte taxes shall be increased by up to \$500,000 annually beginning on January 1, 2016, and by whatever amounts are received thereafter, with a sales tax and use tax of one-half of a percent (0.5%, or five cents on each \$10.00 purchase) to provide revenue for parks and recreation facility maintenance, parks and recreation capital and programs and trails and said increase in use tax to be applied as it always has been under the Crested Butte municipal code; setting forth the ballot title; providing for the conduct of the election; and amending certain provisions of the Crested Butte municipal code if a majority of voters approve the ballot issue.”

The 2025 budget projects the 0.5% sales and use tax will generate \$755,763 and \$72,222 respectively.

Capital Fund:

(a) “There is hereby created a special fund, to be known as the Capital Fund, for land acquisition and capital improvements. The funds therein shall be used for the following purposes:

- (1) Acquisition of land and construction of structures thereon, or acquisition of land with existing structures thereon and equipment and furnishings therein.
- (2) Construction of additions to existing structures;
- (3) Procurement of equipment for new buildings and additions to existing buildings, and installation thereof.
- (4) Alterations and improvements to existing structures where the total estimated cost of such projects for labor and materials is in excess of five thousand dollars (\$5,000.00).

- (5) Acquisition of vehicles or other equipment, the estimated unit cost of which, including any necessary installation, is in excess of five thousand dollars (\$5,000.00).
- (6) Installment purchase agreements or lease agreements with an option to purchase for a period not to exceed thirty (30) years under which the Town becomes entitled to the use of real property and related equipment for parks, playgrounds and other public property.
- (7) Annual maintenance costs and expenditures incurred on street, park and building maintenance.” - [Crested Butte Town Code Sec. 4-1-30](#)

The acquisition, construction and maintenance of parks is included in the above listed uses of money within the Capital fund. This is why parks operations were previously housed within the Capital fund. Given the significant revenue now generated by the 0.5% sales tax, restricted for parks and recreation uses, the Parks, Rec & Trails fund was created in 2024 so revenues and expenses could be more easily tracked.

Revenues for the Capital fund include the following in 2025:

Use tax	\$ 346,667
RETT	\$ 1,125,000
Non-residential rents	\$ 106,500
Project grants	\$ 805,123

Of course, there are many other organization-wide expenses in the Capital fund in addition to the transfer to the Parks, Rec & Trails fund

Real Estate Transfer Tax (RETT):

“There is hereby imposed an excise tax on all transfers by deeds, instruments, writings, certain leases or any other documents by which any lands, tenements or other interests in real property located in the Town are sold, granted, assigned, transferred or otherwise conveyed to or vested in a purchaser thereof...” - [Crested Butte Town Code Sec. 4-5-10](#)

(a) One-half (½) of the proceeds received by the Town pursuant to this Article shall be deposited in the Capital Fund.

(b) One-half (½) of the proceeds received by the Town pursuant to this Article shall be deposited in the Open Space Fund. - [Crested Butte Town Code Sec. 4-5-90](#)

“Crested Butte is one of 12 municipalities in the mountains/Western slope of Colorado that have a real estate transfer tax (RETT). These were extant at the passage of the Taxpayer’s Bill of Rights (TABOR) in 1992 and so were “grandfathered in.” The Town’s RETT is 3% of the sales price of real property and thus can fluctuate substantially each year with changes in the market.

RETT revenue is allocated as follows:

- 50% - Capital fund including streets, affordable housing and parks
- 50% - Open Space fund” - [2025 Budget Pg. 21](#)

Ordinance No. 12, Series 1991:

“An ordinance amending Article 4-3 of the Crested Butte code, land transfer excise tax, by increasing the amount of said tax from one and one-half percent (1 1/2%) to three percent (3%), earmarking the proceeds from the increase for acquisition of interests in real property for the purpose of preserving open space and access outside the town boundaries as they presently exist and financing activities relevant thereto; allowing the town council to deposit the proceeds from the increase into a federally insured, interest bearing account or otherwise invest such proceeds; allowing the town council to purchase, hold and manage such open space, or designate and appropriate to other entities to perform these functions; clarifying the lien provision of the article; setting forth details in relation to the foregoing; and making this ordinance effective upon approval of the same by the voters of the Town of Crested Butte.”

Transfers-in From Other Funds:

“Parks, Recreation & Trails will receive \$149,494 from the General fund to offset operating deficits in the recreation programs. This fund will always require some measure of contributions from the General Fund to break even as recreation program revenues generated by the fund itself are not sufficient to cover operating costs.

Parks, Recreation & Trails will receive \$281,047 from the Capital fund. This fund may always require some measure of contributions from the Capital fund to break even as dedicated sales and use tax revenues are not sufficient to cover operating and capital costs.” - [2025 Budget Pg. 28](#)

Prior to 2024, recreation operations were tracked within the General fund, while parks was in Capital. For this reason, we have continued tracking recreation operations separately within the PROST fund and supplementing recreation operations from the General fund, rather than the Capital fund.

Of the \$281,047 projected transfer in 2025, \$271,000 is due to capital parks projects including completing the Totem Pole Park renovation, master plan, TP-5 to Mineral Point trail and easement acquisitions. If there were no capital projects in 2025, parks would be operating within \$10,000 of break-even.

II. Fund Narratives from the 2025 Budget:

Open Space Fund Narrative

“The Open Space fund is being presented as its own fund in 2025. This was a new practice beginning in 2024. In the past it was incorporated into the Capital fund. The Open Space fund receives ½ of the Town’s real estate transfer taxes (“RETT”) in revenue, estimated at \$1,125,000 in 2025. The budgeted expense for 2025 is \$299,407. RETT is a very difficult item to forecast and varies significantly from year to year. It is also highly sensitive to boom-and-bust real estate cycles that are typical in resort communities. Crested Butte’s recent boom cycle, driven in part by high

stock market levels and people exiting urban areas due to the pandemic peaked in 2021 at \$4.2M. It has slowed since then with increasing interest rates and a slowdown in real estate sales.

On December 31, 2024, the Open Space Fund is projected to have a balance of \$2,345,186. The Town completed a significant maintenance project on an open space parcel in 2023 – Town Ranch Water Attenuation. The Red Lady Open Space Fire Mitigation project was completed in 2024. These projects reflect an intentional shift towards responsible stewardship of lands purchased or conserved with open space funds. This focus is reflected in a shift in 2024 to now include personnel expenses related to managing the Town's open space parcels and conservation easements within this fund. Personnel associated with acquiring and managing open space and conservation easements include 25% of the PROST Director, 75% of the Recreation and Open Space Manager and a full-time seasonal intern in the summer. In 2023, for the first time in recent memory, the Town was able to fulfill its stewardship responsibilities to visit and document conditions on each conserved parcel.

2025 Highlights:

REVENUE:

- Real Estate Transfer Tax (RETT) revenue accounts for most of the Open Space fund revenues.

EXPENDITURES:

- There are not many projects in the Open Space fund in 2025. The fund will contribute to the PROST Master Plan and some funding is also set aside in anticipation of securing the final permanent easement for the Deli Trail.”

Open Space Fund Budget

OPEN SPACE FUND 2025 BUDGET		2023 Actual	2024 Budget	2024 Projected	2025 Budget	2024 to 2025 Change \$	2024 to 2025 Change %	Projected			
								2026	2027	2028	2029
OPERATING REVENUES											
TRANSFER TAX-OPEN SPACE		1,454,042	750,000	1,280,072	1,125,000	(155,072)	-14%	1,139,063	1,153,301	1,167,717	1,182,314
OPEN SPACE LEASE REVENUE		0	0	0	3,500	3,500	100%	0	0	0	0
TOTAL OPERATING REVENUES		1,454,042	750,000	1,280,072	1,128,500	(151,572)	-13%	1,139,063	1,153,301	1,167,717	1,182,314
CAPITAL GRANT REVENUES								2026	2027	2028	2029
GRANTS/OTHER:		5,000									
Red Lady Open Space Fire Mitigation (WRWC Grant)			35,000	35,000							
TOTAL CAPITAL GRANT REVENUES		5,000	35,000	35,000	0	(35,000)		0	0	0	0
TOTAL REVENUES		1,459,042	785,000	1,315,072	1,128,500	(186,572)	-17%	1,139,063	1,153,301	1,167,717	1,182,314
OPERATING EXPENSES											
WAGES-FULL TIME			90,097	90,097	93,701	3,604	4%	96,512	99,407	102,390	105,461
WAGES-INTERN			7,000	7,000	15,000	8,000	53%	15,450	15,914	16,391	16,883
FICA			7,428	7,428	8,316	888	11%	8,565	8,822	9,087	9,360
HEALTH INSURANCE			27,502	27,502	31,199	3,697	12%	32,135	33,099	34,092	35,115
RETIREMENT			6,622	6,622	7,543	921	12%	7,769	8,002	8,242	8,490
UNEMPLOYMENT INS.			284	284	216	(68)	-31%	222	229	236	243
WORKERS COMP INS.			1,241	1,241	1,432	191	13%	1,475	1,519	1,565	1,612
TRAVEL & EDUCATION					1,000	1,000	100%	1,030	1,061	1,093	1,126
R&M Vehicles					1,000	1,000	100%	1,030	1,061	1,093	1,126
Fuel					1,000	1,000	100%	1,030	1,061	1,093	1,126
TOTAL OPERATING EXPENSES		0	140,174	140,174	160,407	20,233	13%	165,219	170,176	175,281	180,539
BUDGETARY CAPITAL EXPENDITURES (\$500 - \$4,999)								2026	2027	2028	2029
CAPITAL MAINTENANCE PROJECTS		71,846	40,000	40,000	49,000	9,000	18%	50,470	51,984	53,544	55,150
TOTAL BUDGETARY CAPITAL EXPENDITURES		71,846	40,000	40,000	49,000	9,000	18%	50,470	51,984	53,544	55,150
CAPITAL PURCHASES & IMPROVEMENTS (\$5,000 +)								2026	2027	2028	2029
CAPITAL EXPENDITURES:											
Sunshine Park Trailhead Relocation			20,000	0							
Red Lady Open Space Fire Mitigation			50,000	50,000							
Red Lady Mining Claims Removal	750,000	2,000,000	2,000,000								
Parks, Rec, Open Space & Trails Master Plan				45,000							
Town Ranch Incision Restoration								20,000			
Recreation Access Easement				45,000							
TOTAL CAPITAL PURCHASES & IMPROVEMENTS		750,000	2,070,000	2,050,000	90,000	(1,960,000)	-2178%	20,000	0	0	0
TOTAL EXPENDITURES		821,846	2,250,174	2,230,174	299,407	(1,930,767)	-645%	235,689	222,160	228,825	235,689
NET SURPLUS/DEFICIT		637,196	(1,465,174)	(915,102)	829,093	1,744,195	210%	903,373	931,141	938,892	946,624
BEGINNING FUND BALANCE		2,623,092	3,260,288	3,260,288	2,345,186	(915,102)	-39%	3,174,279	4,077,652	5,008,793	5,947,686
ENDING FUND BALANCE		3,260,288	1,795,114	2,345,186	3,174,279	829,093	26%	4,077,652	5,008,793	5,947,686	6,894,310
LESS RESTRICTED FUND BALANCE		0	0	0	0	0		0	0	0	0
LESS ONE YEAR'S OPERATING EXPENSES		180,174	180,174	180,174	182,426	2,252	1%	184,707	187,015	189,353	191,720
NET SPENDABLE FUND BALANCE		3,080,114	1,614,940	2,165,012	2,991,853	826,841	28%	3,892,946	4,821,778	5,758,333	6,702,590

Parks, Recreation & Trails Fund Narrative

“The Parks, Recreation & Trails (PR&T) fund is being presented as its own fund since 2024. In the past it was incorporated into the Capital fund. It is anticipated that this fund will require transfers from the General fund or Capital fund in the future, especially to assist with capital projects. This fund started with a zero balance in 2024 and received a large transfer from the Capital fund to fund operational reserves.

Citizens of the Town approved a ballot measure in 2015 approving a 0.5% sales tax to fund parks, recreation and trails capital projects, operations and maintenance. The 2025 projected revenue is \$973,685, which is made up of sales tax, use tax, park rental fees, and recreation program revenues. This fund includes operations for parks and recreation and thus a significant amount of the expenditure is for personnel within the PROST department. Total operating expenses in 2025 are projected at \$1,165,059.

The major parks projects in 2025 will be the new Crested Butte Parks, Rec, Open Space and Trails Master Plan. The new plan will, in turn, guide significant projects in the years ahead. The major trails project in 2025 will be the new Mineral Point trail connecting Butte Ave. to the CBFPD campus and the Slate River trail.

The PR&T fund does include expenses for things that may be outside of traditional parks and recreation such as holiday lights, trash removal, and street furniture (benches & bike racks). Trash removal on Elk Ave and at bus stops was moved into the General fund beginning in 2025 to more accurately allocate expenses. Likewise, personnel expenses for winter snow removal from sidewalks has been allocated to the Streets and Alleys fund. This fund absorbs the costs for buying, planting and maintaining the flowers that grace Elk Ave, bus stops and traffic calming boxes each summer. It also includes funding for port-a-potties at parks and trailheads as well as behind the Museum. Expenses for cleaning of restrooms and maintenance of buildings within parks falls within the Facilities department.

2024 and 2025 have been remarkably low years for capital expenses in the PR&T fund. Thus, it is a good time to clearly understand the Town’s commitment to operating high quality parks and affordable recreational programming for youth and adults in the north valley. While it is an allowable use of funds to supplement the PR&T fund with money from the General fund or Capital fund, the community should recognize that the PR&T fund is competing against other eligible priorities such as Affordable Housing, Streets or other Capital projects. In 2025, the Town will be using \$281,047 from available General fund reserves and \$149,494 from Capital fund reserves to balance the PR&T fund and maintain one year’s operating expense in PR&T reserves. The General fund monies are to backfill recreation operations while funding for parks will come from the Capital fund as those were the funds that historically housed these operations.

2025 Highlights:

REVENUE:

- Sales tax revenue accounts for 78% of the revenue for the fund with use tax making up 7%
- Park fees make up 6% of revenue and recreation programming fees account for 9% of revenue.

EXPENDITURES:

- The PROST Master Plan, estimated at \$105,000 from this fund. This will be supplemented with an additional \$45,000 from the Open Space fund.
- The Mineral Point trail with an estimated project cost of \$115,000.”

Parks, Recreation & Trails Fund – Combined

PARKS, REC & TRAILS FUND 2025 BUDGET	2023 Actual Parks Rec & Trails	2024 Parks, Rec & Trails	2024 Projected Parks, Rec & Trails	2025 Parks, Rec & Trails	2024 to 2025 Change \$	2024 to 2025 Change %	Projected			
OPERATING REVENUES							2026	2027	2028	2029
TOTAL OPERATING REVENUES	828,962	921,302	921,302	973,685	52,383	5%	984,060	996,361	1,008,815	1,021,425
OPERATING GRANT REVENUES							2026	2027	2028	2029
TOTAL OPERATING GRANT REVENUES	0	15,000	10,000	0	(10,000)		0	0	0	0
CAPITAL GRANT REVENUES							2026	2027	2028	2029
TOTAL CAPITAL GRANT REVENUES	0	0	0	46,250	46,250	100%	0	35,000	175,000	100,000
TRANSFERS IN							2026	2027	2028	2029
FROM CAPITAL FUND		1,123,906	1,128,906	281,047	(847,859)	-302%	522,570	350,832	680,884	386,754
FROM GENERAL FUND		396,754	394,754	149,494	(245,260)	-164%	153,979	158,598	163,356	168,257
TOTAL TRANSFERS IN	0	1,520,660	1,523,660	430,541	(1,093,119)	-254%	676,549	509,430	844,240	555,011
TOTAL REVENUES	828,962	2,456,962	2,454,962	1,450,476	(1,004,486)	-69%	1,660,609	1,540,791	2,028,055	1,676,436
OPERATING EXPENSES							2026	2027	2028	2029
TOTAL OPERATING EXPENSES	803,344	1,190,581	1,188,581	1,165,059	(23,522)	-2%	1,200,011	1,236,011	1,273,092	1,311,284
TOTAL BUDGETARY CAPITAL EXPENDITURES	1,003,042	0	0	0			0	0	0	0
CAPITAL PURCHASES & IMPROVEMENTS (\$5,000 +)							2026	2027	2028	2029
CAPITAL EXPENDITURES:	65,605									
Man Lift	0	0	0	0			70,000			
Bike Racks/Benches/Bleachers	0	0	0	6,000						
Z-Turn Mower (EV)	0	0	0	0				45,000		
Zamboni (EV?)	0	0	0	0			145,000			
Truck (EV)	0	0	0	0				70,000		
Tool Cat - Replacement for Tractor #8 (shared with Streets)	0	0	0	0			91,000			
Big Mine Skate Park Renovation Project	0	20,000	20,000	0						
Big Mine Dasher Board Replacement	0	0	0	0						150,000
3 Ladies Renovation	0	0	0	0					40,000	200,000
Nordic Cat Barn in Paradise Park &	0	0	0	0						
Rainbow Playground Renovation	0	0	0	0				140,000	700,000	
Totem Pole Renovation	0	25,000	25,000	20,000						
Bike Park Renovation Project Phase II	0	23,000	23,000	0						
Parks, Rec, Open Space & Trails Master Plan	0	0	0	105,000						
Stain Boardwalk	0	0	0	0				15,000		
Kapushion Trail Upgrade	0	0	0	0				20,000		
Concrete trail from TP-5 to Pyramid Rd and crusher fines to 8 th	0	20,000	20,000	115,000						
Deli Trail Easement Acquisitions	0	25,000	25,000	25,000						
Mt Express New Shop Grant	0	0	0	0			140,000			
TOTAL CAPITAL PURCHASES & IMPROVEMENTS	65,605	113,000	113,000	271,000	158,000	58%	446,000	290,000	740,000	350,000
TOTAL EXPENDITURES	1,871,992	1,303,581	1,301,581	1,436,059	134,478	9%	1,646,011	1,526,011	2,013,092	1,661,284
NET SURPLUS/DEFICIT	(1,043,030)	1,153,381	1,153,381	14,417			14,598	14,780	14,964	15,152
BEGINNING FUND BALANCE		0	0	1,153,381			1,167,798	1,182,396	1,197,175	1,212,139
ENDING FUND BALANCE	0	1,153,381	1,153,381	1,167,798			1,182,396	1,197,175	1,212,139	1,227,291
LESS RESTRICTED FUND BALANCE										
LESS ONE YEAR'S OPERATING EXPENSES		1,153,381	1,153,381	1,167,798			1,182,396	1,197,176	1,212,140	1,227,292
NET SPENDABLE FUND BALANCE		(0)	(0)	(1)			(0)	(0)	(1)	(1)

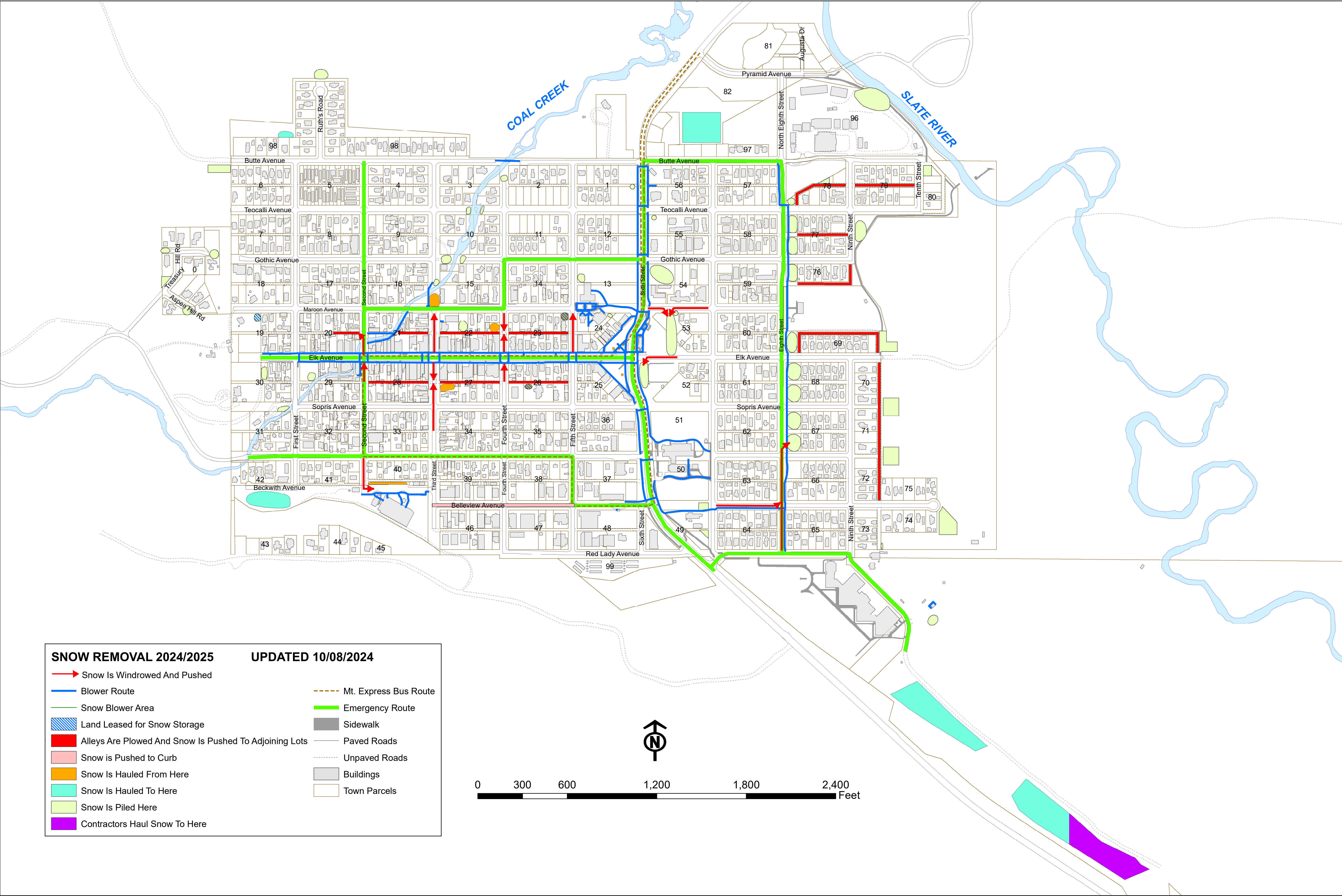
Conservation Trust Fund Narrative

The Conservation Trust fund accounts for the funds received from the Colorado State Lottery Commission and Gunnison County Metropolitan Recreation District. The State of Colorado has set very strict guidelines on the segregation of funds and how these funds may be expended. The Town of Crested Butte has used this money as matching money for grants on park capital projects such as Rainbow Park, Big Mine Park, the Tennis Court Project, and most recently the Skate Park renovation. The Town receives approximately \$10,000 per year from the Lottery Commission and \$5,000 annually from the Met Rec District.

In 2023, most of the fund balance was used to help pay for the Big Mine Skate Park. On December 31, 2024, the CTF is projected to have a balance of \$37,114. No expenses are planned in 2025 for this fund.

Conservation Trust Fund Summary

CONSERVATION TRUST FUND 2025 BUDGET		2023 Actual	2024 Budget	2024 Projected	2025 Budget	Projected			
OPERATING REVENUES									
STATE LOTTERY PROCEEDS	11,643	10,000	10,000	10,000		10,125	10,252	10,380	10,509
INTEREST INCOME	1,575	1,000	1,000	1,000		1,013	1,025	1,038	1,051
GUNN CNTY REC DIST	11,095	5,000	5,000	5,000		5,063	5,126	5,190	5,255
TOTAL OPERATING REVENUES	24,313	16,000	16,000	16,000		16,200	16,403	16,608	16,815
TOTAL REVENUES	24,313	16,000	16,000	16,000		16,200	16,403	16,608	16,815
OPERATING EXPENSES									
TOTAL OPERATING EXPENSES	0	0	0	0		0	0	0	0
BUDGETARY CAPITAL						2026	2027	2028	2029
PARK MAINTENANCE	3,804								
TOTAL BUDGETARY CAPITAL EXPENDITURES	3,804	0	0	0		0	0	0	0
CAPITAL PURCHASES &						2026	2027	2028	2029
CAPITAL EXPENDITURES: CAPITAL-PROJECT	110,000								
TOTAL CAPITAL PURCHASES & IMPROVEMENTS	110,000	0	0	0		0	0	0	0
TOTAL EXPENDITURES	113,804	0	0	0		0	0	0	0
NET SURPLUS/DEFICIT	(89,491)	16,000	16,000	16,000		16,200	16,403	16,608	16,815
BEGINNING FUND BALANCE	110,606	21,114	21,114	37,114		53,114	69,314	85,717	102,324
ENDING FUND BALANCE	21,115	37,114	37,114	53,114		69,314	85,717	102,324	119,139
LESS RESTRICTED FUND BALANCE	0	0	0	0		0	0	0	0
LESS ONE YEAR'S OPERATING	0	0	0	0		0	0	0	0
NET SPENDABLE FUND BALANCE	21,115	37,114	37,114	53,114		69,314	85,717	102,324	119,139



Crested Butte Town Council Upcoming Agenda

February 10 - Council work session:

Long-Range Financial planning

February 18 - TUESDAY - cancelled

March 3 - Packets out Monday, February 24th

Work session –

- Discussion of EV Readiness Plan – Dannah (40 minutes)
- Annual review of traffic calming and parking management (include bike safety) – Mel/Troy

Regular Meeting

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. <u>Consent Agenda</u> <ol style="list-style-type: none"> a. Minutes – Lynelle b. Extinguishment Agreement for deed restriction – Karl c. Selection of WRAP contractor – Shea d. Adopting Solar Ready Code, 1st reading – Troy/Astrid 2. <u>Presentation</u> <ol style="list-style-type: none"> a. Year-end financial summary - Kathy | <ol style="list-style-type: none"> 3. <u>Public Hearing</u> <ol style="list-style-type: none"> a. 4. <u>New Business</u> <ol style="list-style-type: none"> a. Recap of Paradise Park housing lottery – Erin b. Solid Waste Provider Selection – Shea/Dannah c. 5. <u>Exec Session</u> |
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March 17 - Packets out Monday, March 10th

Work session –

- MX annual reporting & annual strategic plan update - Jeremy

Regular Meeting

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|---|---|
| <ol style="list-style-type: none"> 1. <u>Consent Agenda</u> <ol style="list-style-type: none"> a. Minutes – Lynelle b. PROST Master Plan consultant selection - Janna 2. <u>Presentation</u> <ol style="list-style-type: none"> a. 3. <u>Public Hearing</u> <ol style="list-style-type: none"> a. 4. <u>New Business</u> <ol style="list-style-type: none"> a. SH 135 Corridor Plan IGA – Troy | <ol style="list-style-type: none"> b. Resolution, IGA with Mt CB Water & San for Solids Processing – Shea c. Ord, Chapter 13 – Utilities, 1st reading – Shea d. Revisit community grant funding priorities & strategy – Dara/Kathy e. Appoint Council member to PROST master plan advisory board – Janna/Lynelle 5. <u>Exec Session</u> |
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April 7 - Packets out Monday, March 31st

Work session –

- Community Plan Final Plan and Recommended Alternative Discussion - Troy

Regular Meeting

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| <ol style="list-style-type: none"> 1. <u>Consent Agenda</u> <ol style="list-style-type: none"> a. Minutes – Lynelle b. 2. <u>Presentation</u> <ol style="list-style-type: none"> a. 3. <u>Public Hearing</u> <ol style="list-style-type: none"> a. | <ol style="list-style-type: none"> b. 4. <u>New Business</u> <ol style="list-style-type: none"> a. Adoption of EV Readiness Plan - Dannah b. Evaluation of Community composting program? - Dannah 5. <u>Exec Session</u> |
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Schedule CB/MT CB Council meeting

MX - Joint council workshop on service level expectations for 2026, inclusive of all services (fixed, on demand + late night). Likely funding gaps discussed and direction given to MX board on multiyear commitment to funding

April 21 - Packets out Monday, April 14th

Work session –

- SAYT program discussion – timeline and cost

Regular Meeting

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. <u>Consent Agenda</u> <ol style="list-style-type: none"> a. Minutes – Lynelle b. 2. <u>Presentation</u> <ol style="list-style-type: none"> a. 3. <u>Public Hearing</u> <ol style="list-style-type: none"> a. Ord, Chapter 13 – Utilities, 2nd reading – Shea | <ol style="list-style-type: none"> b. c. 4. <u>New Business</u> <ol style="list-style-type: none"> a. Adoption of Community Plan – Mel (likely to push) b. 5. <u>Exec Session</u> |
|---|--|

May 5 - Packets out Monday, April 26th

Work session –

-

Regular Meeting

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. <u>Consent Agenda</u> <ol style="list-style-type: none"> a. Minutes – Lynelle b. 2. <u>Presentation</u> | <ol style="list-style-type: none"> a. 3. <u>Public Hearing</u> <ol style="list-style-type: none"> a. b. |
|--|--|

4. New Business

a.

b.

5. Exec Session**June 2 - Packets out Tuesday, May 27th**

Work session –

•

Regular Meeting1. Consent Agenda

a. Minutes – Lynelle

b.

2. Presentation

a.

3. Public Hearing

a.

b.

4. New Business

a.

b.

5. Exec Session**June 16 - Packets out Monday, June 9th – Dara & Ian out**

Work session –

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Regular Meeting1. Consent Agenda

a. Minutes – Lynelle

b.

2. Presentation

a.

3. Public Hearing

a.

b.

4. New Business

a.

b.

5. Exec Session**Future/Annual Items**

January – Resolution setting posting places

- Annual resolution approving Council Rules of Procedure
- Annual review of progress on Council goals/priorities
- Annual review of grant applications/awards
- Presentation from QQ (following elections)
- CIRSA elected officials training (following elections)
- Presentation from Region 10 (following elections)
- Town Attorney quarterly report

February – Year-end report from Chamber of Commerce

- Mt. Express annual report
- Annual Affordable Housing update/5-year plan

- Year-end financial summary
- County Commissioner update

March - Annual review of traffic calming and parking management (include bike safety)

April - Q1 review of progress on Council goals/priorities

- review of grant applications/awards
- Town Attorney quarterly report

May – Q1 financial summary

- Legislative Session summary
- County Commissioner update
- review of grant applications/awards

June –

July – Q2 review of progress on Council goals/priorities

- Town Attorney quarterly report

August – County Commissioner update

- Initiate annual budget with Council

September – Q3 review of progress on Council goals/priorities

- Q2 financial summary
- review of grant applications/awards
- Annual budget work sessions with Council

October – Snow Plan

- Annual revisiting of the Climate Action Plan – strategies & actions
- 15th – deadline for presentation of the annual budget
- County Commissioner update
- Annual rental agreement with WEHA
- Town Attorney quarterly report

November – Annual report by the Chair of the Weed Advisory Board on Weed Management in the Town of Crested Butte

- Q3 financial summary
- Board & Committee appointments (following election)
- Appointment of Mayor pro-tem (following election)
- Adoption of annual budget (Nov or Dec depending on election cycle)

December – Funding agreement with Chamber of Commerce

- Agreement with GVRHA for Green Deed



Staff Report

February 3, 2025

To: Mayor and Town Council

Prepared By: Troy Russ, Community Development Director

Thru: Dara MacDonald, Town Manager

Subject: **Ordinance 1, Series 2025**, An Ordinance of the Crested Butte Town Council Amending Chapter 16, Section 16-1-20 and Section 16-5-520 of the Crested Butte municipal Code to accommodate the Colorado Natural Medicine Health Act Requirements. (Continued from January 21, 2025)

Summary

Town Council is being asked to review and approve necessary changes to Chapter 16 of the Crested Butte Municipal Code (the Code) to accommodate the requirements of Colorado's Natural Medicine Health Act (Colorado Revised Statutes (C.R.S.) § 12-170) and the Natural Medicine Division Rules establishing the statewide regulatory framework defining how the use of natural psychedelic substances in a controlled environment could occur. These rules are outlined in the Code of Colorado Regulations 1 CCR 213-1 and its enabling legislation C.R.S. § 50-44.

Sections 12-170-107 (1)(2)(3)(4) and (5) of the C.R.S. § 12-170 outline how local municipalities are required to accommodate State licensed Natural Medicine Businesses permitted to provide psychedelic natural medicine services by December 31, 2024.

Each subsection of the State Statute that pertains to the Town Crested Butte's activities are listed below:

- 1) A locality may regulate the time, place, and manner of the operation of healing centers licensed pursuant to this article 170 within its boundaries.
- 2) A locality may not ban or completely prohibit the establishment or operation of healing centers licensed pursuant to this article 170 within its boundaries.
- 3) A locality may not ban or completely prohibit a licensed health-care facility or individual within its boundaries from providing natural medicine services if the licensed health-care facility or individual is permitted to provide natural medicine services by the department pursuant to this article 170.
- 4) A locality may not prohibit the transportation of natural medicine through its jurisdiction on public roads by a licensee or as otherwise allowed by this article 170.

- 5) A locality may not adopt ordinances or regulations that are unreasonable or in conflict with Article 170, but may enact laws imposing lesser criminal or civil penalties than provided by this article 170

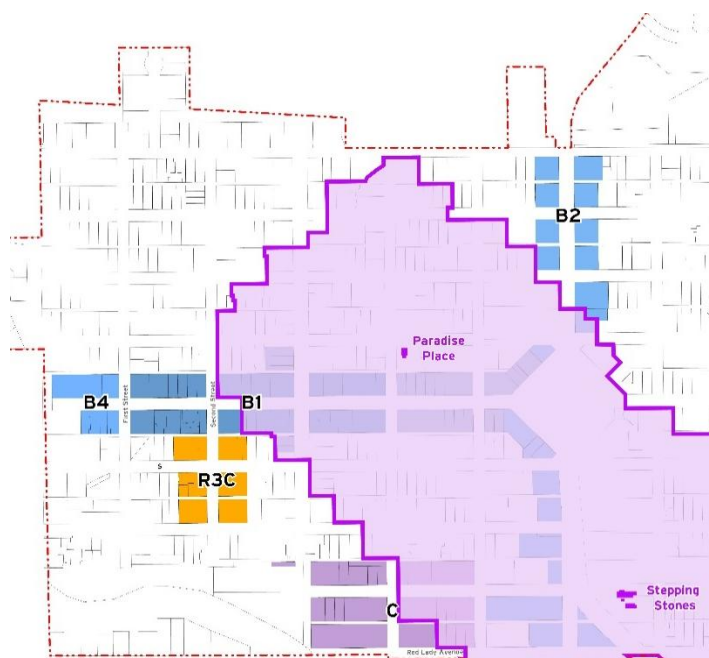
The Colorado Department of Revenue, Natural Medicine Division, is responsible for licensing potential natural medicine businesses. The Code of Colorado Regulations 1 CCR 213-1 defines a natural medicine business as one of four possible entities:

- Healing Center
- Natural Medicine Cultivation Facility
- Natural Medicine Products Manufacturer
- Natural Medicine Testing Facility

The Board of Zoning and Architectural Review (BOZAR) is recommending Town Council add a number of the State's definitions associated with Natural Medicine Businesses into the Crested Butte Code and approve the use of all four natural medicine business types as a permitted use in the Commercial District (C-Zone). Additionally, the Board recommends the Town Council approve the addition of the State's definition of "healing center" to the Code by modifying the current definition of "Personal Services Establishment". This would allow that activity to occur in all of Crested Butte's Business Districts (B1, B2, B3, and B4) as a permitted land use as well as a conditional land use within the mixed-use zone district R3C.

Proposed Zone Districts that Could Accommodate a Natural Medicine Businesses:

- **C-Zone: (Darker purple)**
 - o Permitted Land Uses: Healing Center, Natural Medicine Cultivation Facility, Natural Medicine Products Manufacturer, and Natural Medicine Testing Facility.
- **B1, B2, B3, and B4 Zones: (Blue)**
 - o Permitted Land Use: Healing Center
- **R3C: (Orange)**
 - o Conditional Land Use: Healing Center
- **1 CCR-213-1: (lighter purple)**
 - o Prohibits natural medicine businesses within 1,000' of a day-care, childcare, or school – shown below in the map on the right



Previous Council Action

The Town Council approved Ordinance 1, Series 2025 on first reading, without amendment, and set the public hearing for January 21, 2025. The public hearing was continued by the Town Council on January 21, 2025, to February 3, 2025.

During the January 21st hearing, a number of citizens asked three questions regarding the implementation of the Ordinance and the possibility of favoring locally owned businesses. Staff's response to these questions are listed below.

1) Do the State regulations require the property to be owned by the licensed business?

- a. The Town does not provide legal advice. Here is the section of 1 CCR 213-1 that describes the State's requirements regarding property ownership.

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

2) Can a natural business function as a home occupation within the residential district?

- a. Currently, no. A home occupation is a commercial activity within a home that does not impact on the character of the neighborhood. Specifically, home occupations cannot employ individuals other than the occupants of the dwelling, nor have customers access the property. While the Town Council can change the nature of a home occupation at any time, staff recommends this question be answered after the Community Plan is completed and the Town updates the Zoning Code, as this zoning update did not have a large enough community engagement effort to justify such a substantial change.

3) Local ownership vs. national industry?

- a. The Town's formula business ordinance will restrict a natural medicine business chain to the C-Zone only. The current ordinance would prohibit them from locating in the Business Districts and the Mixed-use Zone District (R3C). While this ordinance could be modified by the Town Council staff recommends this question be answered after the Community Plan is completed and the Town updates the Zoning Code, as this zoning update, as this is a complex question that needs a more analysis and community outreach.

Background

In 2022, Colorado voters approved Proposition 122: Access to Natural Psychedelic Substances. Subsequently, the Colorado Legislature approved CRS § 12-170 to outline a statewide regulatory framework allowing the use of natural psychedelic substances in a controlled environment. The law requires local jurisdictions to accommodate the controlled distribution of natural psychedelic substances through State licensed health-care facilities and individuals permitted to provide natural medicine services no later than December 31, 2024. Natural Medicine Division Rules 1-CCR 213-1 establishes the regulatory framework for how Colorado Department of Revenue could license a business to use natural psychedelic substances in a controlled environment to serve the residents of Colorado.

Article 23 of the Town of Crested Butte’s zoning ordinance outlines the process for the Town, citizens and property owners requesting an Amendment the Zoning Chapter. Any amendment to the existing ordinance is required to be first reviewed by BOZAR for a recommendation to the Town Council. The Board voted unanimously on December 17, 2024, to recommend the Town Council approve the changes to Chapter 16 of the Code as outlined in this staff report.

Amendments to the Municipal Code

BOZAR recommends the Town Council approve the following changes to the Town’s zoning regulations contained in Chapter 16 of the Code.

Section 16-1-20 (Definitions)

Add the following State of Colorado’s definitions from C.R.S. 1 CCR 213-1 and modify the Town’s definition of “Personal services establishments”:

- “Facilitator” has the same meaning as in Colorado Revised Statutes (C.R.S.) § 44-50-103(5)
- “Healing center” has the same meaning as in Colorado Revised Statutes (C.R.S.) § 44-50-103(6)
- “Natural Medicine” has the same meaning as in Colorado Revised Statutes (C.R.S.) § 44-50-103(13)
- “Natural Medicine Cultivation Facility” has the same meaning as in the Colorado Regulated Natural Medicine Rule 1-CCR 213-1
- “Natural Medicine Product” has the same meaning as in Colorado Revised Statutes (C.R.S.) § 44-50-103(15).
- “Natural Medicine Products Manufacturer” has the same meaning as in the Colorado Regulated Natural Medicine Rule 1-CCR 213-1
- “Natural medicine services” has the same meaning as in Colorado Revised Statutes (C.R.S.) § 44-50-103(16).
- “Natural Medicine Testing Facility” has the same meaning as in the Colorado Regulated Natural Medicine Rule 1-CCR 213-1
- “*Personal services establishments*” means businesses offering personal services, including but not limited to travel agents, booking agents, recreation services providers or planners, outfitting companies, massage, yoga, healing arts, healing center, chiropractic offices, acupuncture, martial arts and other similar disciplines, dance, alternative health services,

spas, salons, barber and beauty shops, stationery and graphics shops, Laundromats (not commercial), shoe repair, sewing and tailoring, nonproduction copying and printing, studios for instruction in the arts, art studios, radio and television broadcasting and catering services.

BOZAR further recommends Town Council approve the State's defined "Healing Center", "Natural Medicine Cultivation Facility", "Natural Medicine Products Manufacturer", and "Natural Medicine Testing Facility" land uses be added to the list of permitted land uses in the C-Zone in Section, 16-5-520 of the Code.

Finally, the Board believes the "healing center" land use, providing the supervised use of natural medicines by a state licensed facilitator functions differently than a "cultivation", "manufacturing", and "testing facilities", similar to "Alternative Health Services", which are included in the Town's current definition of "Personal Service Establishments". While the current definition includes the phrase "including, but not limited to", staff and the Town Attorney felt it necessary to include the State's very specific definition of "healing center" to ensure it was clear the voter approved land use would be allowed in Crested Butte.

Analysis

I. Staff Review:

The Town Council is required to consider the following criteria for zoning changes as outlined in Section 16-23-90 of the Town Code. No application for initial zoning or rezoning shall be approved unless it is demonstrated to the Town Council that:

- (1) The proposed zoning classification promotes the health, safety and welfare of the inhabitants of the Town and promotes the purposes of this Code.

The proposed amendments to Chapter 16 allow a voter approved State Constitutional Amendment and State Legislature mandated allowance of the controlled use Natural Psychedelic Substances in local municipalities to promote "well-being, life satisfaction, and overall health" to residents of Colorado would be able to be cultivated, manufactured, and tested in C-Zone of Crested Butte. The C-Zone is the Town commercial and light industrial zone district. It is more insulated from residential neighbors. Further the healing centers, where the controlled use of the substances would be allowed in the C, B1, B2, B3, and B4 zones as a permitted use and in the R3C mixed use zone as a conditional use. Staff believe this criterion is met.

- (2) At least one (1) of the following factors exists:

- a. The proposed zoning classification is consistent with the goals and policies of the Town's Land Use Plan;

The State's definition of "Healing Center", "cultivation", "manufacturing", "and testing" are consistent with the currently permitted land uses in the C-Zone and the introduction of "healing centers" to the definitions of "Personal Services Establishments" allows an activity that is consistent with "Healing Arts" and "Alternative Health Services" which are currently allowed in land use categories permitted in the C, B1, B2, B3, and B4 zones as a permitted land use and the R3C zone as a conditional use. Staff believe this criterion is met.

- b. There has been a substantial and material change in the character of the neighborhood or in the Town generally such that the proposed rezoning would be in the public interest and would be consistent with the change in character; or

In 2022, Colorado voters approved Proposition 122: Access to Natural Psychedelic Substances. Subsequently, the State Legislature required local jurisdictions to accommodate the use, based on the voter approved constitutional amendment. Staff believe this criterion is met.

- c. The property to be rezoned was previously zoned in error.

N/A

(3) Each of the following criteria is satisfied:

- a. The proposed use of the rezoned or zoned property is compatible with the surrounding uses;

The State's definition of "Healing Center", "cultivation", "manufacturing", "and testing" are consistent with the currently permitted land uses in the C-Zone and the introduction of "healing centers" to the definitions of "Personal Services Establishments" allows an activity that is consistent with "Healing Arts" and "Alternative Health Services" which are currently allowed in land use categories permitted in the C, B1, B2, B3, and B4 zones as a permitted land use and the R3C zone as a conditional use. Staff believe this criterion is met.

- b. In the case of proposed redevelopment of property, the proposal for the use of the rezoned or zoned property is an improvement to the neighborhood and to the Town.

N/A

(4) The requirements of Subparagraph (a) (2) b. above shall not apply to any initial zoning of property that is either within or annexed to the Town.

N/A

(5) The Town Council may impose reasonable conditions upon the future use of the rezoned or zoned property to ensure conformance with the standards of this Article."

Staff believe this criterion is met.

Climate Impact

No known impact.

Financial Impact

No impact.

Legal Review

Legal counsel reviewed and improved Ordinance 1, Series 2025. Several changes were made to the ordinance since the first reading of the Ordinance to accommodate the State of Colorado's final Natural Medicine Division Rules outlined in the Code of Colorado Regulations 1 CCR 213-1 and its enabling legislation C.R.S. § 50-44.

Recommendation

On December 17, 2025, the Board of Zoning and Architecture Review recommended Town Council approve Ordinance 1, Series 2025.

Proposed Motion

For a member of the Council, followed by a second, to move to approve Ordinance 1, Series 2025 on a roll call vote.

Attachments

- Ordinance 1, Series 2025 and Exhibit A
- CRS § 12-170
- Colorado Regulated Natural Medicine Rules 1 CCR 213-1

**ORDINANCE NO. 1
SERIES 2025**

**AN ORDINANCE OF THE CRESTED BUTTE TOWN COUNCIL
AMENDING CHAPTER 16, SECTION 16-1-20 AND SECTION 16-5-520 OF
THE CRESTED BUTTE MUNICIPAL CODE TO ACCOMMODATE THE
COLORADO NATURAL MEDICINE HEALTH ACT REQUIREMENTS.**

WHEREAS, In 2022 voters in Colorado approved Proposition 122: Access to Natural Psychedelic Substances; and

WHEREAS, The Colorado State Legislature subsequently enacted Article 170 to Title 12 of the Colorado Revised Statutes (CRS §12-170) as the Natural Health Medicine Health of Act of 2022 to establish the regulatory framework for the controlled use of natural psychedelic substances and other natural medicines in the State; and

WHEREAS, Sections 12-170-107 (1)(2)(3)(4) and (5) of the Natural Medicine Act of 2022 stipulate how local municipalities shall accommodate State licensed health-care facilities and individuals permitted to provide natural medicine services by December 31, 2024.

WHEREAS, the Town of Crested Butte, Colorado ("the Town") is a home rule municipality duly and regularly organized and now validly existing as a body corporate and public under and by virtue of the Colorado Constitution and laws of the State of Colorado; and

WHEREAS, the Town of Crested Butte, Colorado ("the Town") is a home rule municipality duly and regularly organized and now validly existing as a body corporate and public under and by virtue of the Colorado Constitution and laws of the State of Colorado; and

WHEREAS, pursuant to Article XX, Section 6 of the Colorado Constitution, Section 29-20-101, et seq., C. R. S. and other authorities granted to municipal governments, the Town has enacted and enforces regulations governing the use of property within the Town's jurisdiction; and

WHEREAS, Chapter 16, Article 23 of the Town's Municipal Code outlines the required procedure for amending Chapter 16; and

WHEREAS, The BOZAR unanimously recommended Town Council adopt this ordinance amending Chapter 16, Section 16-1-20 and Section 16-5-520 on December 17, 2024; and

WHEREAS, Town Council finds it is necessary and proper to amend Chapter 16, Section 16-1-20 and Section 16-5-520, of the Crested Butte Municipal Code as provided in this ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF CRESTED BUTTE COLORADO:

Section 1. The foregoing recitals are incorporated herein as if set forth in full.

Section 2. Chapter 16, Section 16-1-20 is amended is hereby amended as set for on Exhibit A attached hereto.

Section 3. Chapter 16, Section 16-5-520 is amended is hereby amended as set for on Exhibit A attached hereto.

Section 4. The codifier is hereby authorized to renumber the Code in conformance with these amendments.

INTRODUCED, READ, AND SET FOR PUBLIC HEARING THIS 6TH DAY OF JANUARY 2025.

ADOPTED BY THE TOWN COUNCIL UPON SECTION READING IN PUBLIC HEARING THIS ____ DAY OF _____ 2025.

TOWN OF CRESTED BUTTE, COLORADO

By: _____
Ian Billick, Mayor

ATTEST:

Lynelle Stanford, Town Clerk

Exhibit A

The following section of the Municipal Code is amended as follows with double underlined text added and ~~strike through text~~ deleted.

Sec. 16-1-20. Definitions.

* * * *

- “Facilitator” has the same meaning as in Colorado Revised Statutes (C.R.S.) § 44-50-103(5)
- “Healing center” has the same meaning as in Colorado Revised Statutes (C.R.S.) § 44-50-103(6)
- “Natural Medicine” has the same meaning as in Colorado Revised Statutes (C.R.S.) § 44-50-103(13)
- “Natural Medicine Cultivation Facility” has the same meaning as in the Colorado Regulated Natural Medicine Rule 1-CCR 213-1
- “Natural Medicine Product” has the same meaning as in Colorado Revised Statutes (C.R.S.) § 44-50-103(15).
- “Natural Medicine Products Manufacturer” has the same meaning as in the Colorado Regulated Natural Medicine Rule 1-CCR 213-1
- “Natural medicine services” has the same meaning as in Colorado Revised Statutes (C.R.S.) § 44-50-103(16).
- “Natural Medicine Testing Facility” has the same meaning as in the Colorado Regulated Natural Medicine Rule 1-CCR 213-1
- *“Personal services establishments” means businesses offering personal services, including but not limited to travel agents, booking agents, recreation services providers or planners, outfitting companies, massage, yoga, healing arts, healing center, chiropractic offices, acupuncture, martial arts and other similar disciplines, dance, alternative health services, spas, salons, barber and beauty shops, stationery and graphics shops, Laundromats (not commercial), shoe repair, sewing and tailoring, nonproduction copying and printing, studios for instruction in the arts, art studios, radio and television broadcasting and catering services.*

CHAPTER 16 Division 6 - "C" Commercial District

Sec. 16-5-520. Permitted Uses.

- (a) The following uses shall be permitted in the "C" District:

* * * *

- (19) Natural Medicine Cultivation Facility
- (20) Natural Medicine Products Manufacturer
- (21) Natural Medicine Testing Facility

Be it Enacted by the People of the State of Colorado:

SECTION 1: In Colorado Revised Statutes, **add** Article 170 to Title 12 as follows:

ARTICLE 170

NATURAL MEDICINE HEALTH ACT of 2022

12-170-101. Short title. THE SHORT TITLE OF THIS ARTICLE 170 IS THE “NATURAL MEDICINE HEALTH ACT OF 2022.”

12-170-102. Legislative declaration. THE VOTERS OF THE STATE OF COLORADO FIND AND DECLARE THAT:

(1) COLORADO’S CURRENT APPROACH TO MENTAL HEALTH HAS FAILED TO FULFILL ITS PROMISE. COLORADANS DESERVE MORE TOOLS TO ADDRESS MENTAL HEALTH ISSUES, INCLUDING APPROACHES SUCH AS NATURAL MEDICINES THAT ARE GROUNDED IN TREATMENT, RECOVERY, HEALTH, AND WELLNESS RATHER THAN CRIMINALIZATION, STIGMA, SUFFERING, AND PUNISHMENT.

(2) COLORADANS ARE EXPERIENCING PROBLEMATIC MENTAL HEALTH ISSUES, INCLUDING BUT NOT LIMITED TO SUICIDALITY, ADDICTION, DEPRESSION, AND ANXIETY.

(3) AN EXTENSIVE AND GROWING BODY OF RESEARCH IS ADVANCING TO SUPPORT THE EFFICACY OF NATURAL MEDICINES COMBINED WITH PSYCHOTHERAPY AS TREATMENT FOR DEPRESSION, ANXIETY, SUBSTANCE USE DISORDERS, END-OF-LIFE DISTRESS, AND OTHER CONDITIONS.

(4) THE FEDERAL GOVERNMENT WILL TAKE YEARS TO ACT AND COLORADANS DESERVE THE RIGHT TO ACCESS NATURAL MEDICINES NOW.

(5) NATURAL MEDICINES HAVE BEEN USED SAFELY FOR MILLENNIA BY CULTURES FOR HEALING.

(6) COLORADO CAN BETTER PROMOTE HEALTH AND HEALING BY REDUCING ITS FOCUS ON CRIMINAL PUNISHMENTS FOR PERSONS WHO SUFFER MENTAL HEALTH ISSUES AND BY ESTABLISHING REGULATED ACCESS TO NATURAL MEDICINES THROUGH A HUMANE, COST-EFFECTIVE, AND RESPONSIBLE APPROACH.

(7) THE CITY AND COUNTY OF DENVER VOTERS ENACTED ORDINANCE 301 IN MAY 2019 TO MAKE THE ADULT PERSONAL POSSESSION AND USE OF THE NATURAL MEDICINE PSILOCYBIN THE LOWEST LAW ENFORCEMENT PRIORITY IN THE CITY AND COUNTY OF DENVER AND TO PROHIBIT THE CITY AND COUNTY FROM SPENDING RESOURCES ON ENFORCING RELATED PENALTIES.

(8) OREGON VOTERS ENACTED MEASURE 109 IN OREGON IN NOVEMBER 2020 TO ESTABLISH A REGULATED SYSTEM OF DELIVERING A NATURAL MEDICINE, IN PART TO PROVIDE PEOPLE ACCESS TO PSILOCYBIN FOR THERAPEUTIC PURPOSES.

(9) CRIMINALIZING NATURAL MEDICINES HAS DENIED PEOPLE FROM ACCESSING ACCURATE EDUCATION AND HARM REDUCTION INFORMATION RELATED TO THE USE OF NATURAL MEDICINES, AND LIMITED THE DEVELOPMENT OF APPROPRIATE TRAINING FOR FIRST-AND MULTI-RESPONDERS INCLUDING LAW ENFORCEMENT, EMERGENCY MEDICAL SERVICES, SOCIAL SERVICES, AND FIRE SERVICES.

(10) THE PURPOSE OF THIS NATURAL MEDICINE HEALTH ACT OF 2022 IS TO ESTABLISH A NEW, COMPASSIONATE, AND EFFECTIVE APPROACH TO NATURAL MEDICINES BY: (a) ADOPTING A PUBLIC HEALTH AND HARM REDUCTION APPROACH TO NATURAL MEDICINES BY REMOVING CRIMINAL PENALTIES FOR PERSONAL USE FOR ADULTS TWENTY-ONE YEARS OF AGE AND OLDER; (b) DEVELOPING AND PROMOTING PUBLIC EDUCATION RELATED TO THE USE OF NATURAL MEDICINES AND APPROPRIATE TRAINING FOR FIRST RESPONDERS; AND (c) ESTABLISHING REGULATED ACCESS BY ADULTS TWENTY-ONE YEARS OF AGE AND OLDER TO NATURAL MEDICINES THAT SHOW PROMISE IN IMPROVING WELL-BEING, LIFE SATISFACTION, AND OVERALL HEALTH.

(11) THE PROVISIONS OF THIS ARTICLE 170 SHALL BE INTERPRETED CONSISTENTLY WITH THE FINDINGS AND PURPOSES STATED IN THIS SECTION AND SHALL NOT BE LIMITED BY ANY COLORADO LAW THAT COULD CONFLICT WITH OR BE INTERPRETED TO CONFLICT WITH THE PURPOSES AND POLICY OBJECTIVES STATED IN THIS SECTION.

(12) THE PEOPLE OF THE STATE OF COLORADO FURTHER FIND AND DECLARE THAT IT IS NECESSARY TO ENSURE CONSISTENCY AND FAIRNESS IN THE APPLICATION OF THIS ARTICLE 170 THROUGHOUT THE STATE AND THAT, THEREFORE, THE MATTERS ADDRESSED BY THIS ARTICLE 170 ARE, EXCEPT AS SPECIFIED HEREIN, MATTERS OF STATEWIDE CONCERN.

12-170-103. Definitions. AS USED IN THIS ARTICLE 170, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) “ADMINISTRATION SESSION” MEANS A SESSION HELD AT A HEALING CENTER OR ANOTHER LOCATION AS PERMITTED BY RULES ADOPTED BY THE DEPARTMENT AT WHICH A PARTICIPANT PURCHASES, CONSUMES, AND EXPERIENCES THE EFFECTS OF A NATURAL MEDICINE UNDER THE SUPERVISION OF A FACILITATOR.

(2) “DEPARTMENT” MEANS THE DEPARTMENT OF REGULATORY AGENCIES.

(3) “FACILITATOR” MEANS A PERSON LICENSED BY THE DEPARTMENT WHO:

(a) IS TWENTY-ONE YEARS OF AGE OR OLDER.

(b) HAS AGREED TO PROVIDE NATURAL MEDICINE SERVICES TO A PARTICIPANT.

(c) HAS MET THE REQUIREMENTS ESTABLISHED BY THE DEPARTMENT.

(4) “HEALING CENTER” MEANS AN ENTITY LICENSED BY THE DEPARTMENT THAT IS ORGANIZED AND OPERATED AS A PERMITTED ORGANIZATION:

(a) THAT ACQUIRES, POSSESSES, CULTIVATES, MANUFACTURES, DELIVERS, TRANSFERS, TRANSPORTS, SUPPLIES, SELLS, DISPENSES NATURAL MEDICINE AND RELATED SUPPLIES; OR PROVIDES NATURAL MEDICINE FOR NATURAL MEDICINE SERVICES AT LOCATIONS PERMITTED BY THE DEPARTMENT; OR ENGAGES IN TWO OR MORE OF THESE ACTIVITIES;

(b) WHERE ADMINISTRATION SESSIONS ARE HELD; OR

(c) WHERE NATURAL MEDICINE SERVICES ARE PROVIDED BY A FACILITATOR.

(5) “HEALTH-CARE FACILITY” MEANS A HOSPITAL, HOSPICE, COMMUNITY MENTAL HEALTH CENTER, FEDERALLY QUALIFIED HEALTH CENTER, RURAL HEALTH CLINIC, PACE ORGANIZATION, LONG-TERM CARE FACILITY, A CONTINUING CARE RETIREMENT COMMUNITY, OR OTHER TYPE OF FACILITY WHERE HEALTH-CARE IS PROVIDED.

(6) “INTEGRATION SESSION” MEANS A MEETING BETWEEN A PARTICIPANT AND FACILITATOR THAT OCCURS AFTER THE PARTICIPANT HAS COMPLETED AN ADMINISTRATION SESSION.

(7) “LOCALITY” MEANS A COUNTY, MUNICIPALITY, OR CITY AND COUNTY.

(8) “NATURAL MEDICINE” MEANS THE FOLLOWING SUBSTANCES IN ANY FORM THAT WOULD CAUSE SUCH PLANT OR FUNGUS TO BE DESCRIBED IN THE “UNIFORM CONTROLLED SUBSTANCES ACT OF 2013”, ARTICLE 18 OF TITLE 18: DIMETHYLTRYPTAMINE; IBOGAINE; Mescaline (EXCLUDING LOPHOPHORA WILLIAMSII (“PEYOTE”)); PSILOCYBIN; OR PSILOCYN.

(9) “NATURAL MEDICINE SERVICES” MEANS SERVICES PROVIDED BY A FACILITATOR OR OTHER AUTHORIZED PERSON TO A PARTICIPANT BEFORE, DURING, AND AFTER THE PARTICIPANT’S CONSUMPTION OF NATURAL MEDICINE, INCLUDING, AT A MINIMUM AT:

(a) A PREPARATION SESSION;

(b) AN ADMINISTRATION SESSION; AND

(c) AN INTEGRATION SESSION.

(10) “PARTICIPANT” MEANS A PERSON TWENTY-ONE YEARS OF AGE OR OLDER WHO RECEIVES NATURAL MEDICINE SERVICES.

(11) “PERMITTED ORGANIZATION” MEANS ANY LEGAL ENTITY REGISTERED AND QUALIFIED TO DO BUSINESS IN THE STATE OF COLORADO THAT MEETS THE STANDARDS SET BY THE DEPARTMENT UNDER SECTION 104 OF THIS ARTICLE.

(12) “PREPARATION SESSION” MEANS A MEETING BETWEEN A PARTICIPANT AND A FACILITATOR THAT OCCURS BEFORE THE PARTICIPANT PARTICIPATES IN THE ADMINISTRATION SESSION.

12-170-104. Regulated natural medicine access program. (1) THE REGULATED NATURAL MEDICINE ACCESS PROGRAM IS ESTABLISHED AND THE DEPARTMENT SHALL REGULATE THE MANUFACTURE, CULTIVATION, TESTING, STORAGE, TRANSFER, TRANSPORT, DELIVERY, SALE, AND PURCHASE OF NATURAL MEDICINES BY AND BETWEEN HEALING CENTERS AND OTHER PERMITTED ENTITIES AND THE PROVISION OF NATURAL MEDICINE SERVICES TO PARTICIPANTS.

(2) NOT LATER THAN JANUARY 1, 2024, THE DEPARTMENT SHALL ADOPT RULES TO ESTABLISH THE QUALIFICATIONS, EDUCATION, AND TRAINING REQUIREMENTS THAT FACILITATORS MUST MEET PRIOR TO PROVIDING NATURAL MEDICINE SERVICES, AND TO APPROVE ANY REQUIRED TRAINING PROGRAMS.

(3) NOT LATER THAN SEPTEMBER 30, 2024, THE DEPARTMENT SHALL ADOPT RULES NECESSARY TO IMPLEMENT THE REGULATED NATURAL MEDICINE ACCESS PROGRAM AND SHALL BEGIN ACCEPTING APPLICATIONS FOR LICENSURE BY THAT DATE WITH DECISIONS MADE ON ALL LICENSING APPLICATIONS WITHIN 60 DAYS OF RECEIVING THE APPLICATION.

(4) FOR PURPOSES OF THE REGULATED NATURAL MEDICINE ACCESS PROGRAM SET FORTH IN THIS SECTION:

(a) UNTIL JUNE 1, 2026, THE TERM NATURAL MEDICINE SHALL ONLY INCLUDE PSILOCYBIN AND PSILOCYN.

(b) AFTER JUNE 1, 2026, IF RECOMMENDED BY THE NATURAL MEDICINE ADVISORY BOARD, THE DEPARTMENT MAY ADD ONE OR MORE OF THE FOLLOWING TO THE TERM NATURAL MEDICINE: DIMETHYLTRYPTAMINE; IBOGAINE; AND Mescaline (EXCLUDING LOPHOPHORA WILLIAMSII (“PEYOTE”)).

(c) THE DEPARTMENT MAY PREPARE PROPOSED RULES FOR THE ADDITION OF DIMETHYLTRYPTAMINE; IBOGAINE; AND Mescaline (EXCLUDING LOPHOPHORA WILLIAMSII (“PEYOTE”)) TO THE TERM NATURAL MEDICINE PRIOR TO JUNE 1, 2026 IN THE EVENT THAT DIMETHYLTRYPTAMINE; IBOGAINE; OR Mescaline (EXCLUDING LOPHOPHORA WILLIAMSII (“PEYOTE”)) IS ADDED TO THE TERM NATURAL MEDICINE UNDER SUBSECTION (b).

(5) IN CARRYING OUT ITS DUTIES UNDER THIS ARTICLE 170, THE DEPARTMENT SHALL CONSULT WITH THE NATURAL MEDICINE ADVISORY BOARD AND MAY ALSO CONSULT WITH OTHER STATE AGENCIES OR ANY OTHER INDIVIDUAL OR ENTITY THE DEPARTMENT FINDS NECESSARY.

(6) THE RULES ADOPTED BY THE DEPARTMENT SHALL INCLUDE, BUT ARE NOT LIMITED TO, RULES TO:

(a) ESTABLISH THE REQUIREMENTS GOVERNING THE SAFE PROVISION OF NATURAL MEDICINE SERVICES TO PARTICIPANTS THAT INCLUDE:

(I) HOLDING AND VERIFYING COMPLETION OF A PREPARATION SESSION, AN ADMINISTRATION SESSION, AND AN INTEGRATION SESSION.

(II) HEALTH AND SAFETY WARNINGS THAT MUST BE PROVIDED TO PARTICIPANTS BEFORE NATURAL MEDICINE SERVICES BEGIN.

(III) EDUCATIONAL MATERIALS THAT MUST BE PROVIDED TO PARTICIPANTS BEFORE NATURAL MEDICINE SERVICES BEGIN.

(IV) THE FORM THAT EACH FACILITATOR, PARTICIPANT, AND AUTHORIZED REPRESENTATIVE OF A HEALING CENTER MUST SIGN BEFORE PROVIDING OR RECEIVING NATURAL MEDICINE SERVICES VERIFYING THAT THE PARTICIPANT WAS PROVIDED ACCURATE AND COMPLETE HEALTH INFORMATION AND INFORMED OF IDENTIFIED RISK FACTORS AND CONTRAINDICATIONS.

(V) PROPER SUPERVISION DURING THE ADMINISTRATION SESSION AND SAFE TRANSPORTATION FOR THE PARTICIPANT WHEN THE SESSION IS COMPLETE.

(VI) PROVISIONS FOR GROUP ADMINISTRATION SESSIONS WHERE ONE OR MORE FACILITATORS PROVIDE NATURAL MEDICINE SERVICES TO MORE THAN ONE PARTICIPANT AS PART OF THE SAME ADMINISTRATION SESSION.

(VII) PROVISIONS TO ALLOW A FACILITATOR OR A HEALING CENTER TO REFUSE TO PROVIDE NATURAL MEDICINE SERVICES TO A PARTICIPANT.

(VIII) THE REQUIREMENTS AND STANDARDS FOR INDEPENDENT TESTING OF NATURAL MEDICINE FOR CONCENTRATION AND CONTAMINANTS, TO THE EXTENT AVAILABLE TECHNOLOGY REASONABLY PERMITS.

(IX) THE LICENSURE OF ENTITIES PERMITTED TO ENGAGE IN THE TESTING OF NATURAL MEDICINE FOR USE IN NATURAL MEDICINE SERVICES OR OTHERWISE.

(X) THE STANDARDS FOR ADVERTISING AND MARKETING NATURAL MEDICINE AND NATURAL MEDICINE SERVICES.

(XI) THE STANDARDS FOR QUALIFICATION AS A PERMITTED ORGANIZATION ADDRESSING, WITHOUT LIMITATION, ENVIRONMENTAL, SOCIAL, AND GOVERNANCE CRITERIA DIRECTED TO THE FINDINGS AND DECLARATIONS SET FORTH IN SECTION 102 OF THIS ARTICLE.

(b) ESTABLISH THE REQUIREMENTS GOVERNING THE LICENSING AND PRACTICE OF FACILITATORS THAT INCLUDE:

(I) THE FORM AND CONTENT OF LICENSE AND RENEWAL APPLICATIONS FOR FACILITATORS SUBMITTED UNDER THIS ARTICLE 170.

(II) THE QUALIFICATIONS, EDUCATION, AND TRAINING REQUIREMENTS THAT FACILITATORS MUST MEET PRIOR TO PROVIDING NATURAL MEDICINE SERVICES. THE REQUIREMENTS SHALL:

(A) BE TIERED SO AS TO REQUIRE VARYING LEVELS OF EDUCATION AND TRAINING DEPENDING ON THE PARTICIPANTS THE FACILITATOR WILL BE WORKING WITH AND THE SERVICES THE FACILITATOR WILL BE PROVIDING.

(B) INCLUDE EDUCATION AND TRAINING ON CLIENT SAFETY; CONTRAINDICATIONS; MENTAL HEALTH; MENTAL STATE; PHYSICAL HEALTH; PHYSICAL STATE; SOCIAL AND CULTURAL CONSIDERATIONS; PHYSICAL ENVIRONMENT; PREPARATION; INTEGRATION; AND ETHICS.

(C) ALLOW FOR LIMITED WAIVERS OF EDUCATION AND TRAINING REQUIREMENTS BASED ON AN APPLICANT'S PRIOR EXPERIENCE, TRAINING, OR SKILL, INCLUDING, BUT NOT LIMITED TO, WITH NATURAL MEDICINES.

(D) NOT IMPOSE UNREASONABLE FINANCIAL OR LOGISTICAL BARRIERS THAT MAKE OBTAINING A FACILITATOR LICENSE COMMERCIALY UNREASONABLE FOR LOW INCOME PEOPLE OR OTHER APPLICANTS.

(E) NOT REQUIRE A PROFESSIONAL LICENSE OR PROFESSIONAL DEGREE OTHER THAN A FACILITATOR LICENSE GRANTED PURSUANT TO THIS SECTION.

(F) ALLOW FOR PAID COMPENSATION FOR NATURAL MEDICINE SERVICES.

(G) ALLOW FOR THE PROVISION OF NATURAL MEDICINE SERVICES TO MORE THAN ONE PARTICIPANT AT A TIME IN GROUP ADMINISTRATIVE SESSIONS.

(III) OVERSIGHT AND SUPERVISION REQUIREMENTS FOR FACILITATORS, INCLUDING PROFESSIONAL RESPONSIBILITY STANDARDS AND CONTINUING EDUCATION REQUIREMENTS.

(IV) A COMPLAINT, REVIEW, AND DISCIPLINARY PROCESS FOR FACILITATORS WHO ENGAGE IN MISCONDUCT.

(V) RECORDKEEPING, PRIVACY, AND CONFIDENTIALITY REQUIREMENTS FOR FACILITATORS, PROVIDED SUCH RECORD KEEPING DOES NOT RESULT IN THE DISCLOSURE TO THE PUBLIC OR ANY GOVERNMENT AGENCY OF PERSONALLY IDENTIFIABLE INFORMATION OF PARTICIPANTS.

(VI) PROCEDURES FOR SUSPENDING OR REVOKING THE LICENSES OF FACILITATORS WHO VIOLATE THE PROVISIONS OF THIS ARTICLE 170 OR THE RULES ADOPTED BY THE DEPARTMENT.

(c) ESTABLISH THE REQUIREMENTS GOVERNING THE LICENSING AND OPERATION OF HEALING CENTERS THAT INCLUDE:

(I) QUALIFICATIONS FOR LICENSURE AND RENEWAL.

(II) OVERSIGHT REQUIREMENTS FOR HEALING CENTERS.

(III) RECORDKEEPING, PRIVACY, AND CONFIDENTIALITY REQUIREMENTS FOR HEALING CENTERS, PROVIDED SUCH RECORD KEEPING DOES NOT RESULT IN THE DISCLOSURE TO THE PUBLIC OR ANY GOVERNMENT AGENCY OF PERSONALLY IDENTIFIABLE INFORMATION OF PARTICIPANTS.

(IV) SECURITY REQUIREMENTS FOR HEALING CENTERS, INCLUDING REQUIREMENTS FOR PROTECTION OF EACH LICENSED HEALING CENTER LOCATION BY A FULLY OPERATIONAL SECURITY ALARM SYSTEM.

(V) PROCEDURES FOR SUSPENDING OR REVOKING THE LICENSES OF HEALING CENTERS THAT VIOLATE THE PROVISIONS OF THIS ARTICLE 170 OR THE RULES ADOPTED BY THE DEPARTMENT.

(VI) PERMISSIBLE FINANCIAL RELATIONSHIPS BETWEEN LICENSED HEALING CENTERS, FACILITATORS, AND OTHER ENTITIES.

(VII) PROCEDURES AND POLICIES THAT ALLOW FOR HEALING CENTERS TO RECEIVE PAYMENT FOR SERVICES AND NATURAL MEDICINES PROVIDED.

(VIII) PROCEDURES AND POLICIES TO ENSURE STATEWIDE ACCESS TO HEALING CENTERS AND NATURAL MEDICINE SERVICES.

(IX) RULES THAT PROHIBIT AN INDIVIDUAL FROM HAVING A FINANCIAL INTEREST IN MORE THAN FIVE HEALING CENTERS.

(X) RULES THAT ALLOW FOR HEALING CENTERS TO SHARE THE SAME PREMISES WITH OTHER HEALING CENTERS OR TO SHARE THE SAME PREMISES WITH HEALTH-CARE FACILITIES.

(XI) RULES THAT ALLOW FOR LOCATIONS NOT OWNED BY A HEALING CENTER WHERE NATURAL MEDICINE SERVICES MAY BE PROVIDED BY LICENSED FACILITATORS, INCLUDING BUT NOT LIMITED TO, HEALTH-CARE FACILITIES AND PRIVATE RESIDENCES.

(d) ESTABLISH PROCEDURES, POLICIES, AND PROGRAMS TO ENSURE THE REGULATORY ACCESS PROGRAM IS EQUITABLE AND INCLUSIVE AND TO PROMOTE THE LICENSING OF AND THE PROVISION OF NATURAL MEDICINE SERVICES TO PERSONS FROM COMMUNITIES THAT HAVE BEEN DISPROPORTIONATELY HARMED BY HIGH RATES OF CONTROLLED SUBSTANCES ARRESTS; TO PERSONS WHO FACE BARRIERS TO ACCESS TO HEALTH CARE; TO PERSONS WHO HAVE A TRADITIONAL OR INDIGENOUS HISTORY WITH NATURAL MEDICINES; OR TO PERSONS WHO ARE VETERANS THAT INCLUDE, BUT ARE NOT LIMITED TO:

(I) REDUCED FEES FOR LICENSURE AND FACILITATOR TRAINING.

(II) INCENTIVIZING THE PROVISION OF NATURAL MEDICINE SERVICES AT A REDUCED COST TO LOW INCOME INDIVIDUALS.

(III) INCENTIVIZING GEOGRAPHIC AND CULTURAL DIVERSITY IN LICENSING AND THE PROVISION AND AVAILABILITY OF NATURAL MEDICINE SERVICES.

(VI) A PROCESS FOR ANNUALLY REVIEWING THE EFFECTIVENESS OF SUCH POLICIES AND PROGRAMS PROMULGATED UNDER THIS SUBDIVISION.

(e) ESTABLISH APPLICATION, LICENSING, AND RENEWAL FEES FOR HEALING CENTER AND FACILITATOR LICENSES. THE FEES SHALL BE:

(I) SUFFICIENT, BUT SHALL NOT EXCEED THE AMOUNT NECESSARY, TO COVER THE COST OF ADMINISTERING THE REGULATED NATURAL MEDICINE ACCESS PROGRAM, INCLUDING THE REGULATED NATURAL MEDICINE ACCESS PROGRAM FUND IN 12-170-106.

(II) FOR LICENSING AND RENEWAL FEES, SCALED BASED ON EITHER THE VOLUME OF BUSINESS OF THE LICENSEE OR THE GROSS ANNUAL REVENUE OF THE LICENSEE.

(f) DEVELOP AND PROMOTE ACCURATE PUBLIC EDUCATION CAMPAIGNS RELATED TO THE USE OF NATURAL MEDICINE, INCLUDING BUT NOT LIMITED TO PUBLIC SERVICE ANNOUNCEMENTS, EDUCATIONAL CURRICULA, AND APPROPRIATE CRISIS RESPONSE, AND APPROPRIATE TRAINING FOR FIRST-AND MULTI-RESPONDERS INCLUDING LAW ENFORCEMENT, EMERGENCY MEDICAL SERVICES, SOCIAL SERVICES, AND FIRE SERVICES.

(g) STUDY AND DELIVER RECOMMENDATIONS TO THE LEGISLATURE REGARDING THE REGULATION OF DOSAGE FOR OFF-SITE USE OF NATURAL MEDICINES.

(h) COLLECT AND ANNUALLY PUBLISH DATA ON THE IMPLEMENTATION AND OUTCOMES OF THE REGULATED NATURAL MEDICINE ACCESS PROGRAM IN ACCORDANCE WITH GOOD DATA AND PRIVACY PRACTICES AND THAT DOES NOT DISCLOSE ANY IDENTIFYING INFORMATION ABOUT INDIVIDUAL LICENSEES OR PARTICIPANTS.

(i) ADOPT, AMEND, AND REPEAL RULES AS NECESSARY TO IMPLEMENT THE REGULATED NATURAL MEDICINE ACCESS PROGRAM AND TO PROTECT THE PUBLIC HEALTH AND SAFETY.

(7) PARTICIPANT RECORDS COLLECTED AND MAINTAINED BY HEALING CENTERS, FACILITATORS, REGISTERED ENTITIES, OR THE DEPARTMENT SHALL CONSTITUTE MEDICAL DATA AS DEFINED BY SECTION 24-72-204 (3)(a)(I) AND ARE NOT PUBLIC RECORDS SUBJECT TO DISCLOSURE.

(8) THE DEPARTMENT SHALL HAVE THE AUTHORITY TO CREATE AND ISSUE ANY ADDITIONAL TYPES OF LICENSES AND REGISTRATIONS IT DEEMS NECESSARY TO CARRY OUT THE INTENTS AND PURPOSES OF THE REGULATED NATURAL MEDICINE ACCESS PROGRAM, INCLUDING ALLOWING NATURAL MEDICINE SERVICES TO BE PROVIDED AT OTHER TYPES OF LICENSED HEALTH FACILITIES OR BY INDIVIDUALS IN ORDER TO INCREASE ACCESS TO AND THE AVAILABILITY OF NATURAL MEDICINE SERVICES.

(9) THE DEPARTMENT SHALL HAVE THE AUTHORITY TO ADOPT RULES THAT DIFFERENTIATE BETWEEN NATURAL MEDICINES AND THAT REGULATE EACH NATURAL MEDICINE DIFFERENTLY BASED ON ITS SPECIFIC QUALITIES, TRADITIONAL USES, AND SAFETY PROFILE.

(10) THE DEPARTMENT SHALL ADOPT, AMEND, AND REPEAL ALL RULES IN ACCORDANCE WITH THE STATE ADMINISTRATIVE PROCEDURE ACT, ARTICLE 4 OF TITLE 24, C.R.S., AS AMENDED, AND THE RULES PROMULGATED THEREUNDER.

12-170-105. Natural Medicine Advisory Board (1) THE NATURAL MEDICINE ADVISORY BOARD SHALL BE ESTABLISHED WITHIN THE DEPARTMENT FOR THE PURPOSE OF ADVISING THE DEPARTMENT AS TO THE IMPLEMENTATION OF THE REGULATED NATURAL MEDICINE ACCESS PROGRAM.

(a) THE BOARD SHALL CONSIST OF FIFTEEN MEMBERS. MEMBERS MUST BE APPOINTED BY THE GOVERNOR, WITH THE CONSENT OF THE SENATE.

(b) MEMBERS OF THE INITIAL BOARD MUST BE APPOINTED BY JANUARY 31, 2023. IN MAKING THE APPOINTMENTS, THE GOVERNOR SHALL APPOINT:

(I) AT LEAST SEVEN MEMBERS WITH SIGNIFICANT EXPERTISE AND EXPERIENCE IN ONE OR MORE OF THE FOLLOWING AREAS: NATURAL MEDICINE THERAPY, MEDICINE, AND RESEARCH; MYCOLOGY AND NATURAL MEDICINE CULTIVATION; PERMITTED ORGANIZATION CRITERIA; EMERGENCY MEDICAL SERVICES AND SERVICES PROVIDED BY FIRST RESPONDERS; MENTAL AND BEHAVIORAL HEALTH PROVIDERS; HEALTH CARE INSURANCE AND HEALTH CARE POLICY; AND PUBLIC HEALTH, DRUG POLICY, AND HARM REDUCTION.

(II) AT LEAST EIGHT MEMBERS WITH SIGNIFICANT EXPERTISE AND EXPERIENCE IN ONE OR MORE OF THE FOLLOWING AREAS: RELIGIOUS USE OF NATURAL MEDICINES; ISSUES CONFRONTING VETERANS; TRADITIONAL INDIGENOUS USE OF NATURAL MEDICINES; LEVELS AND DISPARITIES IN ACCESS TO HEALTH CARE SERVICES AMONG DIFFERENT COMMUNITIES; AND PAST CRIMINAL JUSTICE REFORM EFFORTS IN COLORADO. AT LEAST ONE OF THE EIGHT MEMBERS MUST HAVE EXPERTISE OR EXPERIENCE IN TRADITIONAL INDIGENOUS USE OF NATURAL MEDICINES.

(2) FOR THE INITIAL BOARD, SEVEN OF THE MEMBERS SHALL BE APPOINTED TO A TERM OF TWO YEARS AND EIGHT MEMBERS SHALL BE APPOINTED TO A TERM OF FOUR YEARS. EACH MEMBER APPOINTED THEREAFTER SHALL BE APPOINTED TO A TERM OF FOUR YEARS. MEMBERS OF THE BOARD MAY SERVE UP TO TWO CONSECUTIVE TERMS. MEMBERS ARE SUBJECT TO REMOVAL AS PROVIDED IN ARTICLE IV, SECTION 6 OF THE COLORADO CONSTITUTION.

(3) NOT LATER THAN SEPTEMBER 30, 2023, AND ANNUALLY THEREAFTER, THE BOARD SHALL MAKE RECOMMENDATIONS TO THE DEPARTMENT RELATED TO, BUT NOT LIMITED TO, ALL OF THE FOLLOWING AREAS:

(a) ACCURATE PUBLIC HEALTH APPROACHES REGARDING USE, EFFECT, AND RISK REDUCTION FOR NATURAL MEDICINE AND THE CONTENT AND SCOPE OF EDUCATIONAL CAMPAIGNS RELATED TO NATURAL MEDICINE;

(b) RESEARCH RELATED TO THE EFFICACY AND REGULATION OF NATURAL MEDICINE, INCLUDING RECOMMENDATIONS RELATED TO PRODUCT SAFETY, HARM REDUCTION, AND CULTURAL RESPONSIBILITY;

(c) THE PROPER CONTENT OF TRAINING PROGRAMS, EDUCATIONAL AND EXPERIENTIAL REQUIREMENTS, AND QUALIFICATIONS FOR FACILITATORS;

(d) AFFORDABLE, EQUITABLE, ETHICAL, AND CULTURALLY RESPONSIBLE ACCESS TO NATURAL MEDICINE AND REQUIREMENTS TO ENSURE THE REGULATED NATURAL MEDICINE ACCESS PROGRAM IS EQUITABLE AND INCLUSIVE;

(e) APPROPRIATE REGULATORY CONSIDERATIONS FOR EACH NATURAL MEDICINE;

(f) THE ADDITION OF NATURAL MEDICINES TO THE REGULATED NATURAL MEDICINE ACCESS PROGRAM UNDER SECTION 12-170-104(4)(b) OF THIS ARTICLE BASED ON AVAILABLE MEDICAL, PSYCHOLOGICAL, AND SCIENTIFIC STUDIES, RESEARCH, AND OTHER INFORMATION RELATED TO THE SAFETY AND EFFICACY OF EACH NATURAL MEDICINE;

(g) ALL RULES TO BE PROMULGATED BY THE DEPARTMENT UNDER 12-170-104; AND

(h) REQUIREMENTS FOR ACCURATE AND COMPLETE DATA COLLECTION, REPORTING, AND PUBLICATION OF INFORMATION RELATED TO THE IMPLEMENTATION OF THIS ARTICLE 170.

(4) THE BOARD SHALL, ON AN ONGOING BASIS, REVIEW AND EVALUATE EXISTING RESEARCH, STUDIES, AND REAL-WORLD DATA RELATED TO NATURAL MEDICINE AND MAKE RECOMMENDATIONS TO THE LEGISLATURE AND OTHER RELEVANT STATE AGENCIES AS TO WHETHER NATURAL MEDICINE AND ASSOCIATED SERVICES SHOULD BE COVERED UNDER HEALTH FIRST COLORADO OR OTHER INSURANCE PROGRAMS AS A COST EFFECTIVE INTERVENTION FOR VARIOUS MENTAL HEALTH CONDITIONS, INCLUDING BUT NOT LIMITED TO END OF LIFE ANXIETY, SUBSTANCE USE DISORDER, ALCOHOLISM, DEPRESSIVE DISORDERS, NEUROLOGICAL DISORDERS, CLUSTER HEADACHES, AND POST TRAUMATIC STRESS DISORDER.

(5) THE BOARD SHALL, ON AN ONGOING BASIS, REVIEW AND EVALUATE SUSTAINABILITY ISSUES RELATED TO NATURAL MEDICINE AND IMPACT ON INDIGENOUS CULTURES AND DOCUMENT EXISTING RECIPROCITY EFFORTS AND CONTINUING SUPPORT MEASURES THAT ARE NEEDED AS PART OF ITS ANNUAL REPORT.

(6) THE BOARD SHALL PUBLISH AN ANNUAL REPORT DESCRIBING ITS ACTIVITIES INCLUDING THE RECOMMENDATIONS AND ADVICE PROVIDED TO THE DEPARTMENT AND THE LEGISLATURE.

(7) THE DEPARTMENT SHALL PROVIDE REQUESTED TECHNICAL, LOGISTICAL AND OTHER SUPPORT TO THE BOARD TO ASSIST THE BOARD WITH ITS DUTIES AND OBLIGATIONS.

(8) THIS SECTION IS REPEALED EFFECTIVE DECEMBER 31, 2033.

12-170-106. Regulated natural medicine access program fund. (1) THE REGULATED NATURAL MEDICINE ACCESS PROGRAM FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND IS ADMINISTERED BY THE DEPARTMENT AND CONSISTS OF ALL MONEY FROM FEES COLLECTED AND MONEY TRANSFERRED FROM THE GENERAL FUND UNDER THIS ARTICLE 170. ALL INTEREST AND INCOME EARNED ON THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND MUST BE CREDITED TO THE FUND AND MUST NOT BE TRANSFERRED TO THE GENERAL FUND OR ANY OTHER STATE FUND AT THE END OF ANY STATE FISCAL YEAR.

(2) THE DEPARTMENT MAY SEEK, ACCEPT, AND EXPEND ANY GIFTS, GRANTS, DONATIONS, LOAN OF FUNDS, PROPERTY, OR ANY OTHER REVENUE OR AID IN ANY FORM FROM THE STATE, ANY STATE AGENCY, ANY OTHER PUBLIC SOURCE, ANY PRIVATE SOURCE, OR ANY COMBINATION THEREOF, AND ANY SUCH MONETARY RECEIPTS MUST BE CREDITED TO THE FUND AND ANY SUCH IN-KIND RECEIPTS MUST BE APPLIED FOR THE BENEFIT OF THE FUND.

(3) THE MONEY IN THE FUND IS CONTINUALLY APPROPRIATED TO THE DEPARTMENT FOR THE DIRECT AND INDIRECT COSTS OF CARRYING OUT THE PROVISIONS OF THIS ARTICLE 170.

(4) FUNDS FOR THE INITIAL ESTABLISHMENT AND SUPPORT OF THE REGULATORY ACTIVITIES BY THE DEPARTMENT UNDER THIS ARTICLE 170, INCLUDING THE NATURAL MEDICINE ADVISORY BOARD, THE DEVELOPMENT AND PROMOTION OF PUBLIC EDUCATION CAMPAIGNS RELATED TO THE USE OF NATURAL MEDICINE, AND THE DEVELOPMENT OF THE POLICIES, PROCEDURES, AND PROGRAMS REQUIRED BY 12-170-104(6)(d) SHALL BE ADVANCED FROM THE GENERAL FUND TO THE REGULATED NATURAL MEDICINE ACCESS PROGRAM FUND AND SHALL BE REPAID TO THE GENERAL FUND BY THE INITIAL PROCEEDS FROM FEES COLLECTED PURSUANT TO THIS ARTICLE 170.

(5) THE OFFICE OF STATE PLANNING AND BUDGETING SHALL DETERMINE THE AMOUNT OF THE INITIAL ADVANCE FROM THE GENERAL FUND TO THE REGULATED NATURAL MEDICINE ACCESS PROGRAM FUND BASED ON THE ESTIMATED COSTS OF ESTABLISHING THE PROGRAM.

12-170-107. Localities. (1) A LOCALITY MAY REGULATE THE TIME, PLACE, AND MANNER OF THE OPERATION OF HEALING CENTERS LICENSED PURSUANT TO THIS ARTICLE 170 WITHIN ITS BOUNDARIES.

(2) A LOCALITY MAY NOT BAN OR COMPLETELY PROHIBIT THE ESTABLISHMENT OR OPERATION OF HEALING CENTERS LICENSED PURSUANT TO THIS ARTICLE 170 WITHIN ITS BOUNDARIES.

(3) A LOCALITY MAY NOT BAN OR COMPLETELY PROHIBIT A LICENSED HEALTH-CARE FACILITY OR INDIVIDUAL WITHIN ITS BOUNDARIES FROM PROVIDING NATURAL MEDICINE SERVICES IF THE LICENSED HEALTH-CARE FACILITY OR INDIVIDUAL IS PERMITTED TO PROVIDE NATURAL MEDICINE SERVICES BY THE DEPARTMENT PURSUANT TO THIS ARTICLE 170.

(4) A LOCALITY MAY NOT PROHIBIT THE TRANSPORTATION OF NATURAL MEDICINE THROUGH ITS JURISDICTION ON PUBLIC ROADS BY A LICENSEE OR AS OTHERWISE ALLOWED BY THIS ARTICLE 170.

(5) A LOCALITY MAY NOT ADOPT ORDINANCES OR REGULATIONS THAT ARE UNREASONABLE OR IN CONFLICT WITH THIS ARTICLE 170, BUT MAY ENACT LAWS IMPOSING LESSER CRIMINAL OR CIVIL PENALTIES THAN PROVIDED BY THIS ARTICLE 170

12-170-108. Protections. SUBJECT TO THE LIMITATIONS IN THIS ARTICLE 170, BUT NOTWITHSTANDING ANY OTHER PROVISION OF LAW:

(1) ACTIONS AND CONDUCT PERMITTED PURSUANT TO A LICENSE OR REGISTRATION ISSUED BY THE DEPARTMENT OR BY DEPARTMENT RULE, OR BY THOSE WHO ALLOW PROPERTY TO BE USED PURSUANT TO A LICENSE OR REGISTRATION ISSUED BY THE DEPARTMENT OR BY DEPARTMENT RULE, ARE NOT UNLAWFUL AND SHALL NOT BE AN OFFENSE UNDER STATE LAW, OR THE LAWS OF ANY LOCALITY WITHIN THE STATE, OR BE SUBJECT TO A CIVIL FINE, PENALTY, OR SANCTION, OR BE A BASIS FOR DETENTION, SEARCH, OR ARREST, OR TO DENY ANY RIGHT OR PRIVILEGE, OR TO SEIZE OR FORFEIT ASSETS UNDER STATE LAW OR THE LAWS OF ANY LOCALITY WITHIN THE STATE.

(2) A CONTRACT IS NOT UNENFORCEABLE ON THE BASIS THAT NATURAL MEDICINES, AS ALLOWED UNDER THIS ARTICLE 170, ARE PROHIBITED BY FEDERAL LAW.

(3) A HOLDER OF A PROFESSIONAL OR OCCUPATIONAL LICENSE, CERTIFICATION, OR REGISTRATION IS NOT SUBJECT TO PROFESSIONAL DISCIPLINE OR LOSS OF A PROFESSIONAL LICENSE OR CERTIFICATION FOR PROVIDING ADVICE OR SERVICES ARISING OUT OF OR RELATED TO NATURAL MEDICINE LICENSES, APPLICATIONS FOR LICENSES ON THE BASIS THAT NATURAL MEDICINES ARE PROHIBITED BY FEDERAL LAW, OR FOR PERSONAL USE OF NATURAL MEDICINES AS ALLOWED UNDER THIS ARTICLE 170. THIS SECTION DOES NOT PERMIT A PERSON TO ENGAGE IN MALPRACTICE.

(4) MENTAL HEALTH, SUBSTANCE USE DISORDER, OR BEHAVIORAL HEALTH SERVICES OTHERWISE COVERED UNDER HEALTH FIRST COLORADO SHALL NOT BE DENIED ON THE BASIS THAT THEY ARE COVERED IN CONJUNCTION WITH NATURAL MEDICINE SERVICES OR THAT NATURAL MEDICINES ARE PROHIBITED BY FEDERAL LAW. NO INSURANCE OR INSURANCE PROVIDER IS REQUIRED TO COVER THE COST OF THE NATURAL MEDICINE ITSELF.

(5) NOTHING IN THIS SECTION SHALL BE CONSTRUED OR INTERPRETED TO PREVENT THE DEPARTMENT FROM ENFORCING ITS RULES AGAINST A LICENSEE OR TO LIMIT A STATE OR LOCAL LAW ENFORCEMENT AGENCY'S ABILITY TO INVESTIGATE UNLAWFUL ACTIVITY IN RELATION TO A LICENSEE.

12-170-109. Personal Use. (1) SUBJECT TO THE LIMITATIONS IN THIS ARTICLE 170, BUT NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE FOLLOWING ACTS ARE NOT AN OFFENSE UNDER STATE LAW OR THE LAWS OF ANY LOCALITY WITHIN THE STATE OR SUBJECT TO A CIVIL FINE, PENALTY, OR SANCTION, OR THE BASIS FOR DETENTION, SEARCH, OR ARREST, OR TO DENY ANY RIGHT OR PRIVILEGE, OR TO SEIZE OR FORFEIT ASSETS UNDER STATE LAW OR THE LAWS OF ANY LOCALITY, IF THE PERSON IS TWENTY-ONE YEARS OF AGE OR OLDER:

(a) POSSESSING, STORING, USING, PROCESSING, TRANSPORTING, PURCHASING, OBTAINING, INGESTING NATURAL MEDICINE FOR PERSONAL USE, OR GIVING AWAY NATURAL MEDICINE FOR

PERSONAL USE WITHOUT REMUNERATION TO A PERSON OR PERSONS TWENTY-ONE YEARS OF AGE OR OLDER.

(b) GROWING, CULTIVATING, OR PROCESSING PLANTS OR FUNGI CAPABLE OF PRODUCING NATURAL MEDICINE FOR PERSONAL USE IF:

(I) THE PLANTS AND FUNGI ARE KEPT IN OR ON THE GROUNDS OF A PRIVATE HOME OR RESIDENCE; AND

(II) THE PLANTS AND FUNGI ARE SECURED FROM ACCESS BY PERSONS UNDER TWENTY-ONE YEARS OF AGE.

(c) ASSISTING ANOTHER PERSON OR PERSONS WHO ARE TWENTY-ONE YEARS OF AGE OR OLDER, OR ALLOWING PROPERTY TO BE USED, IN ANY OF THE ACTIONS OR CONDUCT PERMITTED UNDER SUBSECTION (1).

(2) FOR THE PURPOSE OF THIS ARTICLE 170, “PERSONAL USE” MEANS THE PERSONAL INGESTION OR USE OF A NATURAL MEDICINE AND INCLUDES THE AMOUNT A PERSON MAY CULTIVATE OR POSSESS OF NATURAL MEDICINE NECESSARY TO SHARE NATURAL MEDICINES WITH OTHER PERSONS TWENTY-ONE YEARS OF AGE OR OLDER WITHIN THE CONTEXT OF COUNSELING, SPIRITUAL GUIDANCE, BENEFICIAL COMMUNITY-BASED USE AND HEALING, SUPPORTED USE, OR RELATED SERVICES. “PERSONAL USE” DOES NOT INCLUDE THE SALE OF NATURAL MEDICINES FOR REMUNERATION.

(3) CONDUCT PERMITTED BY THIS ARTICLE 170 SHALL NOT, BY ITSELF:

(a) CONSTITUTE CHILD ABUSE OR NEGLECT WITHOUT A FINDING OF ACTUAL THREAT TO THE HEALTH OR WELFARE OF A CHILD BASED ON ALL RELEVANT FACTORS.

(b) BE THE BASIS TO RESTRICT PARENTING TIME WITH A CHILD WITHOUT A FINDING THAT THE PARENTING TIME WOULD ENDANGER THE CHILD’S PHYSICAL HEALTH OR SIGNIFICANTLY IMPAIR THE CHILD’S EMOTIONAL DEVELOPMENT.

(4) CONDUCT PERMITTED BY THIS ARTICLE 170 SHALL NOT, BY ITSELF, BE THE BASIS FOR PUNISHING OR OTHERWISE PENALIZING A PERSON CURRENTLY UNDER PAROLE, PROBATION, OR OTHER STATE SUPERVISION, OR RELEASED AWAITING TRIAL OR OTHER HEARING.

(5) CONDUCT PERMITTED BY THIS ARTICLE 170 SHALL NOT, BY ITSELF, BE THE BASIS FOR DETENTION, SEARCH, OR ARREST; AND THE POSSESSION OR SUSPICION OF POSSESSION OF NATURAL MEDICINE, OR THE POSSESSION OF MULTIPLE CONTAINERS OF NATURAL MEDICINE, SHALL NOT INDIVIDUALLY OR IN COMBINATION WITH EACH OTHER CONSTITUTE REASONABLY ARTICULABLE SUSPICION OF A CRIME. NATURAL MEDICINES AS PERMITTED BY THIS ARTICLE 170 ARE NOT CONTRABAND NOR SUBJECT TO SEIZURE AND SHALL NOT BE HARMED OR DESTROYED.

(6) CONDUCT PERMITTED BY THIS ARTICLE 170 SHALL NOT, BY ITSELF, BE THE BASIS TO DENY ELIGIBILITY FOR ANY PUBLIC ASSISTANCE PROGRAM, UNLESS REQUIRED BY FEDERAL LAW.

(7) FOR THE PURPOSES OF MEDICAL CARE, INCLUDING ORGAN TRANSPLANTS, CONDUCT PERMITTED BY THIS ARTICLE 170 DOES NOT CONSTITUTE THE USE OF AN ILLICIT SUBSTANCE OR OTHERWISE DISQUALIFY A PERSON FROM MEDICAL CARE OR MEDICAL INSURANCE.

(8) NOTHING IN THIS SECTION SHALL BE CONSTRUED OR INTERPRETED TO PERMIT A PERSON TO GIVE AWAY ANY AMOUNT OF NATURAL MEDICINE AS PART OF A BUSINESS PROMOTION OR OTHER COMMERCIAL ACTIVITY OR TO PERMIT PAID ADVERTISING RELATED TO NATURAL MEDICINE, SHARING OF NATURAL MEDICINE, OR SERVICES INTENDED TO BE USED CONCURRENTLY WITH A PERSON'S CONSUMPTION OF NATURAL MEDICINE. SUCH ADVERTISING MAY BE CONSIDERED EVIDENCE OF COMMERCIAL ACTIVITY THAT IS PROHIBITED UNDER THIS SECTION. THIS PROVISION DOES NOT PRECLUDE THE DONATION OF NATURAL MEDICINE BY A PERSON TWENTY-ONE YEARS OF AGE OR OLDER, PAYMENT FOR BONA FIDE HARM REDUCTION SERVICES, BONA FIDE THERAPY SERVICES, OR OTHER BONA FIDE SUPPORT SERVICES, MAINTAINING PERSONAL OR PROFESSIONAL WEBSITES RELATED TO NATURAL MEDICINE SERVICES, DISSEMINATION OF EDUCATIONAL MATERIALS RELATED TO NATURAL MEDICINE, OR LIMIT THE ABILITY OF A HEALING CENTER TO DONATE NATURAL MEDICINE OR PROVIDE NATURAL MEDICINE AT REDUCED COST CONSISTENT WITH DEPARTMENT RULES.

(9) A PERSON WHO HAS COMPLETED A SENTENCE FOR A CONVICTION, WHETHER BY TRIAL OR PLEA OF GUILTY OR *NOLO CONTENDERE*, WHO WOULD NOT HAVE BEEN GUILTY OF AN OFFENSE UNDER THIS ACT HAD IT BEEN IN EFFECT AT THE TIME OF THE OFFENSE, MAY FILE A PETITION BEFORE THE TRIAL COURT THAT ENTERED THE JUDGMENT OF CONVICTION IN THE PERSON'S CASE TO SEAL THE RECORD OF THE CONVICTION AT NO COST. IF THERE IS NO OBJECTION FROM THE DISTRICT ATTORNEY, THE COURT SHALL AUTOMATICALLY SEAL SUCH RECORD. IF THERE IS AN OBJECTION BY THE DISTRICT ATTORNEY, A HEARING SHALL BE HELD AND THE COURT SHALL DETERMINE IF THE PRIOR CONVICTION DOES NOT QUALIFY TO BE SEALED UNDER THIS ACT. IF THE RECORD DOES NOT QUALIFY TO BE SEALED, THE COURT SHALL DENY THE SEALING OF THE RECORD. NOTHING IN THIS SECTION SHALL BE CONSTRUED TO DIMINISH OR ABROGATE ANY RIGHTS OR REMEDIES OTHERWISE AVAILABLE TO THE PETITIONER OR APPLICANT.

12-170-110. Personal use penalties. (1) UNLESS OTHERWISE PROVIDED BY SUBSECTION (2) OF THIS SECTION, A PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE IS SUBJECT TO A DRUG PETTY OFFENSE, AND UPON CONVICTION THEREOF, SHALL BE SUBJECT ONLY TO A PENALTY OF NO MORE THAN FOUR (4) HOURS OF DRUG EDUCATION OR COUNSELING PROVIDED AT NO COST TO THE PERSON, IF THE PERSON:

(a) POSSESSES, USES, INGESTS, INHALES, OR TRANSPORTS NATURAL MEDICINE FOR PERSONAL USE;

(b) GIVES AWAY WITHOUT REMUNERATION NATURAL MEDICINE FOR PERSONAL USE; OR

(c) POSSESSES, USES, OR GIVES AWAY WITHOUT REMUNERATION NATURAL MEDICINE PARAPHERNALIA.

(2) TO THE EXTENT SUBSECTION (1) ESTABLISHES A PENALTY FOR CONDUCT NOT OTHERWISE PROHIBITED BY LAW OR ESTABLISHES A PENALTY THAT IS GREATER THAN EXISTS ELSEWHERE IN LAW FOR THE CONDUCT SET FORTH IN SUBSECTION (1), THE PENALTIES IN SUBSECTION (1) SHALL NOT APPLY.

(3) A PERSON WHO CULTIVATES NATURAL MEDICINES THAT ARE NOT SECURE FROM ACCESS BY A PERSON UNDER TWENTY-ONE YEARS OF AGE IN VIOLATION OF 12-170-109(1)(b) IS SUBJECT TO A CIVIL FINE NOT EXCEEDING TWO-HUNDRED AND FIFTY DOLLARS, IN ADDITION TO ANY OTHER APPLICABLE PENALTIES.

(4) A PERSON SHALL NOT BE SUBJECT TO ANY ADDITIONAL FEES, FINES, OR OTHER PENALTIES FOR THE VIOLATIONS ADDRESSED IN THIS SECTION OTHER THAN THOSE SET FORTH IN THIS SECTION. FURTHER, A PERSON SHALL NOT BE SUBJECT TO INCREASED PUNISHMENT FOR ANY OTHER CRIME ON THE BASIS OF THAT PERSON HAVING UNDERTAKEN CONDUCT PERMITTED BY THIS ARTICLE 170.

12-170-111. Limitations. THIS ARTICLE 170 SHALL NOT BE CONSTRUED:

(1) TO PERMIT A PERSON TO DRIVE OR OPERATE A MOTOR VEHICLE, BOAT, VESSEL, AIRCRAFT, OR OTHER DEVICE THAT IS CAPABLE OF MOVING ITSELF, OR OF BEING MOVED, FROM PLACE TO PLACE UPON WHEELS OR ENDLESS TRACKS UNDER THE INFLUENCE OF NATURAL MEDICINE;

(2) TO PERMIT A PERSON TO USE OR POSSESS NATURAL MEDICINE IN A SCHOOL, DETENTION FACILITY, OR PUBLIC BUILDING;

(3) TO PERMIT A PERSON TO INGEST NATURAL MEDICINES IN A PUBLIC PLACE, OTHER THAN A PLACE LICENSED OR OTHERWISE PERMITTED BY THE DEPARTMENT FOR SUCH USE;

(4) TO PERMIT THE TRANSFER OF NATURAL MEDICINE, WITH OR WITHOUT REMUNERATION, TO A PERSON UNDER TWENTY-ONE YEARS OF AGE OR TO ALLOW A PERSON UNDER TWENTY-ONE YEARS OF AGE TO USE OR POSSESS NATURAL MEDICINE;

(5) TO PERMIT A PERSON TO ENGAGE IN CONDUCT THAT ENDANGERS OR HARMS OTHERS;

(6) TO REQUIRE A GOVERNMENT MEDICAL ASSISTANCE PROGRAM OR PRIVATE HEALTH INSURER TO REIMBURSE A PERSON FOR COSTS OF PURCHASING NATURAL MEDICINE;

(7) TO REQUIRE AN EMPLOYER TO PERMIT OR ACCOMMODATE THE USE, CONSUMPTION, POSSESSION, TRANSFER, DISPLAY, TRANSPORTATION, OR GROWING OF NATURAL MEDICINES IN THE WORKPLACE;

(8) TO PROHIBIT A RECIPIENT OF A FEDERAL GRANT OR AN APPLICANT FOR A FEDERAL GRANT FROM PROHIBITING THE USE, CONSUMPTION, POSSESSION, TRANSFER, DISPLAY, TRANSPORTATION, OR GROWING OF NATURAL MEDICINES TO THE EXTENT NECESSARY TO SATISFY FEDERAL REQUIREMENTS FOR THE GRANT;

(9) TO PROHIBIT A PARTY TO A FEDERAL CONTRACT OR A PERSON APPLYING TO BE A PARTY TO A FEDERAL CONTRACT FROM PROHIBITING ANY ACT PERMITTED IN THIS ARTICLE 170 TO THE EXTENT NECESSARY TO COMPLY WITH THE TERMS AND CONDITIONS OF THE CONTRACT OR TO SATISFY FEDERAL REQUIREMENTS FOR THE CONTRACT;

(10) TO REQUIRE A PERSON TO VIOLATE A FEDERAL LAW; OR

(11) TO EXEMPT A PERSON FROM A FEDERAL LAW OR OBSTRUCT THE ENFORCEMENT OF A FEDERAL LAW.

12-170-112. Liberal construction. THIS ACT SHALL BE LIBERALLY CONSTRUED TO EFFECTUATE ITS PURPOSE.

12-170-113. Preemption. NO LOCALITY SHALL ADOPT, ENACT, OR ENFORCE ANY ORDINANCE, RULE, OR RESOLUTION IMPOSING ANY GREATER CRIMINAL OR CIVIL PENALTY THAN PROVIDED BY THIS ACT OR THAT IS OTHERWISE IN CONFLICT WITH THE PROVISIONS OF THIS ACT. A LOCALITY MAY ENACT LAWS IMPOSING LESSER CRIMINAL OR CIVIL PENALTIES THAN PROVIDED BY THIS ACT.

12-170-114. Self-executing, severability, conflicting provisions. ALL PROVISIONS OF THIS ARTICLE 170 ARE SELF-EXECUTING EXCEPT AS SPECIFIED HEREIN, ARE SEVERABLE, AND, EXCEPT WHERE OTHERWISE INDICATED IN THE TEXT, SHALL SUPERSEDE CONFLICTING STATE STATUTORY, LOCAL CHARTER, ORDINANCE, OR RESOLUTION, AND OTHER STATE AND LOCAL PROVISIONS. IF ANY PROVISION OF THIS ACT OR ITS APPLICATION TO ANY PERSON OR CIRCUMSTANCE IS HELD INVALID, THE INVALIDITY DOES NOT AFFECT OTHER PROVISIONS OR APPLICATIONS OF THIS ACT THAT CAN BE GIVEN EFFECT WITHOUT THE INVALID PROVISION OR APPLICATION, AND TO THIS END THE PROVISIONS OF THIS ACT ARE SEVERABLE.

12-170-115. Effective date. UNLESS OTHERWISE PROVIDED BY THIS ACT, ALL PROVISIONS OF THIS ACT SHALL BECOME EFFECTIVE UPON THE EARLIER OF THE OFFICIAL DECLARATION OF THE VOTE HEREON BY PROCLAMATION OF THE GOVERNOR OR THIRTY DAYS AFTER THE VOTE HAS BEEN CANVASSED, PURSUANT TO SECTION 1(4) OF ARTICLE V OF THE COLORADO CONSTITUTION. THE REMOVAL AND REDUCTION OF CRIMINAL PENALTIES BY THIS ACT IS INTENDED TO HAVE RETROACTIVE EFFECT.

SECTION 2: In Colorado Revised Statutes, 18-18-403.5, **amend** (1) as follows:

18-18-403.5. Unlawful possession of a controlled substance. (1) Except as authorized by part 1 or 3 of article 280 of title 12, part 2 of article 80 of title 27, section 18-1-711, section 18-18-428(1)(b), ~~or~~ part 2 or 3 of this article 18, OR THE “NATURAL MEDICINE HEALTH ACT OF 2022”, ARTICLE 170 OF TITLE 12 it is unlawful for a person knowingly to possess a controlled substance.

SECTION 3: In Colorado Revised Statutes, 18-18-404 **amend** (1)(a) as follows:

18-18-404. Unlawful use of a controlled substance. (1)(a) Except as is otherwise provided for offenses concerning marijuana and marijuana concentrate in sections 18-18-406 and 18-18-406.5 OR BY THE “NATURAL MEDICINE HEALTH ACT OF 2022”, ARTICLE 170 OF TITLE 12 any person who uses any controlled substance, except when it is dispensed by or under the direction of a person licensed or authorized by law to prescribe, administer, or dispense the controlled substance for bona fide medical needs, commits a level 2 drug misdemeanor.

SECTION 4: In Colorado Revised Statutes, 18-18-405, **amend** (1)(a) as follows:

18-18-405. Unlawful distribution, manufacturing, dispensing, or sale. (1)(a) Except as authorized by part 1 of article 280 of title 12, part 2 of article 80 of title 27, ~~or~~ part 2 or 3 of this article 18, OR BY “THE NATURAL MEDICINE HEALTH ACT OF 2022”, ARTICLE 170 OF TITLE 12 it is unlawful for any person knowingly to manufacture, dispense, sell, or distribute, or to possess with intent to manufacture, dispense, sell, or distribute, a controlled substance; or induce, attempt to induce, or conspire with one or more other persons, to manufacture, dispense, sell, distribute, or possess with intent to manufacture, dispense, sell, or distribute, a controlled substance; or possess one or more chemicals or supplies or equipment with intent to manufacture a controlled substance.

SECTION 5: In Colorado Revised Statutes, **amend** 18-18-410 as follows:

18-18-410. Declaration of class 1 public nuisance. EXCEPT AS PERMITTED BY THE “NATURAL MEDICINE HEALTH ACT OF 2022”, ARTICLE 170 OF TITLE 12 ANY store, shop, warehouse, dwelling house, building, vehicle, boat, or aircraft or any place whatsoever which is frequented by controlled substance addicts for the unlawful use of controlled substances or which is used for the unlawful storage, manufacture, sale, or distribution of controlled substances is declared to be a class 1 public nuisance and subject to the provisions of section 16-13-303, C.R.S. Any real or personal property which is seized or confiscated as a result of an action to abate a public nuisance shall be disposed of pursuant to part 7 of article 13 of title 16, C.R.S.

SECTION 6: In Colorado Revised Statutes, **add** subsection (5) to 18-18-411 as follows:

18-18-411. keeping, maintaining, controlling, renting, or making available property for unlawful distribution or manufacture of controlled substances.

(5) A PERSON ACTING IN COMPLIANCE WITH THE “NATURAL MEDICINE HEALTH ACT OF 2022”, ARTICLE 170 OF TITLE 12 DOES NOT VIOLATE THIS SECTION.

SECTION 7: In Colorado Revised Statutes, **add** subsection (3) to 18-18-412.7 as follows:

18-18-412.7. Sale or distribution of materials to manufacture controlled substances.

(3) A PERSON ACTING IN COMPLIANCE WITH THE “NATURAL MEDICINE HEALTH ACT OF 2022”, ARTICLE 170 OF TITLE 12 DOES NOT VIOLATE THIS SECTION.

SECTION 8: In Colorado Revised Statutes, **add** subsection (1)(c) to 18-18-430.5 as follows:

18-18-430.5. Drug paraphernalia—exception. (1) A person is exempt from sections 18-18-425 to 18-18-430 the person is:

(c) USING EQUIPMENT, PRODUCTS OR MATERIALS IN COMPLIANCE WITH THE “NATURAL MEDICINE HEALTH ACT OF 2022”, ARTICLE 170 OF TITLE 12. THE MANUFACTURE, POSSESSION, AND DISTRIBUTION OF SUCH EQUIPMENT, PRODUCTS, OR MATERIALS SHALL BE AUTHORIZED WITHIN THE MEANING OF 21 USC 863 (f).

SECTION 9: In Colorado Revised Statutes, **add** subsection (9) to 16-13-303 as follows:

16-13-303. Class 1 public nuisance.

(9) A PERSON ACTING IN COMPLIANCE WITH THE “NATURAL MEDICINE HEALTH ACT OF 2022”, ARTICLE 170 OF TITLE 12 DOES NOT VIOLATE THIS SECTION.

SECTION 10: In Colorado Revised Statutes, **add** subsection (2) to 16-13-304 as follows:

16-13-304. Class 2 public nuisance.

(2) A PERSON ACTING IN COMPLIANCE WITH THE “NATURAL MEDICINE HEALTH ACT OF 2022”, ARTICLE 170 OF TITLE 12 DOES NOT VIOLATE THIS SECTION.



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.

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- 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:
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- 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

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- 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.
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- 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).



Staff Report

February 3, 2025

To: Mayor and Town Council

Prepared By: Dara MacDonald, Town Manager

Subject: Initial debrief on Paradise Park Workforce Rental Housing Lottery of January 22, 2025

Summary: On the evening of January 22nd, the Town conducted a lottery for the first nine units of the Paradise Park Workforce Rental project. Following the drawing for two-bedroom units, a participant indicated that their name was not called (all tickets are drawn to establish winners and the waitlist), and upon conducting an audit the drawing for two-bedroom units had to be held again. One of the five winners in the original round was unsuccessful in the second drawing. The oversight which led to the need for a second drawing and the strong community response have led to the addition of a debrief with Council for the agenda on February 3rd in addition to the more detailed debrief and suggested changes for the Affordable Housing Guidelines and process discussion already planned for March 3rd.

Town staff apologize for the error of inadvertently excluding a lottery ticket from the first drawing for the two-bedroom units. It is our responsibility to provide a transparent, carefully structured, fair lottery. Our pre-lottery check in process was not sufficiently rigorous. Staff have identified new procedures to strengthen check-in processes, limit the number of people who touch tickets, and better manage involvement by participants. We will detail these proposed changes for the Council on March 3rd.

Previous Council Action: The Town updated its Affordable Housing Guidelines in November 2024 following a lengthy public process. The guidelines provide criteria for the qualification of tenants as well as conduct of lotteries. The guidelines are available on the Town's website: [Community Housing](#).

Discussion:

There were three staff members receiving community members both in the Council Chambers and online on the evening of the lottery. For lottery participants who chose to attend in person or virtually, a staff member reviewed with them the number of tickets they had been assigned based on their longevity working in the community and confirmed which lottery(ies) they were entered into. There were to be three lotteries for various sized units, one-, two- and three-bedroom units.

Staff split the double strips of tickets with the participants so each could have a copy of their ticket numbers, and either placed tickets for the one- and three-bedroom bins respectively and separated the tickets for the two-bedroom drawing so that winners from the one- and three-bedroom drawing could be removed from the subsequent three-bedroom drawing. Ten applicants participated in more than one lottery.

The Council Chambers was loud during this check-in time as people checked-in, milled about and got settled. It was particularly difficult to communicate with the participants who were online. In addition, participants were coming around the back of the dais to speak with staff rather than staying on the public side as intended. This just intensified the difficulty in maintaining clear communication and control of the process.

Erin Ganser managed the lotteries with kind assistance from Council member Gabi Prochaska. As each lottery ticket was drawn, the order of the draw was announced and updated on the screen in the Council Chambers (and online), and afterward the winning households selected their preferred unit(s). All tickets are drawn in each of the three lotteries. By drawing each ticket, places are established for selection of units as well as the waitlist, should a participant drop out. The process can drag on a bit as each ticket is drawn since households with many tickets continue to have their tickets pulled throughout the process.

As tickets were pulled, they were placed on labeled sheets of paper on the Council dias adjacent to each participant's name. This system allowed for an efficient audit of the tickets following each lottery. Once all of tickets were pulled, Erin and Gabi conducted a count of the tickets for each participant and verified the number of tickets that were awarded to each participant had been included in the lottery.

The lotteries for the three-bedroom units and the one-bedroom units were completed and audited without incident. Since some of the participants in the 2-bedroom lottery had been selected for units in the one- and three-bedroom lotteries, their tickets had to be removed from the pool of tickets for the two-bedroom units. This was completed and the lottery was conducted. Towards the end of the two-bedroom lottery, one of the participants came forward and placed an objection as their name had not been called. Through the audit, Erin and Gabi confirmed that this participant's ticket had not been included in the lottery. A search of the area turned up the ticket that was supposed to be in the drawing bin at the end of a table near another bin.

At that time Erin announced that a qualified participant's ticket had been inadvertently left out of the lottery and that the drawing was invalid and would need to be conducted again. The lottery proceeded in the same manner – checking the tickets going into the bin, conducting the drawing, and auditing the results. This time all tickets were accounted for. Unfortunately, one of the households that won a unit in the first drawing did not win a unit in the second drawing.

Video recording of the lottery can be viewed here: [video1834652073.mp4](#)

Issues identified:

- Slow down the check-in process. Staff recommend that one staff member be responsible for checking in all lottery participants (online and in person) to confirm their ticket allocation and names written on the back and take a seat/wait online. This approach will limit the number of people who touch the tickets and will take longer but will slow the flow

of participants and limit opportunities for interruptions and distractions. Staff will also re-evaluate whether a double strip of tickets (one for the bin, one for the participant) provides more transparency or more confusion.

- Restructure the pre-lottery confirmation. Prior to each drawing, staff will announce each participant's name, their ticket allocation, and add tickets to a hopper in view of seated audience as an orderly part of the proceedings. This approach will also add duration to the event but provides superior transparency.
- Consider amending the guidelines for deeper detail of process and inclusion of a waitlist policy.
- Consider conducting digital lottery. (Community feedback was not supportive of this approach.)

Upcoming Lotteries and Waitlist Structure:

The project has three phases of completion. The next phase includes two, two-bedroom units, which will be finished this summer. The final phase includes a triplex with a one-, two- and three-bedroom unit that will be finished around year end. A lottery will be held for each of these phases. Each lottery will re-establish the waitlist for the size units included in the lottery.

Vacancies will be filled based on the waitlist established in the drawing order at the previous lottery for the specific unit type. The drawing order established at the final lottery (year end 2025) will be the waitlist which applicants will be pulled from to fill future vacancies. The waitlist will be purged routinely to remove parties that are no longer interested. Over time, staff will evaluate whether the list should be fully purged, and applications reopened to repopulate the waitlist.

Legal Review: The Town Attorney has been informed of the situation and is up to speed on what occurred and relevant documentation.

Recommendations: Council members should feel free to ask questions about the lottery, guidelines and process. Council members may also make suggestions of additional issues that staff can prep for consideration at the March 3rd Council discussion scheduled on this topic.

Attachments:

Email from Ben and Korlissa Hess dated January 27, 2025

Email from Karen Morgan dated January 24, 2025

Emails from Abby Whitaker dated January 24, 2025

From: Karen H <karenahg89@gmail.com>

Sent: Friday, January 24, 2025 6:57 PM

To: Erin Ganser <eganser@crestedbutte-co.gov>; Rentals <rentals@crestedbutte-co.gov>

Subject: Paradise Park Lotery

Dear Leslie and Erin,

I want to start by expressing my gratitude for all the effort you've both dedicated to the workforce lottery. Unfortunately, the events of that night have left many individuals feeling quite upset. While I completely understand their perspective, I also believe that your team adhered to the rules and worked hard to ensure the lottery was conducted fairly, demonstrating transparency and respect for every participant.

Regrettably, the ticket that was not included in the two bedroom lottery was mine. I also noticed that a family left the lottery shortly after their name was drawn without waiting for the final results. I am aware that they are now voicing their concerns on social media and have even secured a meeting with the mayor.

I want to convey that I fully understand the pressure and stress your team is under, and I would like to share that I personally raised an objection during the draw. This led to the audit, which verified the objection and indicated that a redraw was necessary. Your email clearly stated that if a valid objection was raised, a redraw would take place.

If I can assist in any way regarding this issue, I want you both to know that I am more than willing to testify about my protest concerning this unfortunate human error. Please let me know how I can help, and I hope this matter can be resolved in a constructive civil manner.

Best Wishes,

Karen Morgan

-----Original Message-----

> From: Ben and Korlissa Hess <kbhess13@gmail.com>

> Sent: Monday, January 27, 2025 9:43 AM

> To: Erin Ganser <eganser@crestedbutte-co.gov>

> Subject: Lottery feedback

>

> Hey Erin!

>

> First, thank you so much for all the time and energy you put into this rental lottery. We truly are thankful for all the town is doing to help provide housing and these opportunities!

> We are not on any social media platforms and this is perhaps one of the best decisions we have ever made! Sadly though, we are realizing the details of this last lottery must be all over social media because everyone we talk to knows about it. Our heart feels for you and we know this must be hard. Let me start by saying we left the lottery super disappointed because we were really hopeful we would get a 3 bedroom unit. But we knew it was a lottery and we also left hopeful that something else would come up soon, maybe something better suited for us. We were not personally involved in the 2 bedroom lottery and therefore it's easier for us to extend grace and compassion. We just want to say that we thought you handled the lottery with great integrity. You were prepared and the details were all in place. The simple human mistake is hard but deserves such grace and forgiveness. It was honorable that you corrected the mistake and went forward doing what was best and fair. It would have been much worse to pretend that it hadn't happened. We have been in enough lotteries to recognize that it is extremely stressful to those who put them on. And yet we all want them to keep happening! We need to extend more gratitude to you and all those who put these on.

>

> We wanted to share that we feel strongly that an in-person lottery is the best way. It seems like if people want it bad enough, they should make it a priority to be there and to put their tickets in the hat. It's important for us to remember that we all have to take responsibility in this. It is the town government's responsibility to find ways to provide cheaper housing and they are doing this diligently. It is the townspeople's responsibility to do the hard work that is asked of them to qualify for these units. It's a privilege to be in the

lottery for cheaper housing. Nevertheless, it is a lottery and has to be held with an open hand.

> Lotteries are hard and very emotional. And we tend to want to hide away from that and go digital. But the reality is that these hard emotions are very healthy for everyone to partake in. It helps the town see the need and seriousness of the housing issue. It helps the rest of us support each other. Let's not choose to hide behind the screens and avoid the hard emotions.

>

> Ben and I were discussing the lottery ticket allocation. We have always felt like it is only fair that those who have worked here longer should get more tickets. But it also really makes it hard for those that are starting out and trying to make it work to live in CB. It has become increasingly obvious to us that our one ticket continues to leave us high and dry and we have to wait awhile before we receive more. We know the guidelines just changed and that this feedback would have been more helpful before that fact! We don't have any real qualms with the updated guidelines. But we offer this feedback as a result of this last lottery we experienced. We participated in the Homestead lottery up on the mountain and that seemed so simple in that everyone got 1 ticket. There were tiers and that was hard but seemed fair. The one lottery ticket each felt so clean! Another thought we had was what if you received one ticket for each consecutive year you worked in the county? This way it would feel like you are earning an extra ticket each year and would also give priority to those who have worked longer.

>

> Be encouraged that you are doing a great job! We are so thankful for all you're doing! Without your hard work, we would have little hope of finding a home.

>

> With much gratitude,

> Ben and Korlissa Hess

From: Abby Whitaker Curtiss <goldenhourskinclub@gmail.com>
Sent: Friday, January 24, 2025 2:07 PM
To: Town Council <towncouncil@crestedbutte-co.gov>
Subject: Re:

Also, one question if anyone might be able to answer it: are the town of crested butte affordable housing guidelines legally binding? The term “guidelines” is loose but they have been formally adopted so I am assuming so? If so, the participants did have a constitutional right (14th amendment) to a fair lottery as it is outlined in the guidelines adopted in November.

Abby Whitaker
Owner/Esthetician
Golden Hour Skin LLC

On Fri, Jan 24, 2025 at 1:48 PM Abby Whitaker Curtiss <goldenhourskinclub@gmail.com> wrote:

Hey Everyone. I've been in contact with Ian but I'd like to take the time to reiterate some points about the unfortunate occurrence at the lottery on Tuesday.

What seems to have occurred during the two bedroom drawings is this: people's names were called, and they were told they had housing. They even wrote their names next to the units they wanted. Scotia Cox, who had her baby daughter with her, was told she could leave the meeting early by staff since she had her baby daughter with her. After she left, someone realized they had forgotten to include a name in the drawing. A redraw was conducted, and Scotia's husband only found out in the middle of his shift that their housing had been taken away.

First and foremost, I believe it's critical that no leases or agreements be signed until this situation is thoroughly investigated. Based on the town's stated policies and procedures, it is clear and straightforward that these policies were not followed. The policies explicitly state, "The names of applicant households shall be printed out and verified prior to the lottery to ensure that no applicants have been excluded." This verification step is meant to ensure fairness and accuracy before the drawing begins. However, it was either skipped or mishandled, as evidenced by the omission of an applicant's name. The policies also state that redraws are only permitted if a valid objection is filed by a participant. No such objection was filed, yet a redraw was conducted. Policies and procedures exist precisely to avoid situations like this. When they are ignored or improperly followed, it creates chaos and inequity for everyone involved. These missteps mean that every participant—whether they were selected in the first drawing, the second, or not at all—was denied their right to a fair and transparent process.

Unfortunately, it's going to be important to acknowledge that the second drawing, though it produced different winners, is no more valid than the first if you cannot provide the first winners their housing they were promised. Both violated the rules, and as a result, neither can reasonably be considered legitimate. Objectively speaking, the only fair solution at this point is to conduct a third drawing. While this will understandably be unfortunate for those who won in the second round, the lack of validity in both prior drawings leaves no other path forward that ensures fairness to all applicants. This third drawing must be fully monitored, with a vetted process in place that includes providing every applicant a confirmation number to verify their inclusion. Anything less would continue to erode trust in this process.

Also, Pulling names from a trash can, particularly for something as significant as affordable housing, sends the wrong message about the seriousness of this process. This approach lacks professionalism and transparency, and there are modern automated systems readily available that could ensure accuracy, prevent human error, and eliminate any perception of bias or conflict of interest. Affordable housing lotteries deserve the same level of care and respect as I assume occur for neighborhoods like Prospect or Skyland.

The impact of these procedural failures on families like Scotia Cox's cannot be overstated. To tell someone they have housing and then revoke it without due process is both unacceptable and inhumane. Whether intentional or not, the result is the same. I think it's

a profound betrayal of trust and an emotional toll that could have been avoided by simply following the established rules.

I know Erin is in a tough spot but I want to emphasize that her explanation of “human error” and “no solution” is not an acceptable response. This situation demands more than just apologies or excuses...it requires a clear, legitimate resolution. Mistakes happen. When you fail to follow the town’s publicly stated policies and procedures, you then rectify those mistakes.

I don’t personally think this is an issue that can wait until March for a town council meeting. I strongly urge the town to intervene immediately to ensure this is resolved fairly and transparently before any leases are signed.

There is absolutely not a right answer that doesn’t affect people. And that is a result of not following town’s very clearly stated policies. Since the policies and procedures were breached for both lotteries, making neither more legitimate than the other, it seems most fair that lease agreements are paused until the investigation is complete and that someone should be conducting a third draw, making sure the process is fully monitored, with all attendees receiving confirmation numbers to validate their entries. In this third draw I would adopt an automated system to handle audits, and drawings to ensure accuracy and transparency (not a trash can) and finally follow all policies exactly as written, including verifying entries before the drawing and ensuring redraws only occur if a valid objection is filed. After this situation I would also record lottery agendas and minutes to maintain accountability and provide clarity to all participants. Erin and Dara should likely produce a formal apology as well.

Abby Whitaker

Owner/Esthetician

Golden Hour Skin LLC



Staff Report
February 3, 2025

To: Mayor and Town Council

Prepared By: Dannah Leeman, Sustainability Coordinator

Subject: **Town Council Adoption of the 2030 Climate Action Plan**

Summary:

The purpose of this agenda item is for Town Council to consider adopting the 2030 Climate Action Plan (CAP).

Previous Council Action:

At the 12/16/24 Town Council CAP work session, staff shared with the Council public comments received during the public comment period and climate action plan committee (CAPC) feedback on the most current version of the plan at that time. A full summary of public and CAPC feedback on the 2030 CAP may be viewed within the staff report titled “Draft 2030 Climate Action Plan Update” in the [Monday, December 16, 2024 Second Amended Comprehensive E-Packet](#) on the Town’s website.

During the work session, Council gave the following recommendations for revisions to the plan:

- **Strategies BD-2 & BD-3 (on requiring building energy efficiency assessments and providing incentives)**
 - Council indicated that the framing of existing building energy efficiency requirements and incentives were confusing and should be clarified.
- **Water Conservation**
 - Council did not feel a water inventory or major actions on residential water conservation were necessary for this iteration of the Climate Action Plan. Council was agreeable to a note on water efficiency being included in recommendations for zoning code updates to embed the opportunity for future actions.
- **Solar Permitting Fees**
 - Council expressed concern about the fees the Town imposes for community members installing solar arrays on their homes and requested this be addressed within the CAP.
- **Document Length**
 - Council encouraged staff to find ways to reduce the length of the document and improve readability.
- **Scope 3 emissions recognition:**
 - Council advised staff to acknowledge only Scope 3 emissions (emissions caused by activities outside the boundaries of Town Town) within the CAP on which Town would likely have reasonable influence.

Background:

About the CAP

The 2030 CAP development began in January 2024 and is an effort to reassess town and community emissions levels and set new climate action goals to 2030 in Crested Butte. The goal of the CAP is:

“Crested Butte will act on the urgency of climate change by setting the example of what is possible for mountain communities to take responsibility for our climate impacts and strategically drive down Crested Butte's GHG emissions”.

The plan's main charter is to provide an implementation plan to meet the Community Compass strategic goals of “act on the urgency of climate change and prepare for the changes we expect from it” and “continue to passionately care for our natural surroundings and forever protect Red Lady”.

The CAP was developed as part of the Town's Compass Navigation initiative, in coordination and collaboration with the Transportation Mobility Plan (TMP), Historic Preservation Plan (HPP), and Community Plan (CP). Each of these efforts builds on the Town's Community Compass foundation, ultimately informing a comprehensive update of the Town's Zoning Code, Building Codes, Design Standards and Guidelines, in addition to identifying new projects and programs that will move the Town forward on climate issues.

Process Overview:

The simultaneous nature and extensive community outreach of the Compass Navigation planning effort was intentional to ensure the Compass's seven strategic goals (listed below) could be addressed comprehensively, where their inherent conflicts could be vetted together, and a shared path forward for each initiative could be determined together with the community.

1. Approach community challenges through active collaboration and public engagement.
2. Accommodate growth in a way that maintains the Town's and Valley's rural feel.
3. Enable people who live and work here to thrive.
4. Retain the unique character and traditions of Crested Butte.
5. De-emphasize cars and focus on walking, biking, and transit.
6. Continue to passionately care for our natural surroundings and forever protect Red Lady.
7. Act on the urgency of climate change and prepare for the changes we expect from it

Plan development has followed the Community Compass decision-making framework to establish a goal, define success measures, develop alternatives, and make decisions using informed consent. The general timeline for the plan included:

- **Phase 1 (January – March 2024): Defining the challenge and goal statement**
 - Brendle Group performed a 2022 GHG Emissions Inventory, and staff worked with the Climate Action Plan Committee (CAPC) to develop a challenge and goal statement for the plan.
- **Phase 2 (April– July 2024): Identify success measures, create alternatives**
 - Staff worked with the CAPC to refine proposed success measures and develop potential climate action alternatives. Staff went to the community for feedback on the plan
- **Phase 3 (July – November 2024): Refine and filter climate action alternatives, Draft climate action plan**

- Staff has worked with the CAPC, BOZAR, and Town Council to refine the proposed alternatives and filter them through the success measures. Brendle showed what alternatives had the biggest effect on GHG emissions reductions and community benefit. The plan was published for public comment during this period from October 21, 2024 – November 18, 2024.
- **CURRENT PHASE: Phase 4 (November 2024 – January 2025): Make an informed decision: Complete Climate Action Plan and Council Adoption**
 - Town Council, staff, and the CAPC have considered final comments, made final edits, and are now recommending Town Council adoption.

Overview of the Climate Action Plan:

The 2030 CAP and its appendices are included as attachments to this staff report. The Town of Crested Butte has influence on reducing community and Town greenhouse gas (GHG) emissions by leveraging strategies in four major impact areas: building energy use, renewable energy supply, waste management and materials, and low-carbon transportation. With Brendle Group's expertise and feedback from the CAPC, public, and Council, staff and Brendle refined a group of strategies and actions to address emissions for Crested Butte to 2030 and create an implementation timeline. As guided by Town Council, Brendle Group provided a cost-analysis and forecasted GHG emissions impact for each proposed climate action to inform which actions were the most cost-effective and should be highly prioritized by the Town. The results of this analysis are included in **figure 1:**

Figure 1. Top 7 climate strategies identified in the 2030 CAP (Dollars spent/MTCO₂e reduced). See 2030 CAP for all recommended strategies and actions.

1	\$89 - \$101	Accelerate efficiency improvements and electrification in existing residential buildings
2	\$122 - \$134	Accelerate efficiency improvements and electrification in existing commercial buildings
3	\$222 - \$626	Maximize new local renewable energy generation
4	\$587 - \$878	Raise the bar on low emissions new construction
5	\$742 - \$953	Increase diversion from landfill and encourage sustainable consumption
6*	\$1,173 - \$1,521	Lead the way with efficiency improvements and electrification of Town buildings
7*	\$10,503 - \$12,837	Install renewable energy resources to serve Town facilities

**The cost effectiveness is lower than other strategies due to accounting for the full cost of implementation by the Town.*

[The 2022 Crested Butte GHG Emissions Inventory](#) identifies that 90% of Crested Butte's community emissions are sourced from natural gas and electricity use; 51% of those energy emissions are attributed to energy use in existing residential buildings. Consequently, the analysis provided in **figure 1** finds that existing building energy use for both commercial and residential properties are the Town's biggest opportunities to reduce GHG emissions to 2030 in a cost-effective manner. A proposed implementation timeline is included in the draft CAP that directs staff to prioritize existing building emissions and then look to address other sources of emissions within the Town.

Discussion:

Based on Council guidance from the 12/16/2024 Town Council CAP work session, staff has made the following changes to the draft 2030 CAP:

- **Strategies B2 and B3 on requiring energy efficiency assessments and providing incentives (formerly strategies BD-2 and BD-3)**
 - Staff have modified these two strategies and their actions to provide clarity on building energy assessment requirements and incentive programs for both residential and commercial properties.
- **Water Conservation**
 - Staff have incorporated a mention of “prioritizing water efficiency” into the description of action B1.B: “Enable climate-friendly construction and development through flexible design guidelines and a review of permitting processes.
- **Solar Permitting Fees**
 - Staff have incorporated a mention of “reducing solar permit fees” into the description of action B1.B: “Enable climate-friendly construction and development through flexible design guidelines and a review of permitting processes.
- **Document length and readability**
 - The CAP document has been revised with design changes, increased white space, and more concise content to improve length and readability. The document has been reduced from 76 to 68 pages.
- **Scope 3 emissions recognition:**
 - The Scope 3 emissions narrative was revised to include a list of relevant Scope 3 emissions that the Town would likely have reasonable influence over. **See page 19** of the CAP (attached).

Climate Impact:

Community emissions are projected to decrease by 42% from 2022 to 2030 from 2022 levels thanks to Tri-State’s renewable energy commitments and current state efforts. Implementing all strategies in this CAP could achieve an additional 10% reduction, **resulting in a 52% reduction in total community emissions** by 2030. This anticipated emissions reduction aligns with the State of Colorado’s adopted goal (50% from 2005 levels), current goals to reduce U.S. GHG emissions (50-52% from 2005 levels), and the UN Paris Agreement goal (50% reduction in global emissions to keep global warming below 1.5 degrees Celsius).

Financial Impact:

Anticipated financial impacts are explained alongside each CAP strategy and action. See the attached plan for details.

Recommendation:

Staff recommends that Town Council consider adopting the 2030 Climate Action Plan during this meeting.

Proposed Motion:

A Council member should make a “motion to approve the adoption of the 2030 Climate Action Plan” followed by a second and roll call vote.

Attachments:

- Draft 2030 Climate Action Plan
- Appendix I: 2022 GHG Emissions Inventory Report
- Appendix II: Crested Butte Action Analysis Technical Summary



2030 Climate Action Plan

Adopted 2025



ACKNOWLEDGEMENTS

Crested Butte is a small town with a big community, and we would like to thank everyone who contributed to the development of this Climate Action Plan. In particular, we acknowledge the following individuals and organizations whose input and support was critical:

Town Council

Ian Billick, *Mayor*
 Mallika Magner, *Mayor Pro-Tem*
 Anna Fenerty
 Beth Goldstone
 Gabi Prochaska
 Jason MacMillan, *Former Council Member*
 John O'Neal
 Kent Cowherd

Town Staff

Dara MacDonald, *Town Manager*
 Dannah Leeman, *Sustainability Coordinator*
 Jessie Earley, *Senior Current Planner*
 Madison Manning, *Former Planning Technician*
 Mel Yemma, AICP, *Senior Long-Range Planner*
 Shea Earley, *Public Works Director*
 Troy Russ, *Community Development Director*

CAP Advisory Committee

Beth Goldstone
 Donny Davol
 Gesa Michel
 Nicole Glaser
 Valeda Scribner

BOZAR

Erik Nauman, *Chair*
 Donny Davol, *Vice Chair*
 Ed Schmidt
 Halley Anderson
 Josh Staub
 Luz Spann-Labato
 Roxana Alvarez Marti

Consultants



Imogen Ainsworth, *Lead Sustainability Consultant*
 Mitchell Carter, *Design Specialist*
 Shelby Sommer, *Senior Director of Planning*
 Terry Hatfield, *Lead Engineer*

Cover Photo Credit

Lydia Stern

Community Engagement Hosts

Center for the Arts
 The Eldo
 Elevation Hotel & Spa
 Special presentation by Auden Schendler,
Aspen One

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EXECUTIVE SUMMARY

Climate change is one of the most important issues facing society and Crested Butte is no exception. This plan provides a strategic roadmap for climate action out to 2030. It builds on the Town's 2019 Climate Action Plan (CAP) to update an understanding of Crested Butte's greenhouse gas emissions and charts an actionable path to reduce them.

A 2022 GHG emissions inventory revealed that 90% of in-boundary community emissions are produced from building energy use, 51% of which are produced by residential buildings' energy use. Addressing emissions from existing buildings continues to be one of the more challenging and complex GHG emissions reduction strategies for Crested Butte and significantly reducing emissions must be balanced with other declared emergencies and community priorities.

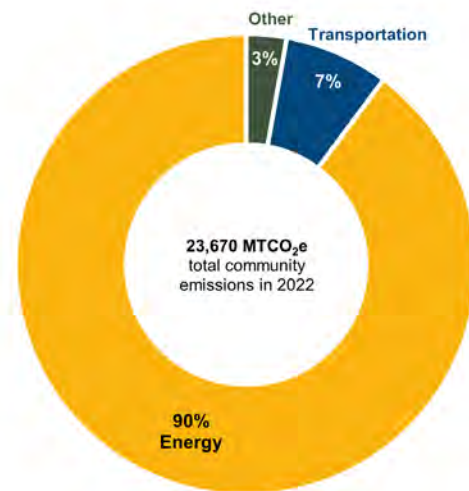
Crested Butte is uniquely positioned to take control of its emissions and shape the community's future.

The goal of this plan is to act on the urgency of climate change by setting the example of what is possible for mountain communities to take responsibility for our climate impacts and strategically drive down Crested Butte's emissions.

Based on this CAP emission inventory, forecasts, community input, and Town Council guidance, Crested Butte's key opportunities for emissions reduction are clear:

1. Building Decarbonization: Improve the efficiency of buildings and electrify building systems where possible.

Buildings account for 90% of Crested Butte's emissions, making them the top climate action priority through 2030. As GCEA's electricity gets cleaner, natural gas in buildings will dominate emissions. Electrification and improving building efficiency are key to cutting emissions, reducing energy demand, and lowering renewable energy transition cost.



5% Increase
in calculated
community
emissions
between 2017 and
2022



**Building
Energy Sector**
electricity and
natural gas
use are the
largest source of
emissions

2. Renewable Energy Supply: Support and accelerate the transition to renewable sources of electricity.

Although GCEA and Tri-State aim to cut emissions by 2030, the Town can speed up progress by supporting local renewable energy generation and adding renewables to its facilities while prioritizing cost-effective projects.

3. Waste and Materials Management: Reduce the amount of waste going to landfill at source and through diversion.

Waste and wastewater make up only 3% of Crested Butte's emissions but offer easier ways to engage the community in climate action. Better waste diversion reduces landfill use, cutting methane and carbon emissions.

4. Low Carbon Transportation: De-emphasize cars and support the transition to electric vehicles.

Only 5% of trips within Crested Butte are by car, but cars dominate travel in and out of town. The 2024 Transportation Mobility Plan (TMP) outlines ways to reduce vehicle reliance, while a joint EV Readiness Plan with Mt. Crested Butte aims to support EV adoption.

This CAP defines an action plan with strategies and actions related to these four opportunities to prioritize the Town's actions to meet its goal. To implement, this plan focuses first on the most cost-effective actions and foundational steps to enable future work and maximize the Town's impact to 2030.

The Action Plan includes the following implementation timeline:

Near-Term 2025 - 2026	<ul style="list-style-type: none"> • Incorporate foundational and enabling strategies into all climate actions • Require energy assessments for existing buildings and update zoning codes • Expand building energy efficiency and electrification incentives • Accelerate renewable energy coordination, education, and advocacy • Develop incentives for waste reduction • Implement Town facility energy monitoring and planning
Mid-Term 2027 - 2028	<ul style="list-style-type: none"> • Develop commercial building energy benchmarking requirements • Track new construction building materials • Implement Town facility efficiency, electrification, and renewable energy generation projects • Support new local renewable energy generation
Long-Term 2029 - 2030	<ul style="list-style-type: none"> • Close the gap on new construction electrification and efficiency • Continue implementation of policy and incentive programs to reduce existing building emissions





INTRODUCTION

Climate change is a critical issue, and Crested Butte is not immune. The Crested Butte community, nestled at nearly 9,000 feet with its mountains, rivers, and lakes, is already experiencing its effects—warmer summers, increased wildfire risk, and altered snow and stream patterns. The beauty of the Gunnison Valley's surroundings and the recreational opportunities they provide are the foundation of Crested Butte's economy and way of life, both of which are at risk.

This 2030 Climate Action Plan (CAP) renews the Town's commitment to mitigating climate change by prioritizing the reduction of greenhouse gas (GHG) emissions across the community and municipal operations. While the Town of Crested Butte's (Town) small footprint may seem insignificant in the global context, Crested Butte's legacy of creativity, collaboration, and leadership positions the Town to take meaningful action. By addressing Crested Butte's emissions, this plan aims to shape the future, inspire other communities, and amplify Crested Butte's impact

ABOUT THIS PLAN

This plan provides a 5-year roadmap for climate action out to 2030. It builds on the Town's 2019 Climate Action Plan to update the Town's understanding of Crested Butte's GHG emissions and charts an actionable path to reduce them. The development of this plan was driven by robust data analysis combined with extensive community engagement. It is not intended to provide a prescriptive set of instructions, as circumstances will change and programmatic details of exactly how each of the actions are brought to life will emerge as we implement. It does, however, identify key strategies and steps to act on the Town's greatest opportunities to reduce emissions both community-wide and within Town operations.



Photo credit: Robby Lloyd

THIS CAP'S GOAL:

Crested Butte will act on the urgency of climate change by setting the example of what is possible for mountain communities to take responsibility for our climate impacts and strategically drive down Crested Butte's GHG emissions.

CLIMATE CHANGE IN CRESTED BUTTE

Climate change is affecting weather and climate extremes in every region across the globe and having a profound impact across the US and in our community (IPCC 2021).

In Colorado, temperatures have risen about 2.3°F from 1980 to 2022 and “further and significant warming is expected in all parts of Colorado, in all seasons, over the next several decades” (Bolinger, et al. 2024). The frequency and intensity of heat waves, drought, and wildfire are all expected to increase across Colorado as temperatures rise by another 1 – 4°F, precipitation patterns shift, and snowpack decreases between now and 2050 (Bolinger, et al. 2024).

In the Gunnison Valley, temperatures have risen slightly less quickly than the state average – about 1.5°F since 1980 as shown in Figure 1 – and remain relatively cool thanks to our high-altitude climate (NOAA 2024). However, this region's environment, economy, and way of life remain vulnerable to climate change. Rising temperatures across the U.S. may drive more people to Crested Butte's cooler mountain climate. This community has experienced first-hand the impact of drought, wildfires, and extreme weather, and these threats will continue to impact Crested Butte in myriad ways.

Global warming is projected to continue until at least mid-century, regardless of efforts to reduce future GHG emissions and many of the changes will be irreversible for centuries to millennia (IPCC 2021). Climate change impacts will largely scale with future GHG emissions. While adaptation is vital, we can still help mitigate severe effects by significantly reducing emissions by 2030.

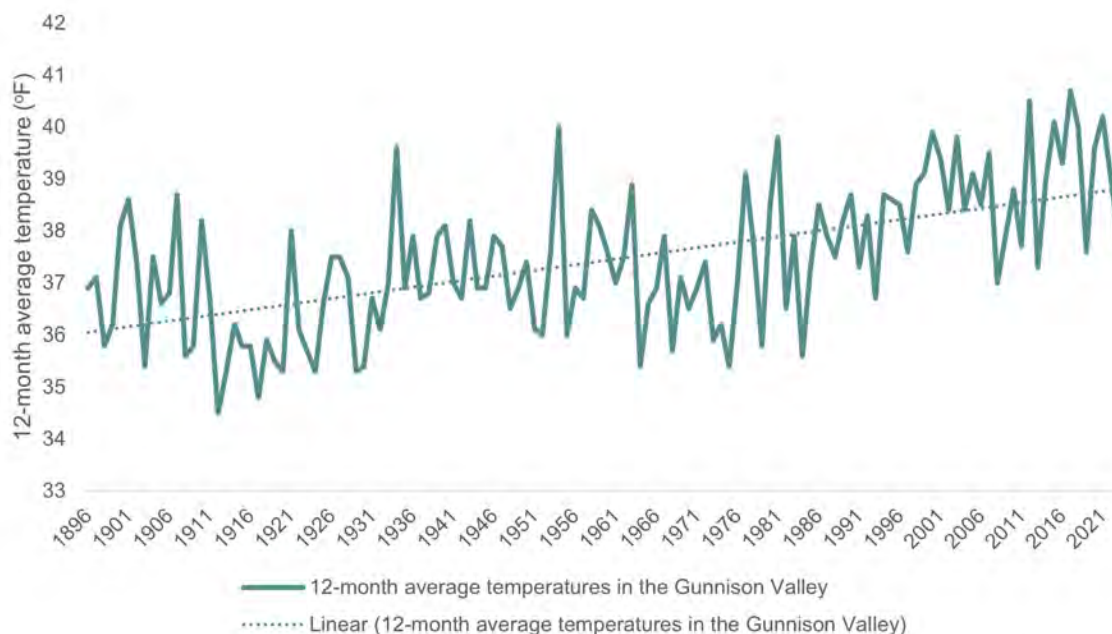
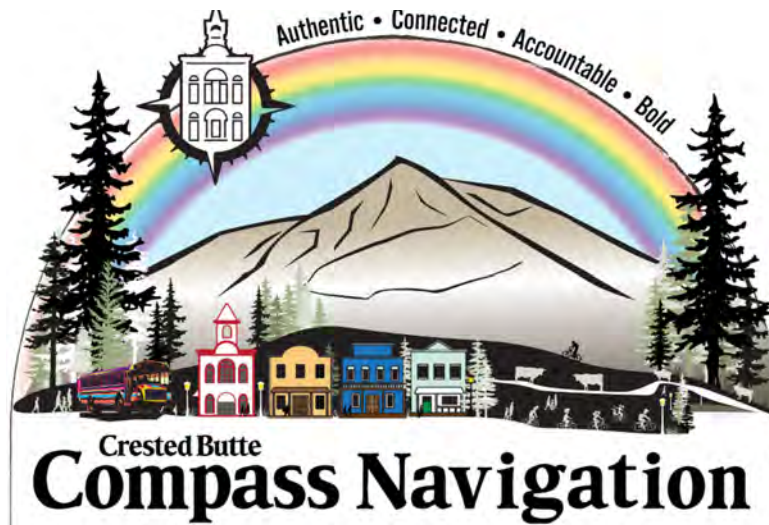


Figure 1. 12-month average temperature in the Gunnison Valley (NOAA 2024)



An Intentional and Interconnected Plan

Climate change is not the only threat facing the Crested Butte community. Continued tourism growth, an affordable housing crisis, workforce shortages, and rising costs of living have converged into a pivotal moment. This Climate Action Plan was developed amid unprecedented local collaboration and a global climate challenge. In 2022, the [Crested Butte's Community Compass](#) was created to serve as our community's North Star, a guiding framework to address the community's most pressing challenges strategically. The Compass established core community values of being **authentic, connected, accountable, and bold** and laid the foundation for "Compass Navigation", a series of interconnected plan developments to work towards achieving the 5-Year Strategic Plan identified in the Compass:



Transportation Mobility Plan (TMP)

The TMP sets a long-term roadmap to support the Community Compass goal of “de-emphasizing cars and focusing on walking, biking, rolling, and transit” through an approach of improving alternative mobility choices, managing parking convenience, and integrating land use with transportation. *The CAP and the TMP support each other through recommended actions on low- and no-carbon transportation opportunities.*

Climate Action Plan (CAP)

The goals and actions the Town will take to address the changing climate are fully outlined in this document. This plan was intentionally developed in coordination with the three other Compass Navigation plans, ensuring all plans consider climate and acknowledge both complimentary and conflicting actions. *Simultaneously, the CAP supports climate-forward strategies in the other Compass plans to create four strategic plans that thread climate-friendly actions into their recommendations.*

Historic Preservation Plan (HPP)

Guided by the Compass goal of “Retain the unique character and traditions of Crested Butte”, the HPP will establish how the Town can ensure its architectural identity reflects Crested Butte’s deep sense of community and its evolution over time. *The CAP recommends climate-friendly design guidelines to preserve Crested Butte’s historic character while promoting energy-efficient buildings.*

Community Plan (CP)

The CP seeks to balance the Town’s strategic goals of “enabling people who live and work here to thrive” with “accommodating growth in a way that maintains our rural feel.” This plan aims to improve the livability, functionality, and sense of community in Crested Butte by leveraging the Town’s development regulations to stimulate more free market investment in community-serving housing, businesses, and non-profits. *The CAP supports the CP by leveraging zoning to increase density and improve transportation, reducing emissions by enabling people to live closer to work and recreation.*



HOW THIS PLAN WAS DEVELOPED

GUIDED BY THE COMPASS

This Climate Action Plan was created to be an authentic, connected, accountable, and bold plan, to reflect the Compass Compass, and help move forward several of its strategic goals.

Climate Action that aligns with Crested Butte's values

Community Value	Climate action that aligns with this value means...
Authentic	...we prioritize creative, quirky, and homegrown climate initiatives and put local people first.
Connected	...We celebrate and invest in our buildings to serve future generations, pursue collaborative solutions with impact beyond our boundaries, and support climate action that enhances the vibrancy of our community and economy.
Accountable	...we recognize our responsibility to mitigate climate change by setting measurable targets and establishing a framework to track our impact over time.
Bold	...we are not afraid to be first, lead the way among mountain communities, boldly taking action with both immediate and long-term impacts in mind.



Photo credits: Town of Crested Butte & Town of Mt. Crested Butte



5-STEPS TO VALUE BASED DECISION MAKING

The Compass's 5-step process ensures Town Council can make informed decisions when addressing pressing challenges. This CAP uses that framework to create a values-driven roadmap aligned with parallel planning efforts.

STEP 1: Define the challenge and develop a goal statement to address the challenge

The first step in creating this CAP was identifying the climate challenge through an updated 2022 greenhouse gas (GHG) emissions inventory, summarized in the "Understanding Crested Butte's Greenhouse Gas Emissions" section. These informed key emissions drivers, the plan's goals, and action opportunities.

STEP 2: Commit to a community engagement strategy

To solicit meaningful community input on the plan, the Town convened a Climate Action Plan Committee (CAPC) with community members, a Town Council member, a BOZAR member, and staff to inform decisions. Additional outreach included a regional climate summit, block parties, surveys, event tabling, an open mic night, Town Council presentations, and a 30-day public comment period before adoption.

STEP 3: Identify success measures

The next step was defining success for the plan, with measures tailored to Crested Butte through input from the CAPC, community, and Town staff. These measures were used to evaluate the impact of climate actions:

- ✓ **Meaningfully reduces GHG emissions:** The estimated impact of action on future emissions, measured in metric tons of carbon dioxide equivalent (MTCO₂e).
- ✓ **Provides a substantial return on investment:** The estimated dollars the Town may spend over the plan horizon (2025 – 2030) to achieve each metric ton of carbon dioxide equivalent avoided in 2030 (\$/MTCO₂e).
- ✓ **Sets a bold example among mountain communities:** Actions that are replicable, scalable, and novel.
- ✓ **Is proactive before reactive:** Actions that get ahead of challenges, policy, and change rather than react to them.
- ✓ **Leverages regional initiatives and partnerships:** Actions that create opportunities for regional synergy and collaboration on shared goals.
- ✓ **Provides significant co-benefits:** Actions that result in benefits for the community, beyond emissions reduction.

STEP 4: Create alternative solutions and filter them through the success measures

Guided by goals, community input, and data analysis, the Town identified pathways to address the climate challenge. Input from the CAPC, Town Council, and community helped refine these into a preferred action plan, with each action evaluated using success measures from Step 3.

STEP 5: Make decisions based on informed consent

It is unrealistic to obtain community consensus on the complex topic of climate action. Using the informed consent model, this plan is designed to support the Crested Butte Town Council to make bold decisions on climate action, informed by rigorous data analysis and broad community participation.





UNDERSTANDING CRESTED BUTTE'S GHG EMISSIONS

COMMUNITY EMISSIONS

The community GHG inventory quantifies emissions from activities in Crested Butte, guiding climate action alternatives and providing a framework to evaluate and monitor their impact over time. The 2022 community GHG inventory was developed using current best-practices in the Global Protocol for Community-Scale Greenhouse Gas Inventories (WRI, ICLEI, and C40 Cities Climate Leadership Group 2022). It includes Scope 1 and Scope 2 emissions relevant to Crested Butte along with Scope 3 solid waste emissions attributable to activities within Crested Butte (Table 1). As part of this plan, Crested Butte's 2017 community GHG inventory was also updated to align with the GPC guidance to allow for comparison between the two inventory years.

Table 1. The scope of emissions in the community-wide emissions inventory for 2022

Scope	Definition	Sources Included in the 2022 Inventory
Scope 1	GHG emissions from sources located within the Town boundary.	<ul style="list-style-type: none"> Natural gas use Wastewater treatment processes Transportation within Town limits
Scope 2	GHG emissions occurring because of the use of grid-supplied electricity, heat, steam, and/or cooling within the Town boundary.	<ul style="list-style-type: none"> Electricity use
Scope 3	All other GHG emissions that occur outside the Town boundary because of activities taking place within the Town boundary.	<ul style="list-style-type: none"> Solid waste disposal



Photo credit: Nolan Blunck



Community Emissions Today

In 2022, Crested Butte's community emissions totaled 23,670 MTCO₂e—equivalent to 5,000 gasoline cars driven for a year (EPA 2024). The Energy sector accounted for 90% of emissions, followed by Transportation at 7% and Waste/Water at 3%. *Details, including emission factors, are available in Appendix I: 2022 Town of Crested Butte GHG Emissions Inventory.*

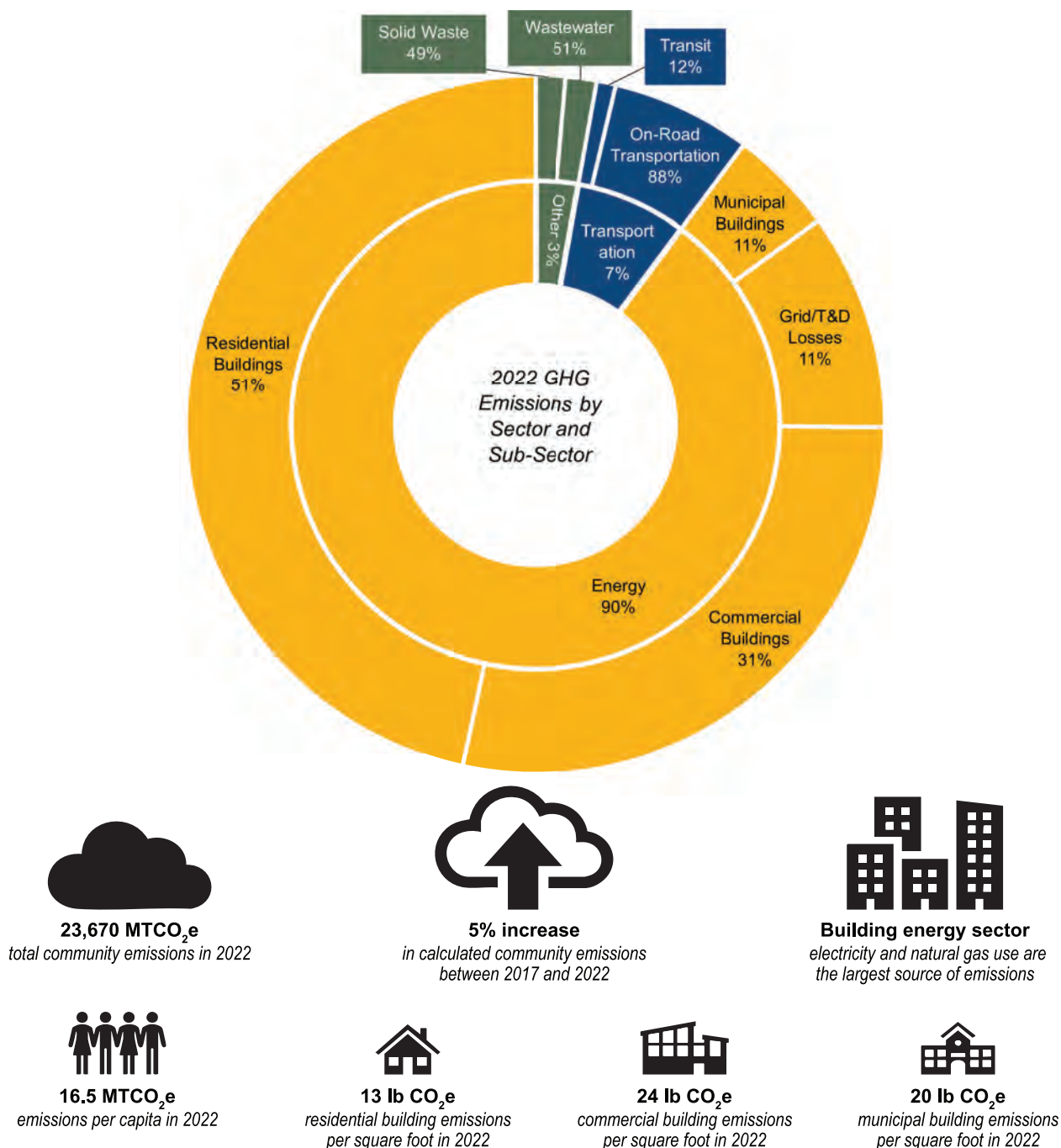


Figure 3. Crested Butte's community-wide 2022 greenhouse gas emissions

Change in Community Emissions since 2017

Community GHG emissions increased by 5% from 2017 to 2022, driven by higher natural gas use, increased vehicle miles traveled, and increased solid waste generation. Reduced electricity consumption and lower emissions factors for electricity, natural gas, and transportation helped offset some of the increase. *More details are in Appendix I: 2022 Town of Crested Butte GHG Emissions Inventory.*

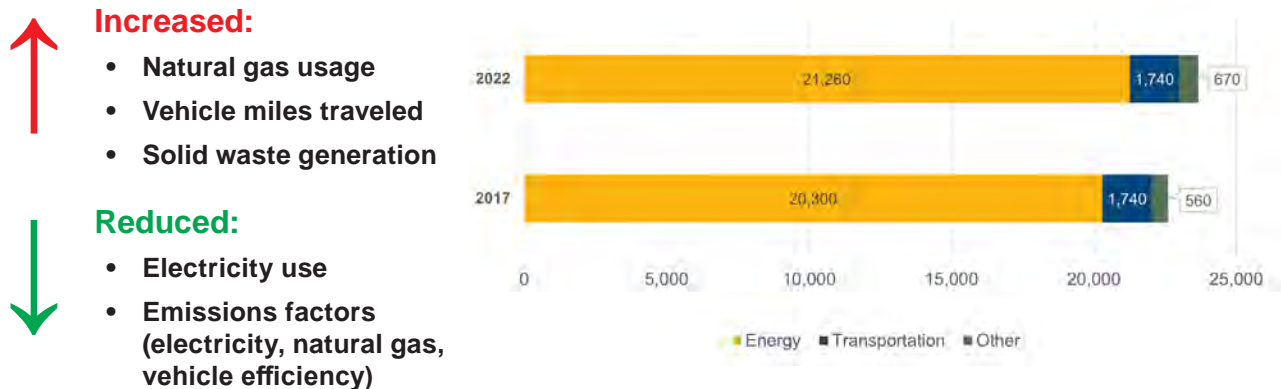


Figure 4. Town of Crested Butte community-wide GHG emissions by sector, 2017 and 2022

SECTOR	2017 (MTCO ₂ e)	2022 (MTCO ₂ e)	CHANGE
Energy	20,300	21,260	+5%
Commercial Buildings	8,750	6,680	-24%
Grid / T&D Losses	1,970	2,390	+21%
Municipal Buildings	Included in Commercial	1,150	N/A
Residential Buildings	9,580	11,040	+15%
Transportation	1,740	1,740	0%
On-Road Transportation	1,740	1,530	-12%
Transit	Not calculated	210	N/A
Other	560	670	+20%
Solid Waste	240	330	+38%
Wastewater Treatment	320	330	+6%
TOTAL EMISSIONS	22,600	23,670	+5%
Population	1,385	1,434	+4%
PER CAPITA EMISSIONS	16.3	16.5	+1%

Table 2. Community emissions by sector and sub-sector, 2017 and 2022, population numbers are 5-year ACS estimates



Future Community Emissions

Based on 2022 GHG emissions, the Town developed Business as Usual (BAU) and Adjusted BAU forecasts for 2030 emissions. These forecasts serve as a baseline to measure the impact of new actions in this plan, excluding their effects on emissions

Business as Usual (BAU)

The BAU estimates emissions should the Town not realize the utility-level emissions reduction commitments or market shifts (such as increased vehicle efficiency) that are anticipated. Under the BAU scenario, community emissions would increase by an estimated 7% when accounting for population growth and existing Town commitments expected to impact future emissions:



7% increase
in community emissions
under BAU scenario.

Expected population growth

Population is a key driver of activities, including energy use and waste generation. The BAU includes forecasted growth in the average daily annual population of Crested Butte, taking into account both full-time residents and visitors.

Planned new and redeveloped Town facilities

A number of new Town facilities are planned for construction or redevelopment between now and 2030.

The Town's adoption of up-to-date building and energy codes

Crested Butte has adopted the 2021 International Building and Energy Codes, with added efficiency and all-electric provisions to reduce future building emissions.

Adjusted Business as Usual (ABAU)

The ABAU demonstrates how emissions are expected to change with current utility level emissions reduction commitments and forecasted market and population changes. Under the ABAU scenario, community emissions are expected to decrease by an estimated 42% when accounting for the following external commitments, in addition to the BAU factors:



42% decrease
in community emissions
under ABAU scenario.

Increased renewables generation in Crested Butte's electricity supply

Tri-State, GCEA's wholesale electricity provider, aims to reduce GHG emissions by 89% by 2030 from 2005 levels, resulting in a projected 78% reduction in Crested Butte's electricity emissions by 2030.

More fuel-efficient vehicles

Colorado's fuel efficiency standards will reduce emissions per mile for gas and diesel vehicles, a key factor in transportation emissions.

Transition to electric vehicles (EVs)

The shift to EVs and renewable electricity will reduce transportation emissions. The ABAU incorporates expected EV adoption based on Colorado's Zero Emission Vehicle requirements and forecasts.

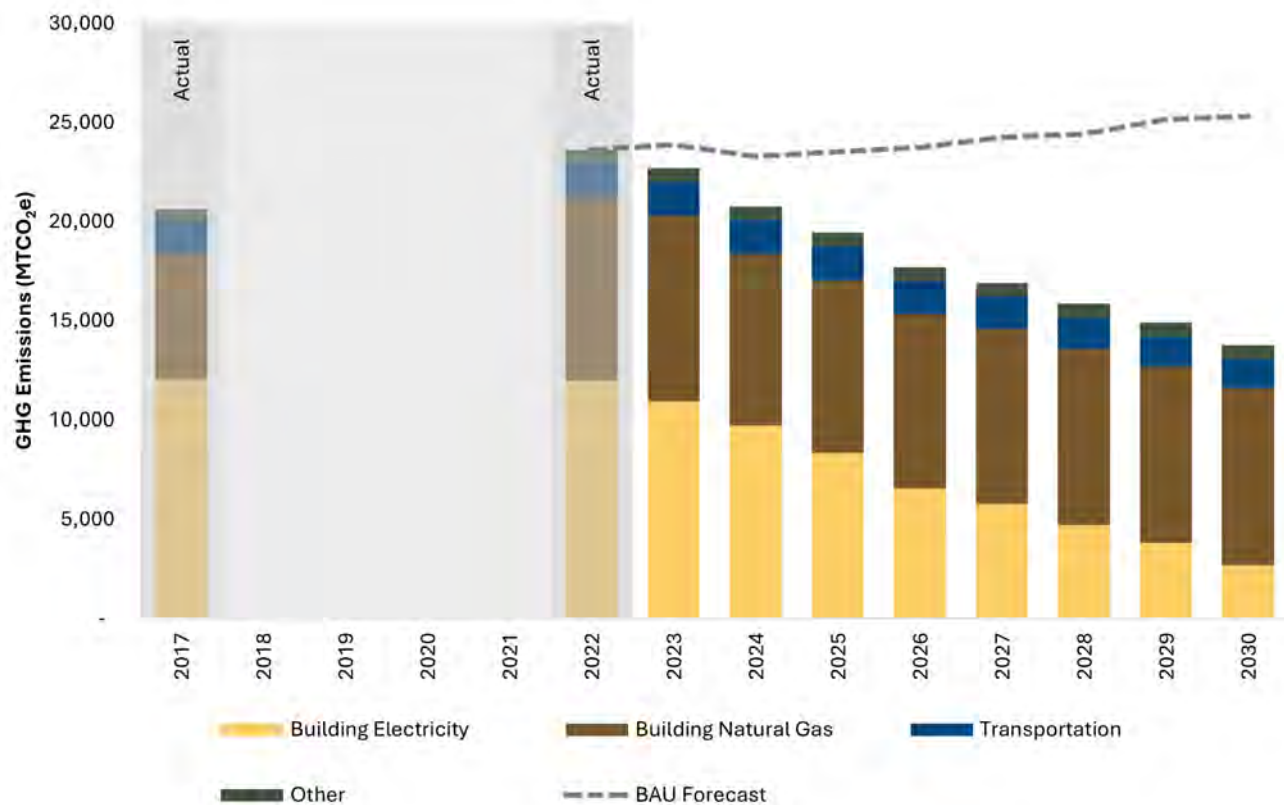


Figure 5. Projected BAU and ABAU Forecast to 2030.

Key Takeaways

- **Significant emissions reductions** are anticipated between 2022 and 2030 because of GCEA's transition to more renewable sources of electricity.
- **Improving building energy use efficiency and electrifying systems** in Crested Butte is the Town's largest opportunity to significantly reduce emissions to 2030.
- As electricity and transportation emissions reduce over time, natural gas will become an **increasingly large portion** of the community's remaining emissions.



TOWN EMISSIONS

The 2022 municipal emissions inventory follows ICLEI best practices (ICLEI Local Governments for Sustainability, 2019) to provide a comprehensive view of emissions from electricity, natural gas, fleet fuel use, and wastewater treatment, including transmission losses and fugitive emissions

Town Emissions Today

In 2022, municipal emissions totaled 1,800 MTCO₂e, equivalent to 420 gasoline vehicles driven for a year (EPA,2024) and accounts for 8% of total community emissions (Figure 6). Energy use in buildings and facilities made up 71%, fleet vehicles 11%, and wastewater treatment 18%. Municipal emissions weren't included in the 2017 inventory, so there is no baseline year for comparison.

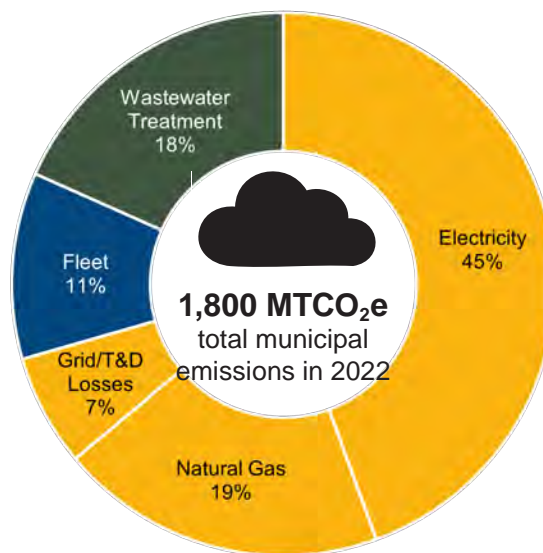


Figure 6. Crested Butte's municipal 2022 GHG Emissions



Photo credits: Town of Crested Butte

Where feasible, the Town of Crested Butte considers converting its medium- and heavy-duty fleet to electric vehicles

In 2022, as part of the Town's 196 MTCO₂e in fleet emissions, approximately 86% of fleet emissions are from medium- and heavy-duty vehicles. Between 2025-2030, the Town is considering acquiring two to three medium and heavy-duty electric vehicles for its fleet to replace existing aging equipment. The impact of converting these vehicles to electric would reduce Town transportation emissions by an additional 9 – 14 MTCO₂e, or about 1% of the Town's ABAU forecasted greenhouse gas emissions in the year 2030.

Future Town Emissions

Similar to community-wide GHG emissions forecast, BAU and ABAU forecasts for municipal emissions were created to project 2030 emissions levels, excluding new actions from this plan. These forecasts provide a baseline to measure the impact of the actions proposed in this plan.

Business as Usual (BAU)

Under the BAU scenario, Town emissions in 2030 would be 59% higher in 2030 than 2022 due to planned new construction and redevelopment projects.



59% increase
in Town emissions under
BAU scenario.



27% decrease
in Town emissions
under ABAU scenario.

Adjusted Business as Usual (ABAU)

Under the ABAU scenario, Town emissions will be 27% lower in 2030 than 2022 as a result of the following factors:

- The same utility and state commitments described in the community ABAU section
- An accelerated transition to electric vehicles for municipal fleet associated with the Town's existing EV transition plan.

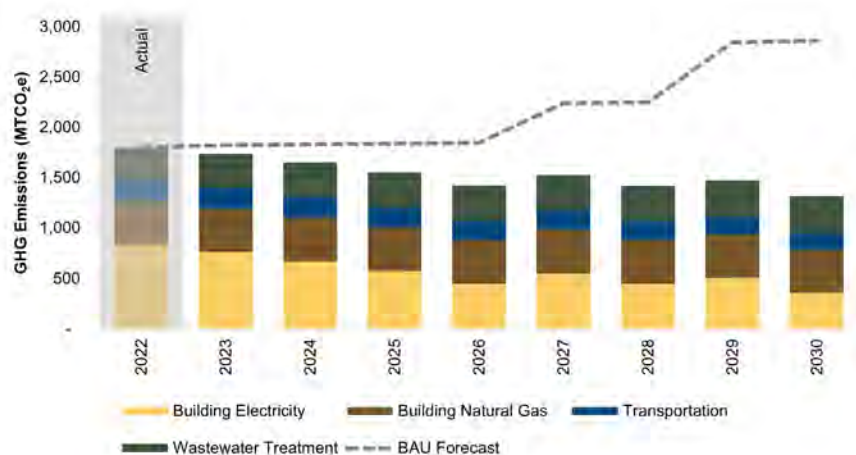


Figure 7. Projected Municipal BAU and ABAU Forecast to 2030.

Key Takeaways

- As GCEA's electricity **supply becomes more renewable**, the emissions associated with each unit of electricity used in Town facilities will decrease.
- **The addition of new facilities will increase energy use**, underscoring the importance of maximizing efficiency and powering new buildings with clean electricity.
- As the Town electrifies its fleet vehicles, **the emissions associated with fleet operations will decrease**.
- The Town has an opportunity to further reduce existing building emissions **through efficiency improvements and electrifying natural gas systems** when the opportunity arises.





ACTION PLAN

Based on our emission inventory and forecasts, our key opportunities for emissions reduction are clear:

1. Building Decarbonization: Improve the efficiency of our buildings and electrify building systems where possible.

90% of Crested Butte's emissions come from energy use in buildings, presenting the greatest opportunity for climate action for the Town. As electricity becomes cleaner, most remaining emissions will come from natural gas in existing buildings. Energy efficiency reduces energy demands for a building. Paired with electrification, both measures will reduce emissions, lower energy demand, and cut both upfront and ongoing electrification costs. Figure 9 shows how energy use will change from 2022 to 2030 based on actions in this plan.

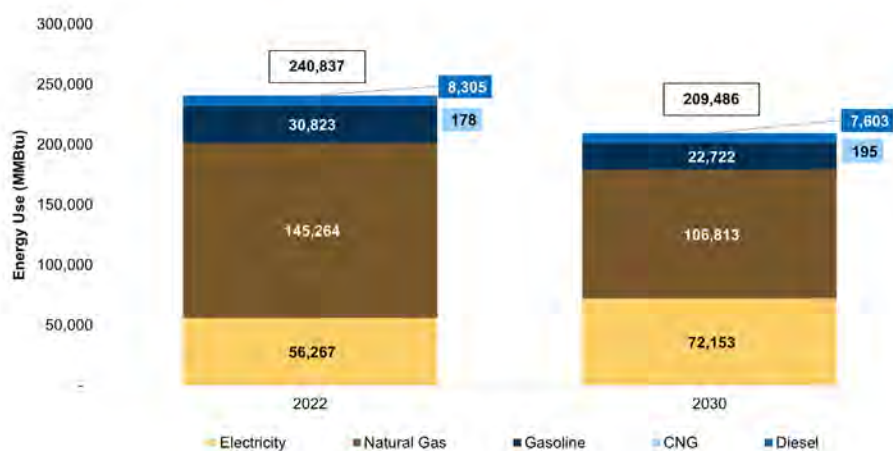
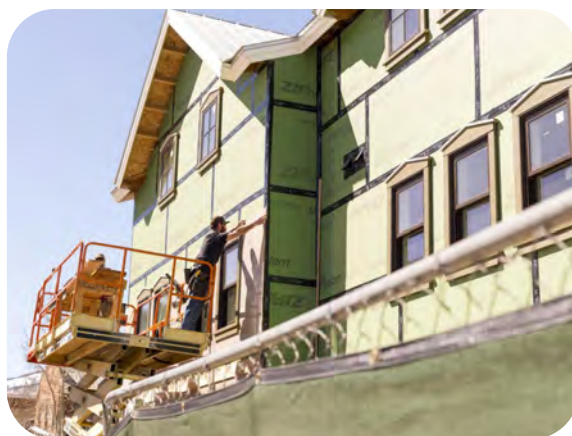


Figure 9. Estimated community-wide energy use in 2030 by type, compared to 2022



Photo credits: Lydia Stern



2. Renewable Energy Supply: Support and accelerate the transition to renewable sources of electricity.

While significant emissions reductions are anticipated by 2030 due to existing commitments by Gunnison County Electric Association (GCEA) and its wholesale electricity provider, Tri-State Generation and Transmission (Tri-State), the Town has opportunities to push for an accelerated transition, while prioritizing cost-effectiveness, maximizing the benefits of local generation potential, and leading the way by installing renewable generation at its own facilities.

3. Waste and Materials Management: Reduce the amount of waste going to landfill at source and through diversion.

Waste disposal and wastewater treatment account for just 3% of Crested Butte's emissions, however reducing waste offers low-hanging-fruit actions for community engagement and co-benefits. The Town can improve waste management to reduce the amount of waste sent to the landfill, increase diversion through composting and recycling, and reduce potent methane and other GHG emissions

4. Low Carbon Transportation: De-emphasize cars and support the transition to electric vehicles.

Only 5% of trips taken inside Crested Butte's boundaries are by car, but cars dominate travel in and out of Town (Town of Crested Butte 2024). The [2024 Transportation Mobility Plan](#) identifies opportunities for the Town to further de-emphasize vehicle travel. Additionally, the Town is developing a joint Electric Vehicle (EV) Readiness Plan with Mt. Crested Butte to identify opportunities to support the adoption of EVs.

SCOPE 3 EMISSIONS REDUCTION OPPORTUNITIES

Crested Butte's GHG inventory aligns with current best-practice guidance but does not encapsulate all possible emissions associated with a community's activity. Emissions occurring outside of Crested Butte because of activities inside the Town, called Scope 3 emissions, can be particularly difficult to quantify but still drive regional emissions. As an example, the Town could influence and better understand the following potential emission sources:

- The **transportation emissions** from commuter and visitor travel can be managed via the Transportation Mobility Plan, regional transit expansion, visitor education, and alternative transport. The Community Plan will address land use and growth, impacting housing and transportation patterns.
- While the **embodied carbon of building materials** is not included in the GHG Inventory, both this Climate Action Plan and the Historic Preservation Plan include foundational actions to better understand building material lifecycles and emissions.
- Emissions associated with **waste disposal in the landfill** are included in the GHG inventory based on information provided by Waste Management. However, there may be an opportunity for regional coordination to improve waste data collection and provide a more holistic estimate of waste emissions.
- Additional scope 3 emissions are associated with the **production and delivery of goods and services consumed in Crested Butte**, including both local and non-local food production.



CLIMATE ACTION STRATEGIES OVERVIEW

Crested Butte's Climate Action Plan is organized around four key impact areas. Within each of these impact areas, the plan identifies strategies that support the overarching plan goal:

Building Decarbonization (B)

Strategies that reduce building emissions through efficiency and electrification.

- B1: Enable climate-friendly future development
- B2: Accelerate efficiency improvements and electrification in existing residential buildings
- B3: Accelerate efficiency improvements and electrification in existing commercial buildings
- B4: Close the gap on new construction electrification and efficiency
- B5: Lead the way with efficiency improvements and electrification of Town buildings

Renewable Energy Supply (R)

Strategies that increase the amount of Crested Butte's energy supply met through renewable resources.

- R1: Maximize new local renewable energy generation
- R2: Push to accelerate widespread grid decarbonization
- R3: Install renewable energy resources to serve Town facilities

Waste and Materials Management (W)

Strategies that reduce emissions associated with landfill waste.

- W1: Increase diversion from landfill and encourage sustainable consumption

Low Carbon Transportation (T)

Strategies that move to reduce transportation emissions by moving forward priorities identified in the Transportation Mobility Plan and the evolving North Gunnison Valley Electric Vehicle Readiness Plan.

- T1: Encourage low carbon transportation choices
- T2: Prepare for and accelerate the transition to electric vehicles
- T3: Integrate land use and transportation



Photo credit: Lydia Stern

IMPACT OF LOCAL CLIMATE ACTION

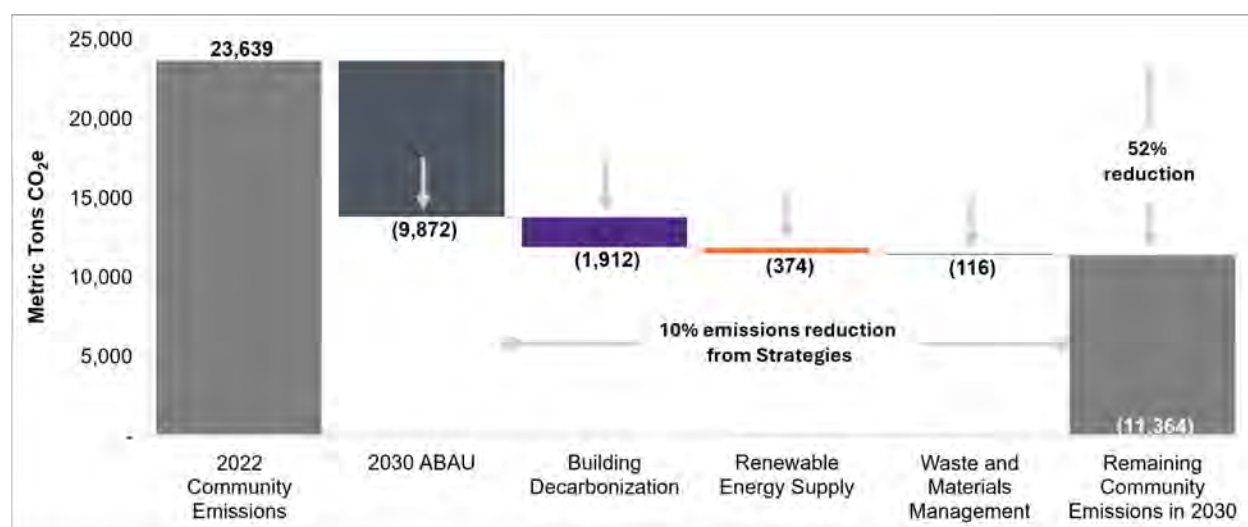
Under the ABAU scenario, emissions are projected to decrease by 42% from 2022 to 2030 due to existing utility and state efforts. Implementing all strategies in this CAP could achieve an additional 10% reduction, **resulting in a 52% reduction in total community emissions** by 2030 (Figure 10).

Building Decarbonization has the greatest impact, followed by Renewable Energy Supply and Waste Management. Low Carbon Transportation impacts are not calculated, as vehicle efficiency and EV adoption are included in the ABAU and addressed in related plans.



10% decrease
in community
emissions due to CAP
strategy

Figure 10. Greenhouse gas emissions impact of strategies and actions in Crested Butte's Climate Action Plan



Emissions Reduction in Context

The cumulative impact of the ABAU forecast and the estimated impact of implementing all strategies identified in this CAP is a **52% reduction in community greenhouse gas emissions from 2022 levels**.

While this plan does not set a quantified GHG target for Crested Butte, it does provide a framework for monitoring change in emissions over time, providing both a baseline and forecast for comparison. Additionally, the estimated emissions reduction aligns with state and federal targets for emissions reduction, including:

- The State of Colorado's adopted goal is to reduce emissions by 50% by 2030 and 100% by 2050, compared to 2005 levels (State of Colorado 2024).
- The Biden Administration set goals to reduce U.S. GHG emissions 50-52% below 2005 levels by 2030 and achieve net-zero emissions by 2050.
- The reduction also aligns with the 50% reduction in global emissions needed to meet the United Nation's Paris Agreement goal to keep global warming below 1.5° Celsius.



FOUNDATIONAL CLIMATE ACTIONS

Implementing this plan will require years of effort, significant financial and staff resources, flexibility, and collaboration. Unprecedented state and federal funding opportunities during the planning period may accelerate progress but will require interdepartmental and regional coordination to leverage effectively. To support successful implementation of this plan, the Town of Crested Butte commits to the following foundational activities:

Establish regular updates to the GHG inventory and climate action plan

The Crested Butte CAP is a living document guiding progress on climate goals. Town staff will regularly track implementation, develop a work plan with priorities and resources, and share it with Town Council to align with budget priorities. A full GHG inventory and CAP update is planned every five years.

Build staff capacity to implement the climate action plan

The Sustainability Coordinator will manage climate action efforts, coordinating implementation, partnerships, and collaboration across departments and with community partners. The Town will assess staffing needs and adjust, such as training or hiring, to meet plan commitments.

Collaborate on climate action outreach and education

Outreach and education are key to sustaining momentum and community participation in climate action. The Town will address the specific outreach needs of each action and engage residents, businesses, and partners through collaboration and information sharing to drive successful climate action.

Coordinate efforts for Town operations to lead by example

The Sustainability Department will coordinate climate action across the Town, working with relevant departments to drive progress and improve Town operations and buildings.

Lead with regional collaboration and impact

Implementing this plan requires regional collaboration to scale impact beyond Crested Butte, addressing emissions in the Gunnison Valley and beyond. Regional efforts will:

- Support implementation of Crested Butte's Climate Action Plan
- Create a framework for identifying and collaborating on funding opportunities
- Facilitate data collection
- Enable collaborative action to reduce emissions at a regional scale, including scope 3 emissions not accounted for in Crested Butte's inventory.

Explore revenue streams to sustain climate action

Throughout the planning process, community members and leaders repeatedly emphasized the need for incentives and dedicated funding sources to remove financial barriers and encourage voluntary action. Funding for these incentives could come from various sources, including the municipal budget, state and federal programs, taxes, utility programs, and grants. The Sustainability Department will work to identify and expand resources for CAP implementation, focusing on cost-effective strategies in the short term.



BUILDING DECARBONIZATION (B)

In 2022, 90% of Crested Butte's community-wide GHG emissions were associated with energy use in the built environment and this sector represents Crested Butte's biggest opportunity to reduce emissions. The strategies and actions in this sector focus on increasing the efficiency of existing and new buildings and transitioning from natural gas to electricity.

HOW CB USES ENERGY TODAY

Energy use in residential buildings was the single largest source of GHG emissions in Crested Butte in 2022, at 51% of total emissions, followed by commercial buildings at 31%. Municipal buildings and facilities energy use accounted for 11% of community energy emissions, with another 11% attributed to grid electricity and natural gas transmission

2022 SNAPSHOT

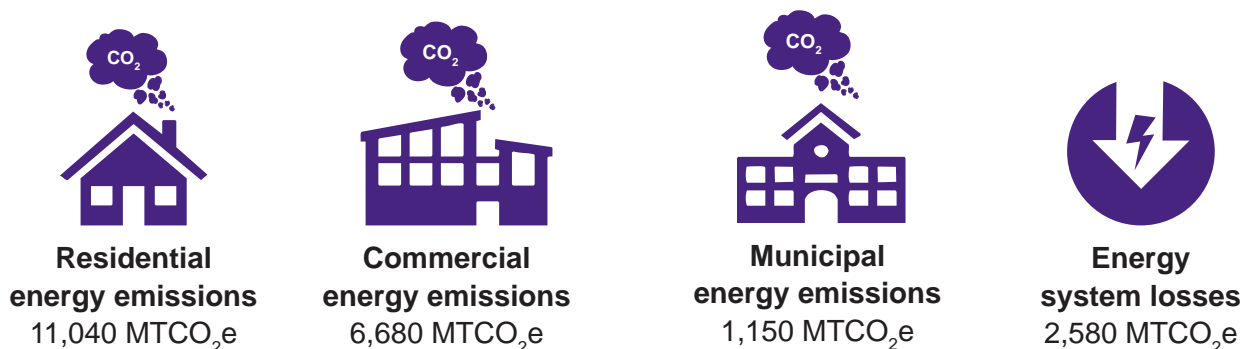


Photo credit: Robby Lloyd



WHAT CB IS ALREADY DOING TO REDUCE BUILDING EMISSIONS

Crested Butte is already demonstrating leadership on building decarbonization, including:

- **Adoption of the 2021 International Code Council (ICC) Building Codes**
- **Adoption of additional requirements for commercial new construction and major remodels, including provisions related to:**
 - » Insulation requirements
 - » Solar heat gain requirements
 - » Solar ready requirements for buildings under 5,000 sq. ft.
 - » Solar installation requirements for buildings over 5,000 sq. ft.
 - » All electric heating, hot water heating and appliances for new construction
 - » Electric ready requirements for major remodels
- **Adoption of additional requirements for new residential construction and remodels, including provisions related to:**
 - » Department of Energy Zero Energy Ready Home (ZERH) Certification required for new residential construction
 - » All electric heating, hot water heating and appliances for new construction
 - » HERS assessment and minimum score requirements for new homes with solid fuel burning devices
 - » Home energy assessments and electric ready requirements for major remodels
- **GreenDeed Program** providing direct funding to deed-restricted housing owners to complete a free Energy Savings Assessment and implement recommended energy savings projects

The Town of Crested Butte has improved municipal building efficiency through energy audits, wastewater system upgrades, and energy-efficient upgrades. In 2021, an Investment Grade Audit (IGA) led to weatherization, energy-efficient lighting, and solar panel installations on the fire station and Marshal's building.

DRIVERS OF CHANGE

Building energy emissions depend on energy use and the emissions per unit of energy. Energy use is influenced by factors like population growth, weather, building efficiency, and behavior. Improving efficiency, electrification, and encouraging energy-conscious behaviors can reduce emissions, save energy costs, and improve comfort in the home.

While natural gas emissions remain steady, Crested Butte's electricity supply is becoming cleaner. By 2029, electricity emissions are expected to fall below those of natural gas. Transitioning to electric energy systems (beneficial electrification) will be key to reducing future emissions, with added benefits of stable energy prices, efficiency, and improved indoor comfort and air quality.

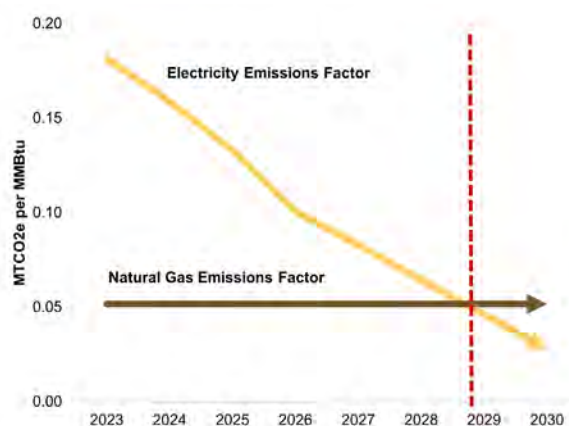


Figure 11. Emissions associated with each unit of energy used for electricity and natural gas, over time.



BUILDING STRATEGIES OVERVIEW

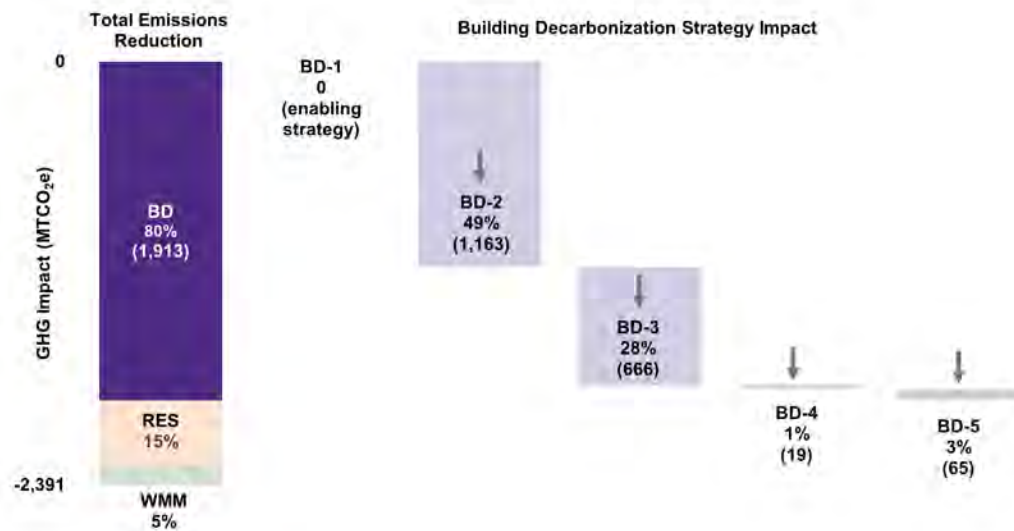


Figure 12. Cumulative impact of implementing all strategies in the Building Decarbonization sector.

Strategy B1: Enable climate-friendly future development

Action A: Incorporate climate considerations into zoning code.

Action B: Enable climate-friendly construction and development through flexible design guidelines and a review of permitting processes.

Strategy B2: Accelerate efficiency improvements and electrification in existing residential buildings

Action A: Require an energy assessment for residential Level 1, 2, and 3 remodels.

Action B: Require an energy assessment for vacation rental units.

Action C: Provide Town-funded energy efficiency and electrification incentives for all residential buildings.

Strategy B3: Accelerate efficiency improvements and electrification in existing commercial buildings

Action A: Require an energy assessment for commercial Level 1, 2, and 3 remodels.

Action B: Provide Town-funded energy efficiency and electrification incentives for all commercial buildings.

Action C: Require energy use disclosure and benchmarking for commercial buildings.

Strategy B4: Close the gap on new construction electrification and efficiency

Action A: Require all-electric commercial kitchen equipment for new construction.

Action B: Estimate and track building materials used in construction.

Strategy B5: Lead the way with efficiency improvements and electrification of Town buildings

Action A: Develop a municipal building energy efficiency and electrification plan and perform updated audits of all municipal facilities.

Action B: Implement electrification and efficiency improvements identified in energy efficiency and electrification plan

Action C: Monitor Town facilities' energy use and include within a regular Climate Action Report.



Strategy B1: Enable climate-friendly future development

Community codes and guidelines are instrumental tools to ensure that development aligns with our community's vision for Crested Butte's future. Addressing climate considerations upfront can help avoid unintended downstream consequences of planning and development decisions today.



GHG Impact in 2030:
n/a, enabling



Cost Effectiveness:
n/a, enabling



Town Cost 2025 – 2030:
n/a



Town Staff Time (Annual Average):
n/a

Action A: Incorporate climate considerations into zoning code.

The zoning code is the Town's rubric for future development. It determines what types of land use and structures are allowed in certain areas and defines things like density and building height. These types of land use decisions can have an impact on future greenhouse gas emissions, such as enabling higher density near transit or allowing multi-family buildings for building efficiency. This action will involve intentionally integrating climate action considerations into a zoning code update.



Compass Connection

The Town's **Community Plan** will utilize zoning to increase the number of people living in town, reduce transportation emissions, and facilitate more efficient buildings.

Key Facts

Scope of Impact	Community-wide
Action Type	Require
Targets	Incorporation of climate considerations into the Community Plan and zoning code update
Emissions Impact (in 2030)	No direct emissions impact (enabling action)
Total Cost (2025 - 2030)	Included in development of Community Plan
Cost Effectiveness (2025-2030 Cost / 2030 MTCO _{2e})	Included in development of Community Plan
Anticipated Average Annual Staff Time (FTE)	Included in development of Community Plan
Implementation Timeline	Near-Term (2025-2026)
Success Measures Met	<ul style="list-style-type: none"> ✓ Sets a bold example among mountain communities ✓ Is proactive before reactive ✓ Provides significant co-benefits (social equity and affordability, public health and well being, enhances climate resilience and environmental equity)



Action B: Enable climate-friendly construction and development through flexible design guidelines and a review of permitting processes.

This action aims to remove barriers to building development. It will explore updates to the design standards and guidelines and building code that support energy efficiency and electrification and streamlining the permitting process for renewable energy installation. This could include allowing flexible roof pitches, prioritizing water efficiency, and reducing solar permit fees.



Compass Connection

The **Historic Preservation Plan** created a framework for this action, identifying the need to provide flexibility in materials and design requirements to reach climate goals, outside of its National

Key Facts

Scope of Impact	Community-wide
Action Type	Encourage
Targets	Incorporation of climate considerations into the updated Design Standards and Guidelines
Emissions Impact (in 2030)	No direct emissions impact (enabling action)
Total Cost (2025 - 2030)	Included in implementation of Historic Preservation Plan
Cost Effectiveness (2025-2030 Cost / 2030 MTCO ₂ e)	Included in implementation of Historic Preservation Plan
Anticipated Average Annual Staff Time (FTE)	Included in implementation of Historic Preservation Plan
Implementation Timeline	Near-Term (2025-2026)
Success Measures Met	<ul style="list-style-type: none"> ✓ Sets a bold example among mountain communities ✓ Is proactive before reactive ✓ Provides significant co-benefits (social equity and affordability, public health and well being, enhances climate resilience and environmental equity)



Photo credits: Lydia Stern



Strategy B2: Accelerate efficiency improvements and electrification in existing residential buildings

Crested Butte's approximately 1,260 existing residential buildings covered 1.9 million square feet and accounted for 51% of community-wide GHG emissions in 2022. Reducing emissions from these existing residential buildings will be critical to meeting community climate goals over time. This strategy includes opportunities to require and encourage efficiency improvements and electrification of Crested Butte's existing residential building stock while minimizing the cost to community members and creating other benefits.



GHG Impact in 2030:
1,163 MTCO₂e



Town Cost 2025 – 2030:
\$104,600 - \$117,700



Cost Effectiveness:
\$89 - \$101 / MTCO₂e



Town Staff Time (Annual Average):
0.3 – 0.5 FTE

Action A: Require an energy assessment for residential Level 1, 2, and 3 remodels.

This action amends Crested Butte's Building Code to require energy assessments for all residential alteration permits (Levels 1, 2, and 3, see Guide to Key Terms for definitions). It builds on existing energy efficiency and electrification-ready requirements for Level 3 permits, using permitting as a touchpoint to identify more efficiency opportunities and collect baseline building data.

Key Facts

Scope of Impact	Community-wide
Action Type	Require
Targets	100% applicable permits receive an energy assessment following code update
Emissions Impact (in 2030)	No direct emissions impact (enabling action)
Total Cost (2025 - 2030)	\$4,300 - \$6,500
Cost Effectiveness (2025-2030 Cost / 2030 MTCO ₂ e)	No direct emissions impact
Anticipated Average Annual Staff Time (FTE)	<0.1 FTE
Implementation Timeline	Near-Term (2025-2026)
Success Measures Met	<ul style="list-style-type: none"> ✓ Sets a bold example among mountain communities ✓ Is proactive before reactive ✓ Provides significant co-benefits (public health and well being, enhances climate resilience and environmental equity)



Action B: Require an energy assessment for vacation rental units.

There are 191 licensed vacation rental units within Crested Butte Town limits. This action leverages the annual vacation rental licensing process as a touchpoint with these residential properties to require energy assessments. This action will help the Town collect data on vacation rental unit energy use and to understand changes over time.

Key Facts

Scope of Impact	Community-wide
Action Type	Require
Targets	100% (191) vacation rental units completing an energy assessment 2025-2030
Emissions Impact (in 2030)	No direct emissions impact (enabling action)
Total Cost (2025 - 2030)	\$10,800 - \$16,200
Cost Effectiveness (2025-2030 Cost / 2030 MTCO _{2e})	No direct emissions impact
Anticipated Average Annual Staff Time (FTE)	0.1 – 0.2 FTE
Implementation Timeline	Near-Term (2025-2026)
Success Measures Met	<ul style="list-style-type: none"> ✓ Sets a bold example among mountain communities ✓ Is proactive before reactive ✓ Provides significant co-benefits (public health and well being, enhances climate resilience and environmental equity)



Photo credit: Lydia Stern



Action C: Provide Town-funded energy efficiency and electrification incentives for all residential buildings.

While Action A and Action B above leverage permitting and vacation licensing processes as touchpoints to require energy assessments, this action focuses on incentivizing improvements for all residential buildings. It involves developing a program to incentivize energy efficiency and electrification measures in Crested Butte's residential housing stock. Incentives could be designed to prioritize funds for deed restricted housing units building on the proven track record of the GreenDeed program.

Key Facts

Scope of Impact	Community-wide
Action Type	Encourage
Targets	<ul style="list-style-type: none"> » 87 residential properties electrified to remove natural gas use by 2030 » 447 residential properties implementing energy efficiency improvements by 2030 » 191 vacation rental properties implementing an energy efficiency or electrification upgrade by 2030
Emissions Impact (in 2030)	1,163 MTCO ₂ e
Total Cost (2025 - 2030)	\$89,500 - \$95,000
Cost Effectiveness (2025-2030 Cost / 2030 MTCO ₂ e)	\$77 - \$82
Anticipated Average Annual Staff Time (FTE)	<0.1 – 0.1 FTE
Implementation Timeline	Near-Term (2025-2026)
Success Measures Met	<ul style="list-style-type: none"> ✓ Meaningfully reduces GHG emissions (100+ MTCO₂e) ✓ Provides a substantial return on investment (\$0 - \$150/MTCO₂e) ✓ Sets a bold example among mountain communities ✓ Is proactive before reactive ✓ Leverages regional initiatives and partnerships ✓ Provides significant co-benefits (social equity and affordability, public health and well being, enhances climate resilience and environmental equity)



Strategy B3: Accelerate efficiency improvements and electrification in existing commercial buildings

Crested Butte has approximately 600,000 square feet of commercial buildings, accounting for 23% of community building square footage and 31% of community-wide emissions in 2022. Despite having a smaller overall footprint, commercial buildings use more energy per square foot than residential buildings and therefore present significant opportunities for savings. This strategy includes opportunities to require and encourage efficiency improvements and electrification of Crested Butte's commercial building stock.



GHG Impact in 2030:

665 MTCO₂e

Town Cost 2025 – 2030:

\$81,200 - \$89,000



Cost Effectiveness:

\$122 - \$134 / MTCO₂e



Town Staff Time (Annual Average):

0.9 – 1.4 FTE

Action A: Require an energy assessment for commercial Level 1, 2, and 3 remodels.

This action amends Crested Butte's Building Code to require energy assessments for all commercial alteration permits (Levels 1, 2, and 3, see Guide to Key Terms for definitions). It builds on existing energy efficiency and electrification-ready requirements for Level 3 permits, using permitting as a touchpoint to identify more efficiency opportunities and collect baseline building data.

Key Facts

Scope of Impact	Community-wide
Action Type	Require
Targets	100% applicable permits receive an energy assessment following code update
Emissions Impact (in 2030)	No direct emissions impact (enabling action)
Total Cost (2025 - 2030)	\$4,300 - \$6,500
Cost Effectiveness (2025-2030 Cost / 2030 MTCO ₂ e)	No direct emissions impact
Anticipated Average Annual Staff Time (FTE)	<0.1 FTE
Implementation Timeline	Near-Term (2025-2026)
Success Measures Met	<ul style="list-style-type: none"> ✓ Sets a bold example among mountain communities. ✓ Is proactive before reactive, ✓ Provides significant co-benefits (public health and well being, enhances climate resilience and environmental equity)



Action B: Provide Town-funded energy efficiency and electrification incentives for all commercial buildings.

While Action A above leverages the permitting process as a touchpoint for energy information and improvements, this action focuses on incentivizing improvements for all commercial buildings. It involves developing a program to incentivize energy efficiency and electrification in Crested Butte's commercial building stock. Incentives could be designed to prioritize funds for community-serving businesses

Key Facts

Scope of Impact	Community-wide
Action Type	Encourage
Targets	<ul style="list-style-type: none"> » 16 commercial properties electrified to remove natural gas use by 2030 » 43 commercial properties implementing energy efficiency improvements by 2030
Emissions Impact (in 2030)	661 MTCO ₂ e
Total Cost (2025 - 2030)	\$68,300 - \$69,500
Cost Effectiveness (2025-2030 Cost / 2030 MTCO ₂ e)	\$103 - \$105
Anticipated Average Annual Staff Time (FTE)	<0.1 – 0.1 FTE
Implementation Timeline	Near-Term (2025-2026)
Success Measures Met	<ul style="list-style-type: none"> ✓ Meaningfully reduces GHG emissions (100+ MTCO₂e) ✓ Provides a substantial return on investment (\$0 - \$150/MTCO₂e) ✓ Sets a bold example among mountain communities ✓ Is proactive before reactive ✓ Leverages regional initiatives and partnerships ✓ Provides significant co-benefits (social equity and affordability, public health and well being, enhances climate resilience and environmental equity)



Photos credit: Nolan Blunck



Action C: Require energy use disclosure and benchmarking for commercial buildings.

This action involves requiring commercial buildings over a certain size to disclose energy use and compare against other similar businesses. Introducing a disclosure and benchmarking program will not only allow the Town of Crested Butte to collect valuable information about the community's commercial building stock, but also possibly reduce emissions due to behavior change and improvements made as a result of businesses better understanding their energy use.

The State of Colorado Building Performance Program launched in 2023 requires owners of commercial, multifamily, and public buildings 50,000 square feet or larger to annually benchmark their energy use and set performance targets. This action could involve an expansion of the state's requirements to smaller non-residential buildings in Crested Butte.

Key Facts

Scope of Impact	Community-wide
Action Type	Require
Targets	Benchmarking of commercial properties accounting for 50% commercial energy use by 2030
Emissions Impact (in 2030)	5 MTCO ₂ e
Total Cost (2025 - 2030)	\$8,600 - \$13,000
Cost Effectiveness (2025-2030 Cost / 2030 MTCO ₂ e)	\$1,813 - \$2,741
Anticipated Average Annual Staff Time (FTE)	0.8 – 1.2 FTE
Implementation Timeline	Mid-Term (2027-2028)
Success Measures Met	<ul style="list-style-type: none"> ✓ Meaningfully reduces GHG emissions (0-20 MTCO₂e) ✓ Provides a substantial return on investment (\$0 - \$150/MTCO₂e) ✓ Sets a bold example among mountain communities ✓ Is proactive before reactive ✓ Leverages regional initiatives and partnerships



Photos credit: Nolan Blunck



Strategy B4: Close the gap on new construction electrification and efficiency

This strategy builds on Crested Butte's existing new construction codes to close one of the few remaining gaps in its electrification requirements – commercial kitchens.



GHG Impact in 2030:
19 MTCO₂e



Town Cost 2025 – 2030:
\$10,900 - \$16,300



Cost Effectiveness:
\$587 - \$878 / MTCO₂e



Town Staff Time (Annual Average):
< 0.1 FTE

Action A: Require all-electric commercial kitchen equipment for new construction.

This action involves amending to the Town of Crested Butte's existing energy and building codes to expand the new construction electrification requirement to commercial kitchens.

Key Facts

Scope of Impact	Community-wide
Action Type	Require
Targets	3 all-electric new construction commercial kitchens by 2030
Emissions Impact (in 2030)	19 MTCO ₂ e
Total Cost (2025 - 2030)	\$10,900 - \$16,300
Cost Effectiveness (2025-2030 Cost / 2030 MTCO ₂ e)	\$587 - \$878
Anticipated Average Annual Staff Time (FTE)	<0.1 FTE
Implementation Timeline	Long-Term (2029-2030)
Success Measures Met	<ul style="list-style-type: none"> ✓ Meaningfully reduces GHG emissions (0 - 20 MTCO₂e) ✓ Provides a substantial return on investment (\$151-\$2,000/MTCO₂e) ✓ Sets a bold example among mountain communities ✓ Is proactive before reactive ✓ Leverages regional initiatives and partnerships ✓ Provides significant co-benefits (public health and well being, enhances climate resilience and environmental equity)



Action B: Estimate and track building materials used in construction.

This action focuses on tracking building materials through the development process, starting with a 2025 building code update. Initial efforts could include requiring known high-carbon materials tracking in contracts for new municipal construction, helping to assess construction's carbon impact and explore sustainable sourcing options, such as local or low-carbon materials.



Compass Connection

The HPP calls for researching new materials regarding their energy efficiency, embodied carbon, wildfire resilience, and other measures to determine supported materials that align with the Town's goals. This action will support the goals of both the CAP and the HPP.

Key Facts

Scope of Impact	Community-wide
Action Type	Encourage & Lead by Example
Targets	Tracking process established
Emissions Impact (in 2030)	No direct emissions impact (enabling action)
Total Cost (2025 - 2030)	Not calculated
Cost Effectiveness (2025-2030 Cost / 2030 MTCO ₂ e)	n/a
Anticipated Average Annual Staff Time (FTE)	<0.1 FTE
Implementation Timeline	Mid -Term (2027-2028)
Success Measures Met	<ul style="list-style-type: none"> ✓ Sets a bold example among mountain communities. ✓ Is proactive before reactive ✓ Leverages regional initiatives and partnerships ✓ Provides significant co-benefits (Supports local businesses and economy, enhances climate resilience and environmental equity)



Photo credit: Lydia Stern



Strategy B5: Lead the way with efficiency improvements and electrification of Town buildings

The Town has approximately 120,000 square feet of buildings, accounting for approximately 5% of community-wide building square footage and 11% of community energy-related emissions. Reducing emissions from Town buildings will not only contribute to community-wide goals but also demonstrate leadership, result in long-term economic savings, and create benefits for Town employees through increased building comfort.

The cost of actions under this strategy accounts for the full cost of implementation to the Town. This cost to the Town could be brought down with grant funding opportunities to improve the overall cost effectiveness of these actions.



GHG Impact in 2030:
65 MTCO₂e



Town Cost 2025 – 2030:
\$76,400 - \$99,100



Cost Effectiveness:
\$1,173 - \$1,521 / MTCO₂e



Town Staff Time (Annual Average):
0.2 – 0.4 FTE

Action A: Develop a municipal building energy efficiency and electrification plan and perform updated audits of all municipal facilities.

This action is the first step toward municipal emissions reduction – drawing on past energy audits and known future facilities changes to develop an energy efficiency and electrification plan. This action also includes an update to the existing energy audits to inventory new opportunities for improvements and savings.

Key Facts

Scope of Impact	Town Operations
Action Type	Lead by example
Targets	Develop an energy efficiency and electrification plan, conduct updated audits of all municipal facilities by 2026
Emissions Impact (in 2030)	No direct emissions impact (captured through Action B-5: B)
Total Cost (2025 - 2030)	\$55,600 - \$68,000
Cost Effectiveness (2025-2030 Cost / 2030 MTCO ₂ e)	No direct emissions impact
Anticipated Average Annual Staff Time (FTE)	<0.1 FTE
Implementation Timeline	Near-Term (2025-2026)
Success Measures Met	<ul style="list-style-type: none"> ✓ Is proactive before reactive ✓ Leverages regional initiatives and partnerships ✓ Provides significant co-benefits (supports local businesses and economy, enhances climate resilience and environmental equity)



Action B: Implement electrification and efficiency improvements identified in energy efficiency and renewable energy plan.

This action moves forward improvements to Town of Crested Butte facilities identified in the energy efficiency and electrification plan (BD-5:A) to increase the efficiency and reduce emissions from Town buildings and facilities (e.g., water and wastewater treatment) over time.

Key Facts

Scope of Impact	Town Operations
Action Type	Lead by example
Targets	3 municipal property energy efficiency upgrades 2025 – 2030, 3 municipal properties electrified by 2025 - 2030
Emissions Impact (in 2030)	49 MTCO ₂ e
Total Cost (2025 - 2030)	\$20,800 - \$31,100
Cost Effectiveness (2025-2030 Cost / 2030 MTCO ₂ e)	\$426 - \$636
Anticipated Average Annual Staff Time (FTE)	0.2 - 0.4 FTE
Implementation Timeline	Near-Term (2025-2026)
Success Measures Met	<ul style="list-style-type: none"> ✓ Meaningfully reduces GHG emissions (21 - 100 MTCO₂e) ✓ Provides a substantial return on investment (\$151-\$2,000/MTCO₂e) ✓ Sets a bold example among mountain communities ✓ Is proactive before reactive ✓ Leverages regional initiatives and partnerships ✓ Provides significant co-benefits (supports local businesses and economy, enhances climate resilience and environmental equity)



Photo credit: Nolan Blunck



Action C: Monitor Town facilities' energy use and include within a regular Climate Action Report.

This action involves developing a process for ongoing monitoring and benchmarking of Town facilities energy use to ensure that the improvements made in Action B are resulting in the savings expected. Monitoring energy use will enable the Town to compare building usage to other similar buildings and identify further opportunities to improve efficiency. Finally, disclosure of the Town's energy use in a regular Climate Action Report will enhance transparency and demonstrate leadership for other building owners.

Key Facts

Scope of Impact	Town Operations
Action Type	Lead by example
Targets	100% municipal building energy use benchmarked by 2030
Emissions Impact (in 2030)	16 MTCO ₂ e
Total Cost (2025 - 2030)	\$0
Cost Effectiveness (2025-2030 Cost / 2030 MTCO ₂ e)	No cost
Anticipated Average Annual Staff Time (FTE)	<0.1 FTE
Implementation Timeline	Near-Term (2025-2026)
Success Measures Met	<ul style="list-style-type: none"> ✓ Meaningfully reduces GHG emissions (0 - 20 MTCO₂e) ✓ Sets a bold example among mountain communities



Photo credit: Nolan Blunck





RENEWABLE ENERGY SUPPLY (R)

Reducing the community's greenhouse gas emissions will require transforming how we use energy and where that energy comes from. This sector focuses on increasing renewable energy generation to reduce current GHG emissions and enhance the impact of future building and transportation electrification strategies.

WHERE CB'S ENERGY COMES FROM TODAY

Crested Butte's energy utilities are Gunnison County Electric Association (GCEA) for electricity and Atmos Energy for natural gas. In 2022, 56% of energy-related GHG emissions came from electricity use, and 44% from natural gas.

2022 SNAPSHOT



**Electricity
emissions**
11,950 MTCO₂e



**Natural gas
emissions**
9,500 MTCO₂e



**Total energy
emissions**
21,260 MTCO₂e



Photo credit: Don Emmert



INCREASING RENEWABLE ENERGY SUPPLY

The Town of Crested Butte has already taken steps to increase the amount of renewable generation supplying Crested Butte's community, including by:

- Installing solar generation at Town facilities
- Joining Colorado Communities for Climate Action
- Partnering with GCEA to install community solar – the Oh Be Joyful solar farm south of Crested Butte and the Town's community solar project at the wastewater treatment plant.

DRIVERS OF CHANGE

Natural gas emissions per therm are expected to stay constant, while electricity emissions per kWh are decreasing as fossil fuels are replaced by renewables like solar, wind, and hydropower. As electrification in buildings and transportation increases, transitioning to renewable energy is essential to maximize emissions reductions.

Tri-State's commitment to reducing greenhouse gas emissions by 89% by 2030 from a 2005 baseline, will drive down emissions from electricity use, as reflected in the Adjusted Business as Usual (ABAU) forecast (Figure 5).

Understanding our local electricity supply: **Crested Butte, GCEA, and TriState Generation and Transmission**

Crested Butte's electric utility – GCEA - is a non-profit member-owned rural electric cooperative. Each GCEA customer is a member-owner of the cooperative, with a say in the community's future energy supply. Co-op members can vote for their GCEA board representatives, vote for or against specific utility policies, and weigh in on important topics by engaging in public meetings and other decision-making processes.

Similarly, GCEA is a member of Tri-State Generation and Transmission (Tri-State), the utility's wholesale power supplier. Tri-State is owned by its 41 electric cooperative and public power district members in Colorado, Nebraska, New Mexico, and Wyoming. As a member-owner, GCEA also has say in the future of Tri-State's generation mix, policies, and plans.

Today, over 34% of Crested Butte's electricity supply through GCEA is generated from renewable sources and Tri-State has committed to reducing greenhouse gas emissions by 89% by 2030 from a 2005 baseline.

For more information on Tri-State's electric resource planning, visit: tristate.coop/resource-planning. Information about Tri-State's emissions reduction goals and progress are available at: tristate.coop/reducing-emissions.



RENEWABLE ENERGY SUPPLY STRATEGIES

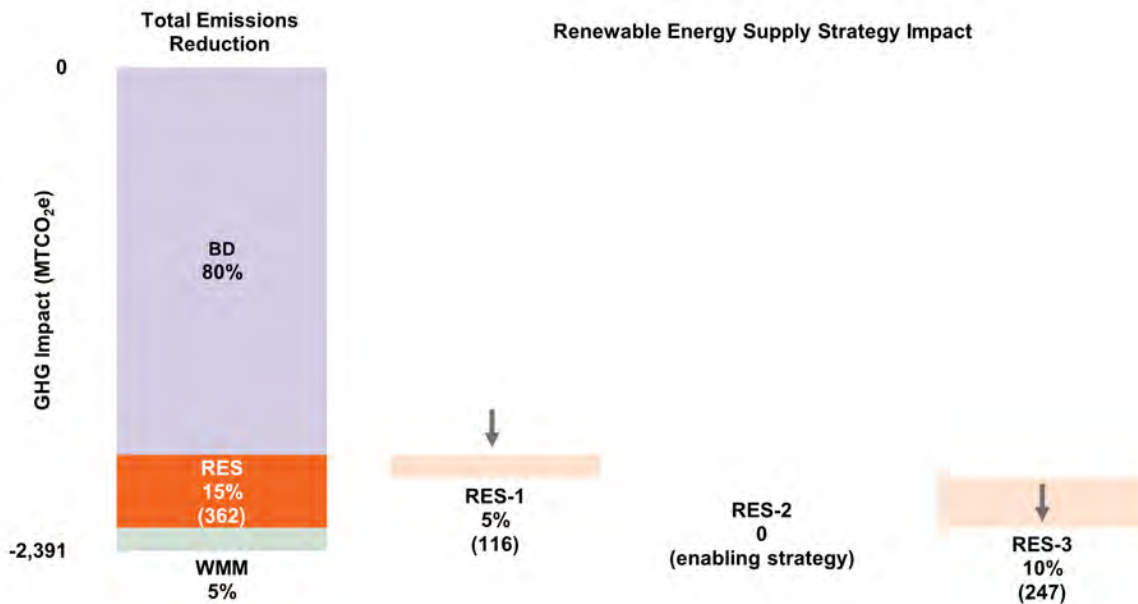


Figure 14. Cumulative impact of implementing all strategies in the Renewable Energy Supply sector.

Strategy R1: Maximize new local renewable energy generation

Action A: Coordinate a group buy and provide educational resources to increase voluntary adoption of local renewable generation.

Action B: Partner with GCEA to support the installation of local renewable generation up to allowable limits

Action C: Expand the Renewable Energy Mitigation Program (REMP) to require renewable energy generation or fee-in-lieu for buildings over a certain size

Strategy R2: Push to accelerate widespread grid decarbonization

Action A: Advocate for increased renewable energy generation at the local, state, and federal levels.

Strategy R3: Install renewable energy resources to serve Town facilities

Action A: Install renewable energy generation to meet Town energy needs.



Strategy R1: Maximize new local renewable energy generation

Crested Butte has an opportunity to increase local renewable energy generation through strategic partnerships and programs that support the installation of renewable technologies. This strategy focuses on opportunities to maximize generation within the current utility and regulatory landscape.



GHG Impact in 2030:
116 MTCO₂e



Town Cost 2025 – 2030:
\$25,700 - \$72,400



Cost Effectiveness:
\$222 - \$626 / MTCO₂e



Town Staff Time (Annual Average):
0.4 – 0.8 FTE

Action A: Coordinate a group buy and provide educational resources to increase voluntary adoption of local renewable generation.

At the time of plan development, there are several state and federal incentives available to support the installation of renewable generation. This action focuses on encouraging voluntary adoption of local generation by raising awareness of existing opportunities and facilitating installation through a group buy program.

Key Facts

Scope of Impact	Community-wide
Action Type	Encourage
Targets	Triple the current number of solar permits filed to achieve 3 business and 3 residential solar arrays per year, resulting in 84kW per year installed generation capacity
Emissions Impact (in 2030)	78 MTCO ₂ e
Total Cost (2025 - 2030)	\$15,000 - \$45,000
Cost Effectiveness (2025-2030 Cost / 2030 MTCO ₂ e)	\$193 - \$580
Anticipated Average Annual Staff Time (FTE)	0.2 – 0.5 FTE
Implementation Timeline	Near-Term (2025-2026)
Success Measures Met	<ul style="list-style-type: none"> ✓ Meaningfully reduces GHG emissions (21 - 100 MTCO₂e) ✓ Provides a substantial return on investment (\$151-\$2,000/MTCO₂e) ✓ Sets a bold example among mountain communities ✓ Is proactive before reactive ✓ Leverages regional initiatives and partnerships ✓ Provides significant co-benefits (Social equity and affordability, Public health and well being, Supports local businesses and economy, Enhances climate resilience and environmental equity)



Group Buy Programs

A group buy program is a collective purchasing initiative where a group of individuals or organizations come together to negotiate better prices and terms for products or services. By leveraging their combined buying power, participants can secure discounts, streamline the purchasing process, and gain access to expert guidance and peer-learning opportunities.

Case Study - Gunnison County, CO

In 2019, the Solarize Gunnison County group buy program was launched to make going solar more economically feasible for people in Gunnison County and contracts signed for at least 55kW of new solar installations (Gunnison Country Times 2019).

Action B: Partner with GCEA to support the installation of local renewable generation up to allowable limits.

In 2024, Tri-State Generation and Transmission raised GCEA's local electricity generation limit from 5% to 40% of total supply until 2028. This policy enables Crested Butte to partner with GCEA to install up to 0.8 MW of additional local renewable energy, maximizing the new generation allowance.

Key Facts

Scope of Impact	Community-wide
Action Type	Encourage
Targets	0.8MW additional local renewable generation installed
Emissions Impact (in 2030)	16 MTCO ₂ e
Total Cost (2025 - 2030)	\$7,500 - \$22,500
Cost Effectiveness (2025-2030 Cost / 2030 MTCO ₂ e)	\$477 - \$1,431
Anticipated Average Annual Staff Time (FTE)	0.1 – 0.3 FTE
Implementation Timeline	Mid-Term (2027-2028)
Success Measures Met	<ul style="list-style-type: none"> ✓ Meaningfully reduces GHG emissions (0 - 20 MTCO₂e) ✓ Provides a substantial return on investment (\$151-\$2,000/MTCO₂e) ✓ Sets a bold example among mountain communities ✓ Is proactive before reactive ✓ Leverages regional initiatives and partnerships ✓ Provides significant co-benefits (Supports local businesses and economy, Enhances climate resilience and environmental equity)



Action C: Expand the Renewable Energy Mitigation Program (REMP) to require renewable energy generation or fee-in-lieu for buildings over a certain size.

The Town of Crested Butte Renewable Energy Mitigation Program (REMP) requires any hot tub larger than 64 square feet, or any outdoor heated space (heated driveways, for example) to be off-set by renewable energy sources or a fee-in-lieu. Additionally, any new commercial buildings over 10,000 square feet are required to install solar under the Town's building code.

This action involves expanding the existing program to add a requirement for the installation of on-site renewable energy generation or payment of a fee-in-lieu for all newly constructed buildings over a defined size.

Key Facts

Scope of Impact	Community-wide
Action Type	Require
Targets	3 installations or payments in lieu each year, resulting in 24kW per year installed generation capacity
Emissions Impact (in 2030)	22 MTCO ₂ e
Total Cost (2025 - 2030)	\$3,200 - \$4,900
Cost Effectiveness (2025-2030 Cost / 2030 MTCO ₂ e)	\$143 - \$219
Anticipated Average Annual Staff Time (FTE)	<0.1 FTE
Implementation Timeline	Mid-Term (2027-2028)
Success Measures Met	<ul style="list-style-type: none"> ✓ Meaningfully reduces GHG emissions (0 - 20 MTCO₂e) ✓ Provides a substantial return on investment (\$0 -\$150/MTCO₂e) ✓ Sets a bold example among mountain communities ✓ Is proactive before reactive ✓ Provides significant co-benefits (Social equity and affordability, Enhances climate resilience and environmental equity)

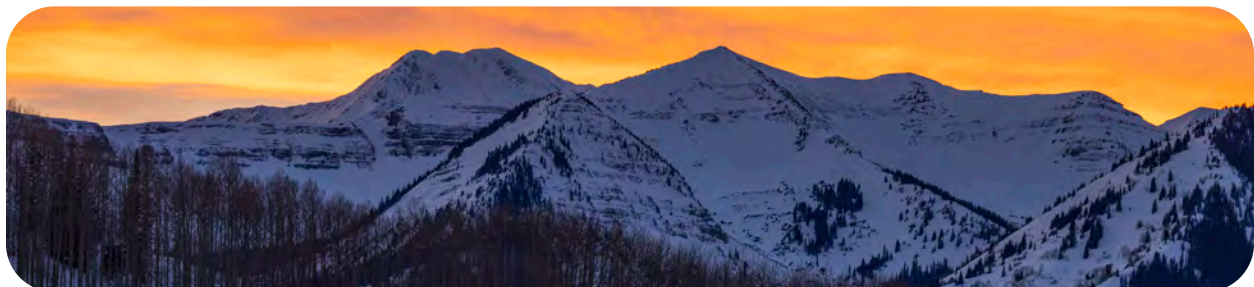


Photo credit: Robby Lloyd



Strategy R2: Push to accelerate widespread grid decarbonization

In contrast to strategy R1, which focuses on maximizing local renewable energy generation within the existing regulatory framework, R2 explores opportunities for the Town of Crested Butte to influence that framework by advocating for increased renewable generation system-wide.



GHG Impact in 2030:
n/a (no direct impact)

Town Cost 2025 – 2030:
\$13,500 - \$16,500



Cost Effectiveness:
n/a



Town Staff Time (Annual Average):
0.1 – 0.2 FTE

Action A: Advocate for increased renewable energy generation at the local, state, and federal levels.

The Town of Crested Butte is already engaged in advocacy through its membership in Colorado Communities for Climate Action (CC4CA), a coalition of local governments across Colorado pushing for stronger state and federal climate policies. This action explores other opportunities for the Town to leverage its voice through dedicated advocacy efforts at the local utility (GCEA and Tri-State Generation and Transmission), state, and federal levels.

Key Facts

Scope of Impact	Community-wide
Action Type	Encourage
Targets	Participate in ongoing advocacy, including opportunities and the local, state, and federal level
Emissions Impact (in 2030)	No direct emissions impact
Total Cost (2025 - 2030)	\$12,500 - \$16,500
Cost Effectiveness (2025-2030 Cost / 2030 MTCO _{2e})	No direct emissions impact
Anticipated Average Annual Staff Time (FTE)	0.1 – 0.2 FTE
Implementation Timeline	Near-Term (2025-2026)
Success Measures Met	<ul style="list-style-type: none"> ✓ Sets a bold example among mountain communities ✓ Is proactive before reactive ✓ Leverages regional initiatives and partnerships ✓ Provides significant co-benefits (Enhances climate resilience and environmental equity)



Strategy R3: Install renewable energy to serve Town facilities

This strategy involves additional renewable energy installation to meet 100% of the Town's electricity needs through local renewable generation.



GHG Impact in 2030:
247 MTCO₂e

Town Cost 2025 – 2030:
\$2,590,500 - \$3,166,100



Cost Effectiveness:
\$10,503 - \$12,837 / MTCO₂e

Town Staff Time (Annual Average):
< 0.1 FTE

Action A: Install renewable energy generation to meet Town energy needs.

This action involves the Town of Crested Butte installing renewable energy generation sufficient to meet 100% of anticipated facility electricity use in 2030. All renewable energy projects on Town properties will be heavily evaluated for cost-effectiveness.

Key Facts

Scope of Impact	Town Operations
Action Type	Lead by example
Targets	100% Town electricity needs met through local renewable energy generation
Emissions Impact (in 2030)	247 MTCO ₂ e
Total Cost (2025 - 2030)	\$2,590,500 - \$3,166,100
Cost Effectiveness (2025-2030 Cost / 2030 MTCO ₂ e)	\$10,503 - \$12,837
Anticipated Average Annual Staff Time (FTE)	<0.1 FTE
Implementation Timeline	Mid-Term (2027-2028)
Success Measures Met	<ul style="list-style-type: none"> ✓ Meaningfully reduces GHG emissions (21 - 100 MTCO₂e) ✓ Provides a substantial return on investment (\$2,000+/MTCO₂e) ✓ Sets a bold example among mountain communities ✓ Is proactive before reactive ✓ Leverages regional initiatives and partnerships ✓ Provides significant co-benefits (Social equity and affordability, Public health and well being, Supports local businesses and economy, Enhances climate resilience and environmental equity)





WASTE AND MATERIALS MANAGEMENT (W)

Crested Butte's GHG inventory includes emissions from 629 tons of landfill waste, which produces methane, a potent greenhouse gas. This sector focuses on reducing landfill waste through source reduction, recycling, and composting, while also addressing emissions from wastewater treatment tied to the population served. Waste reduction also mitigates systemic emissions from material sourcing, manufacturing, and transport.

2022 SNAPSHOT



Waste and wastewater emissions
670 MTCO₂e



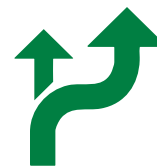
Total material sent to landfill
629 Tons



Total material recycled
262.9 Tons



Total material composted
10 Tons



Diversion rate from landfill
30%



Photo credit: Brendle Group



HOW CB USES AND DISPOSES OF MATERIALS TODAY

Crested Butte partners with Waste Management for weekly residential trash and bi-weekly recycling pick-up. Of the approximately 903 tons of waste material generated in Crested Butte, 30% is recycled and composted while the remaining 70% is sent to landfill in Montrose or Grand Junction. Data was not available for commercial and large multifamily units, which contract privately with waste haulers for collection and disposal.

WHAT CB IS ALREADY DOING TO REDUCE WASTE EMISSIONS

Crested Butte is reducing landfill waste through universal residential recycling, a plastic bag ban, the Climate Responsible Special Events (CRSE) program, and a 2024 North Valley compost drop-off program. In partnership with Mt. Crested Butte and Elements Mountain Compost, the Town is piloting this year-long composting program (June 2024–June 2025) with plans to continue if participation is strong.

DRIVERS OF CHANGE

Waste and wastewater emissions in Crested Butte are directly driven by the volume of waste sent to landfill and the volume of wastewater treated, which are, in turn, influenced by population change and visitor numbers. Crested Butte's average daily population increased by 5% from 2017 to 2022. In addition to population, landfill waste emissions are also driven by the availability and use of recycling and compost diversion streams.



Photo credit: Lydia Stern



WASTE AND MATERIALS MANAGEMENT STRATEGIES



Figure 15. Cumulative impact of implementing all strategies in the Waste Reduction sector.

Strategy W1: Increase diversion from landfill and encourage sustainable consumption

Action A: Require adequate space for trash, recycling, and composting containers and pickup in new development.

Action B: Facilitate the development of new waste diversion infrastructure.

Action C: Incentivize waste reduction, recycling, and composting for residents and businesses

Action D: Ban certain materials from landfill and enforce requirements for construction and demolition materials recycling.

Action E: Adopt a save-as-you-throw ordinance to disincentivize waste generation.

Action F: Develop incentives and programs to encourage waste reduction and diversion by Town employees.

Action G: Develop and implement a Town Environmental Purchasing Policy.



Strategy W1: Increase diversion from landfill and encourage sustainable consumption

This strategy aims to reduce landfill waste by minimizing waste at the source and increasing recycling and composting. Actions follow best practices and target a 224-ton reduction from the forecasted 688 tons of waste by 2030



GHG Impact in 2030:
116 MTCO₂e

Town Cost 2025 – 2030:
\$86,400 - \$111,000



Cost Effectiveness:
\$742 - \$953 / MTCO₂e



Town Staff Time (Annual Average):
0.8 – 1.0 FTE

Action A: Require adequate space for trash, recycling, and composting containers and pickup in new development.

Ensuring that new development in Crested Butte has adequate space for recycling and composting containers alongside trash can help to eliminate a significant barrier to waste diversion and ensure that all residents and businesses have access to diversion options. This action involves a code amendment to require adequate space in all new residential and commercial development.

Key Facts

Scope of Impact	Community-wide
Action Type	Require
Targets	Code change to require adequate space for trash, recycling and composting containers in new development
Emissions Impact (in 2030)	No direct emissions impact (enabling action)
Total Cost (2025 - 2030)	\$2,200 - \$3,200
Cost Effectiveness (2025-2030 Cost / 2030 MTCO ₂ e)	Not calculated for individual actions
Anticipated Average Annual Staff Time (FTE)	<0.1 FTE
Implementation Timeline	Near-Term (2025-2026)
Success Measures Met	<ul style="list-style-type: none"> ✓ Provides a substantial return on investment (\$151 - \$2,000/MTCO₂e) ✓ Is proactive before reactive ✓ Provides significant co-benefits (Social equity and affordability)



Action B: Facilitate the development of new waste diversion infrastructure.

The Town of Crested Butte is working to expand waste diversion infrastructure, including piloting a community compost drop-off in partnership with Mt. Crested Butte and Elements Mountain Compost. Future efforts may improve or expand the pilot program or support new infrastructure development.

Key Facts

Scope of Impact	Community-wide
Action Type	Encourage
Targets	TBD based on need and opportunities
Emissions Impact (in 2030)	Not calculated for individual actions
Total Cost (2025 - 2030)	TBD based on need and opportunities
Cost Effectiveness (2025-2030 Cost / 2030 MTCO ₂ e)	Not calculated for individual actions
Anticipated Average Annual Staff Time (FTE)	TBD
Implementation Timeline	Mid-Term (2027-2028)
Success Measures Met	<ul style="list-style-type: none"> ✓ Sets a bold example among mountain communities ✓ Is proactive before reactive ✓ Leverages regional initiatives and partnerships ✓ Provides significant co-benefits (Supports local businesses and economy)



Photo credit: Elements Compost



Action C: Incentivize waste reduction, recycling, and composting for residents and businesses

This action focuses on the creation of incentives, paired with education and outreach, to encourage waste reduction and diversion to recycling and composting by all residents and businesses in Crested Butte.

Key Facts

Scope of Impact	Community-wide
Action Type	Encourage
Targets	Implementation of town-wide waste reduction and diversion incentives
Emissions Impact (in 2030)	Not calculated for individual actions
Total Cost (2025 - 2030)	\$29,500 - \$44,500
Cost Effectiveness (2025-2030 Cost / 2030 MTCO ₂ e)	Not calculated for individual actions
Anticipated Average Annual Staff Time (FTE)	0.1 – 0.3 FTE
Implementation Timeline	Near-Term (2025-2026)
Success Measures Met	<ul style="list-style-type: none"> ✓ Meaningfully reduces GHG emissions (0-20 MTCO₂e) ✓ Provides a substantial return on investment (\$151 - \$2,000/MTCO₂e) ✓ Sets a bold example among mountain communities ✓ Is proactive before reactive ✓ Leverages regional initiatives and partnerships ✓ Provides significant co-benefits (Social equity and affordability, Supports local businesses and economy)



Photos credit: Elements Compost



Action D: Ban certain materials from landfill and enforce requirements for construction and demolition materials recycling.

This action focuses on reducing waste by banning certain materials from being sent to landfill, requiring that they are either eliminated from the waste stream or diverted through recycling. The action specifically focuses on construction and demolition waste by exploring requirements for the reuse and/or recycling of certain materials.

Key Facts

Scope of Impact	Community-wide
Action Type	Require
Targets	Adoption of ordinance to ban materials from landfill and/or require deconstruction/construction materials recycling
Emissions Impact (in 2030)	Not calculated for individual actions
Total Cost (2025 - 2030)	\$44,600 - \$50,000
Cost Effectiveness (2025-2030 Cost / 2030 MTCO _{2e})	Not calculated for individual actions
Anticipated Average Annual Staff Time (FTE)	0.6 FTE
Implementation Timeline	Mid-Term (2027-2028)
Success Measures Met	<ul style="list-style-type: none"> ✓ Meaningfully reduces GHG emissions (0-20 MTCO_{2e}) ✓ Provides a substantial return on investment (\$151 - \$2,000/MTCO_{2e}) ✓ Sets a bold example among mountain communities ✓ Is proactive before reactive ✓ Leverages regional initiatives and partnerships ✓ Provides significant co-benefits (Supports local businesses and economy, Enhances climate resilience and environmental equity)

Deconstruction Ordinances

A deconstruction ordinance is a regulation that encourages or requires the careful dismantling of buildings instead of traditional demolition. The goal is to minimize waste by salvaging reusable materials, which can then be recycled or repurposed. This approach can not only reduce landfill waste but also create local economic opportunities through the resale of salvaged materials.

Case Study - Boulder, CO

The City of Boulder, CO has implemented an ordinance that mandates the deconstruction of certain types of buildings, rather than demolishing them. The ordinance includes guidelines on how to conduct the deconstruction and incentivizes property owners to participate by providing access to resources and information on local deconstruction service.



Action E: Adopt a save-as-you-throw ordinance to disincentivize waste generation

This action proposes a residential save-as-you-throw ordinance with the Town's waste provider to discourage waste generation. It ties trash collection costs to volume through tiered pricing based on container size, pick-up frequency, or material weight, complementing Action C's recycling and composting incentives.

Key Facts

Scope of Impact	Community-wide
Action Type	Encourage
Targets	Adopt a save-as-you-throw ordinance
Emissions Impact (in 2030)	Not calculated for individual actions
Total Cost (2025 - 2030)	\$2,200 - \$3,200
Cost Effectiveness (2025-2030 Cost / 2030 MTCO ₂ e)	Not calculated for individual actions
Anticipated Average Annual Staff Time (FTE)	<0.1 FTE
Implementation Timeline	Mid-Term (2027-2028)
Success Measures Met	<ul style="list-style-type: none"> ✓ Meaningfully reduces GHG emissions (21-100 MTCO₂e) ✓ Provides a substantial return on investment (\$151 - \$2,000/MTCO₂e) ✓ Sets a bold example among mountain communities ✓ Is proactive before reactive ✓ Leverages regional initiatives and partnerships ✓ Provides significant co-benefits (Enhances climate resilience and environmental equity)



Photos credit: Nolan Blunck



Action F: Develop incentives and programs to encourage waste reduction and diversion by Town employees

This action aims to reduce waste from Town operations through staff programs like office supply re-use libraries or interdepartmental competitions with incentives for waste diversion.

Key Facts

Scope of Impact	Town Operations
Action Type	Encourage
Targets	Implementation of Town employee waste reduction and diversion incentives
Emissions Impact (in 2030)	Not calculated for individual actions
Total Cost (2025 - 2030)	\$1,800 - \$2,700
Cost Effectiveness (2025-2030 Cost / 2030 MTCO ₂ e)	Not calculated for individual actions
Anticipated Average Annual Staff Time (FTE)	<0.1 FTE
Implementation Timeline	Near-Term (2025-2026)
Success Measures Met	<ul style="list-style-type: none"> ✓ Meaningfully reduces GHG emissions (0-20 MTCO₂e) ✓ Provides a substantial return on investment (\$151 - \$2,000/MTCO₂e) ✓ Is proactive before reactive ✓ Leverages regional initiatives and partnerships ✓ Provides significant co-benefits (Social equity and affordability)



Photo credit: Nolan Blunck



Action G: Develop and implement a Town Environmental Purchasing Policy

This action aims to strategically reduce waste from Town operations and require or encourage sustainable purchasing practices through the development of an Environmental Purchasing Policy (EPP). An EPP is a set of guidelines and practices that prioritize the purchase of environmentally friendly products and services.

Components of an EPP could include:

- Requirement or price preference for environmentally preferable products that are certified through third party programs
- Requirement for a minimum percentage of recycled material in products (e.g., 30% post-consumer material paper products)
- Guidelines around the purchase of used products or re-use and disposal of certain products.
- Guidelines for incorporating lifecycle cost into purchasing decisions
- Requirements related to hazardous materials and substances (e.g., harmful chemicals)
- Provisions for the prioritization of local or environmentally responsible vendors

Key Facts

Scope of Impact	Town Operations
Action Type	Require/Encourage
Targets	Development and adoption of Environmental Purchasing Policy
Emissions Impact (in 2030)	Not calculated for individual actions
Total Cost (2025 - 2030)	\$6,100 – \$7,400
Cost Effectiveness (2025-2030 Cost / 2030 MTCO ₂ e)	Not calculated for individual actions
Anticipated Average Annual Staff Time (FTE)	<0.1 FTE
Implementation Timeline	Near-Term (2025-2026)
Success Measures Met	<ul style="list-style-type: none"> ✓ Meaningfully reduces GHG emissions (0-20 MTCO₂e) ✓ Provides a substantial return on investment (\$151 - \$2,000/MTCO₂e) ✓ Is proactive before reactive ✓ Leverages regional initiatives and partnerships ✓ Provides significant co-benefits (Social equity and affordability, Public health and well being, Supports local businesses and economy, Enhances climate resilience and environmental equity)

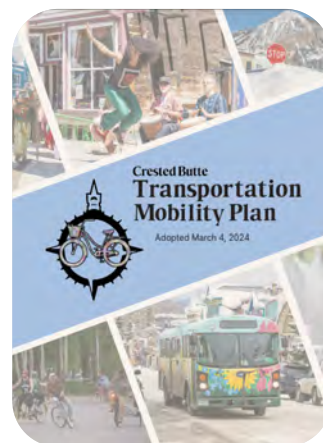




LOW CARBON TRANSPORTATION (T)

In 2022, transportation within Crested Butte accounted for 7% of community emissions. This section outlines strategies to reduce emissions by shifting to lower-carbon transportation options and supporting electric vehicle adoption, aligned with actions in three related plans:

- **Crested Butte Transportation Mobility Plan (2024):** The Transportation Mobility Plan (TMP) describes Crested Butte's existing mobility conditions, identifies key transportation challenges, and outlines an implementation plan with actions to integrate land use and transportation planning, increase alternative modes of travel, and manage parking supply to set the future up in a way that de-emphasizes cars and focuses on walking, biking, rolling, and transit.
- **North Gunnison Valley Electric Vehicle Plan (adoption anticipated in 2025):** Crested Butte is working with the Town of Mt. Crested Butte to create an Electric Vehicle (EV) plan for the North Gunnison Valley that will align regional EV support strategies.
- **Crested Butte Community Plan (adoption anticipated in 2025):** The Community Plan will aim leverage the Town's development regulations to increase opportunities for people to live closer to work, supporting the TMP and CAP goals as well.



While this Climate Action Plan is primarily focused on reducing GHG emissions within the Town of Crested Butte, the emissions and other benefits of these three plans will extend throughout the Gunnison Valley.

2022 SNAPSHOT



**Transportation
emissions**
1,470 MTCO₂e



**Vehicle miles
traveled**
3,673,171



HOW CB GETS AROUND TODAY

Crested Butte, just 0.9 square miles, sees most residents walking and biking. Pedestrian travel accounts for 79% of trips in summer and 94% in winter, while biking makes up 16% in summer and 1% in winter. Only 5% of trips that start and end in town are made by vehicle. However, significant traffic comes from visitors and commuters, with 44% of Crested Butte employees living outside town in summer and 37% in winter. Although travel emissions to and from Crested Butte aren't included in the community inventory, they impact regional transportation



Photo credit: Nolan Blunck

WHAT CB IS ALREADY DOING TO ADVANCE LOW CARBON TRANSPORTATION

The TMP outlines actions to shift focus from cars to walking, biking, rolling, and transit over 20 years. Its strategy balances promoting alternative travel modes, reducing parking convenience, and prioritizing pedestrians through land use planning.

The TMP was adopted on March 4, 2024, and the Town has hit the ground running with implementation. In 2024, the Town:

- Implemented improved corner paint and bike racks on Elk Avenue
- Added additional stop signs where warranted.
- Applied for CDOT access permit and secured 80% of construction funding for the Red Lady roundabout at the entrance to town, due to its active participation in the Safe Streets for All regional corridor planning
- Developed and deployed a traffic calming policy
- Began annual parking management evaluation by Town Council and expanded the permit program to include a skier permit in impacted neighborhoods
- Began an EV charging incentive program
- Actively participating in Mountain Express and RTA strategic plans
- Conducting Compass Navigation process and preparing for a regional corridor plan

All of the actions in the TMP are incremental and strategically phased over the next 20 years to improve transportation choices, managing parking inventory, and integrate land use and transit.

DRIVERS OF CHANGE

Transportation emissions are driven by vehicle miles traveled and the per mile emissions of vehicles. Crested Butte's number one transportation goal is to de-emphasize the car by prioritizing walking, biking, rolling, and transit with a secondary focus on supporting EV adoption for necessary car trips. The TMP highlights that increasing traffic has degraded the pedestrian experience. While future growth and development will impact transportation emissions, stricter vehicle standards and higher EV adoption, along with renewable electricity, will reduce emissions per mile. Crested Butte can further support EV adoption through the North Gunnison Valley EV Plan.



Strategy T1: Improve transportation choices

The TMP includes actions not only to maintain alternative transportation choices but to improve them, by investing in transit and introducing traffic calming, corridor plans, and streetscapes. While Crested Butte has the goal of being a safer and car-optional community, the Town also has an opportunity to support and encourage EV adoption and use for those trips when cars are needed. The EV plan will identify specific actions that the Town can take to educate the community and make driving an EV to and around Crested Butte more accessible and convenient for workers, residents, and visitors alike. Actions to improve transportation choices will reduce emissions and have significant co-benefits for the community.

Success Measures Met	<ul style="list-style-type: none"> ✓ Sets a bold example among mountain communities ✓ Is proactive before reactive ✓ Leverages regional initiatives and partnerships ✓ Provides significant co-benefits (Social equity and affordability, Public health and well being, Supports local businesses and economy, Enhances climate resilience and environmental equity)
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Strategy T2: Manage parking supply

The convenience of parking is the biggest factor that determines if someone will drive a car and the TMP includes actions to strategically address parking over the next 20 years to incrementally manage over-parked areas, improve parking safety, and reduce the number of cars entering and leaving Crested Butte. Access to convenient and affordable charging infrastructure is a key driver of EV adoption. The EV plan will identify actions to meet future demand while prioritizing origin and destination charging (e.g., at lodging establishments or multifamily housing) that aligns with the Town's "park once" ethos.

Success Measures Met	<ul style="list-style-type: none"> ✓ Sets a bold example among mountain communities ✓ Is proactive before reactive ✓ Leverages regional initiatives and partnerships ✓ Provides significant co-benefits (Social equity and affordability, Public health and well being, Supports local businesses and economy, Enhances climate resilience and environmental equity)
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Strategy T3: Integrate land use and transportation

Land use significantly influences transportation choices by affecting travel distance and the access and convenience of different modes.

Success Measures Met	<ul style="list-style-type: none"> ✓ Sets a bold example among mountain communities ✓ Is proactive before reactive ✓ Leverages regional initiatives and partnerships ✓ Provides significant co-benefits (Social equity and affordability, Public health and well being, Supports local businesses and economy, Enhances climate resilience and environmental equity)
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The actions in this plan were intentionally written to provide a guiding framework for





IMPLEMENTATION

implementation without being overly prescriptive. Climate action will be dynamic, iterative, informed by the strategies and actions in this plan, and adaptive to changing conditions, new opportunities, and community desires.

STRATEGY PRIORITIZATION

The Town will prioritize strategies and actions that are most cost-effective for initial implementation. Top priorities include accelerating efficiency improvements and electrification in existing residential and commercial buildings. See Figure 16 for a summary of the top 7 strategies ranked by cost-effectiveness, measured in estimated dollars per MTCO₂e reduced. Strategies without a direct emissions impact are not ranked.

1	\$89 - \$101	B2: Accelerate efficiency improvements and electrification in existing residential buildings
2	\$122 - \$134	B3: Accelerate efficiency improvements and electrification in existing commercial buildings
3	\$222 - \$626	R1: Maximize new local renewable energy generation
4	\$587 - \$878	B4: Raise the bar on low emissions new construction
5	\$742 - \$953	W1: Increase diversion from landfill and encourage sustainable consumption
6*	\$1,173 - \$1,521	B5: Lead the way with efficiency improvements and electrification of Town buildings
7*	\$10,503 - \$12,837	R3: Install renewable energy resources to serve Town facilities

Figure 16. Top 7 Strategies Ranked by Estimated Cost Effectiveness (\$ per MTCO₂e)

*The cost effectiveness is lower than other strategies due to accounting for the full cost of implementation by the Town.

IMPLEMENTATION TIMELINE

Plan implementation will begin immediately following adoption. The actions outlined in the plan are intentionally high-level to allow for flexibility in the details and approach. As each action is addressed, Town staff will engage the community and Town Council on the best path forward and be prepared to adapt to emerging challenges, opportunities, and stakeholder feedback.

Action implementation will involve developing more detailed steps and timelines while refining resource needs through budget and staffing analysis. In addition, Town staff will integrate



stakeholder feedback in program design, including communications and community education.

A preliminary timeline for the implementation of strategies and actions identified in this plan is provided below and will be updated as needed to reflect implementation progress, schedule adjustments and the inclusion of new strategies and actions, as appropriate. Additionally, the Town will continue to evaluate and engage in regional, Gunnison Valley-wide projects and programs with the potential to significantly reduce Scope 3 emissions beyond Crested Butte town limits.

Near-Term 2025 - 2026	<ul style="list-style-type: none"> • Incorporate foundational and enabling strategies into all climate actions • Require energy assessments for existing buildings and update zoning codes • Expand building energy efficiency and electrification incentives • Accelerate renewable energy coordination, education, and advocacy • Develop incentives for waste reduction • Implement own facility energy monitoring and planning
Mid-Term 2027 - 2028	<ul style="list-style-type: none"> • Develop commercial building energy benchmarking requirements • Track new construction building materials • Implement Town facility efficiency, electrification, and renewable energy generation projects • Support new local renewable energy generation
Long-Term 2029 - 2030	<ul style="list-style-type: none"> • Close the gap on new construction electrification and efficiency • Continue implementation of policy and incentive programs to reduce existing building emissions

TRACKING PROGRESS

The Town will monitor implementation progress by identifying Key Performance Indicators at the outset of projects and managing an internal tracking database. The Town is committed to transparent communication with the community on climate progress and staff will regularly publish high-level progress and emissions updates online.

Regularly reporting on progress will help the Town to monitor implementation, stay ahead of challenges and adapt to changing community and budgetary conditions. A full Climate Action Plan update, which will include a detailed GHG emissions inventory, is scheduled for 2030.



B1: Enable climate-friendly future development

	Near-Term		Mid-Term		Long-Term	
	2025	2026	2027	2028	2029	2030
A. Incorporate climate considerations into zoning code.						
B. Enable climate-friendly construction and development through flexible design guidelines and a review of permitting processes.						

B2: Accelerate efficiency improvements and electrification in existing residential buildings

	Near-Term		Mid-Term		Long-Term	
	2025	2026	2027	2028	2029	2030
A. Require an energy assessment for residential Level 1, 2, and 3 remodels.						
B. Require an energy assessment for vacation rental units.						
C. Provide Town-funded energy efficiency and electrification incentives for all residents						

B3: Accelerate efficiency improvements and electrification in existing commercial buildings

	Near-Term		Mid-Term		Long-Term	
	2025	2026	2027	2028	2029	2030
A. Require an energy assessment for commercial Level 1, 2, and 3 remodels.						
B. Provide Town-funded energy efficiency and electrification incentives for all businesses.						
C. Require energy use disclosure and benchmarking for commercial buildings.						

B4: Close the gap on new construction electrification and efficiency

	Near-Term		Mid-Term		Long-Term	
	2025	2026	2027	2028	2029	2030
A. Require all-electric commercial kitchen equipment for new construction.						
B. Estimate and track building materials used in construction.						

B5: Reduce emissions from Town buildings

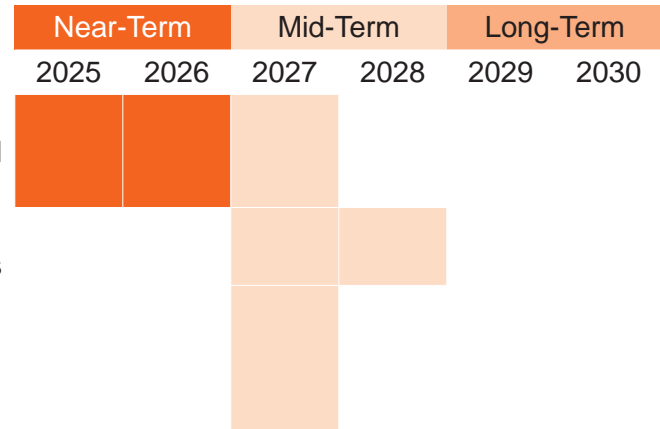
	Near-Term		Mid-Term		Long-Term	
	2025	2026	2027	2028	2029	2030
A. Develop a municipal building energy efficiency and electrification plan and perform audits of all municipal facilities.						
B. Implement electrification and efficiency improvements identified in energy efficiency and electrification plan						

- C. Monitor Town facilities' energy use and include within a regular Climate Action Report.



R1: Maximize new local renewable energy generation

- A. Coordinate a group buy and provide educational resources to increase voluntary adoption of local renewable generation.
- B. Partner with GCEA to support the installation of local renewable generation up to allowable limits
- C. Expand the Renewable Energy Mitigation Program (REMP) to require renewable energy generation or fee-in-lieu for buildings over a certain size



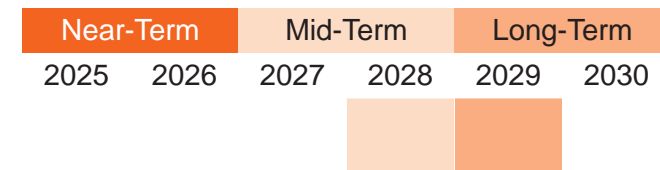
R2: Push to accelerate widespread grid decarbonization

- A. Advocate for increased renewable energy generation at the local, state, and federal levels.



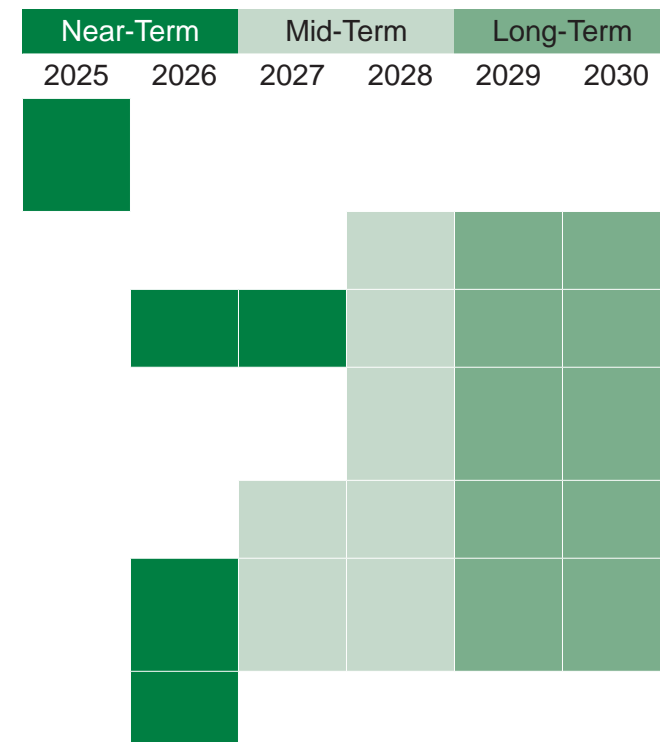
R3: Install renewable energy resources to serve Town facilities

- A. Install renewable energy generation to meet Town energy needs.



W1: Increase diversion from landfill and encourage sustainable consumption

- A. Require adequate space for trash, recycling, and composting containers and pickup in new development.
- B. Facilitate the development of new waste diversion infrastructure.
- C. Incentivize waste reduction, recycling, and composting for residents and businesses
- D. Ban certain materials from landfill and enforce requirements for construction and demolition materials recycling.
- E. Adopt a pay-as-you-throw ordinance to disincentivize waste generation
- F. Develop incentives and programs to encourage waste reduction and diversion by Town employees
- G. Develop and implement a Town Environmental Purchasing Policy





GUIDE TO KEY TERMS

Adjusted Business As Usual (ABAU): Forecast of community and municipal emissions that takes into account Business As Usual change along with utility renewable generation commitments and projected vehicle efficiency and electrification policy and market impacts.

Average Daily Annual (ADA) Population: The average number of people present in a given location on any day over the course of a year. This measure accounts for variations in population throughout the year due to factors such as tourism, seasonal residents, commuters, or transient visitors.

Business As Usual (BAU): Forecast of community and municipal emissions that takes into account expected population growth, planned Town facilities, and existing Town codes.

Climate change: Climate change refers to long-term shifts in temperatures and weather patterns. Since the 1800s, human activities have been the main driver of climate change, primarily due to the burning of fossil fuels like coal, oil, and gas (United Nations n.d.).

Community Compass: The Crested Butte Community Compass is the Town of Crested Butte's comprehensive long-range plan. The Compass includes a strategic plan and decision-making framework that was used to guide the development of this Climate Action Plan in a way that is aligned with the community's values.

Decarbonization: The process of reducing or eliminating GHG emissions from activities, for example by a transition to more renewable sources of energy.

Electrification: The process of replacing technologies or systems that rely on fossil fuels such as natural gas with those that rely on electricity.

Emissions factor: The emissions generated per unit of activity such as energy consumption or fuel use.

Emissions scopes (1, 2, 3): For the purposes of GHG inventories, emissions are classified into three scopes. Scope 1 emissions are associated with sources located inside the Town boundary (e.g., the burning of natural gas), Scope 2 emissions are associated with the generation of grid-supplied electricity used inside the Town, and Scope 3 emissions are other emissions that occur outside the Town boundary as a result of activities taking place within the Town.

Energy assessment: The assessment of a building's energy usage that can be used to identify opportunities for efficiencies and improvements.

Energy benchmarking: Energy benchmarking policies require property owners to report energy usage data and compare against similar types of buildings, often using a standardized metric like Energy Use Intensity (EUI) or ENERGY STAR scores.

Energy disclosure: Energy disclosure policies require property owners to report energy usage data to increase transparency and encourage energy efficiency improvements.

EV (Electric Vehicle): EVs are vehicles powered entirely or partially by electricity, as opposed to internal combustion engines that rely on fossil fuels such as gasoline or diesel. EVs include both Battery Electric Vehicles (BEVs) powered solely by electricity, and Plug-in Hybrid Electric Vehicles (PHEVs) that have both an electric motor and an internal combustion engine.



GHG (greenhouse gas): GHGs are gases that trap heat in the atmosphere and contribute to climate change. GHGs emitted by human activities include Carbon Dioxide (CO₂), Methane (CH₄), Nitrous Oxide (N₂O) and Fluorinated gases (EPA 2024).

GPC (Global Protocol for Community-Scale Greenhouse Gas Inventories): The GPC is an internationally recognized framework for the development of community-scale GHG inventories. It provides a standardized methodology for calculating and reporting emissions and is widely used in climate action planning. The GPC is regularly updated to reflect best practices and is maintained by the World Resources Institute, C40 Cities, and ICLEI Local Governments for Sustainability (WRI, ICLEI, and C40 Cities Climate Leadership Group 2022).

ICLEI Local Government Operations Protocol: A widely used protocol to account for GHG emissions associated with local government operated buildings, vehicles, and other operations (ICLEI USA 2018).

kWh (kilowatt-hour): A kWh is a unit of energy used to measure electricity consumption over time. 1 kWh represents the energy usage of a device that consumes 1 kilowatt of power continuously for 1 hour.

Level 1, Level 1, Level 3 Permits: These permit types represent different levels of building alteration as defined in the International Code Council 2021 International Building Code adopted by the Town of Crested Butte (International Code Council 2021).

- Level 1 Permit: Includes the removal and replacement or the covering of existing materials, elements, equipment or fixtures using new materials, elements, equipment, or fixtures that serve the same purpose.
- Level 2 Permit: Includes the addition or elimination of any door or window, the reconfiguration of any system, or the installation of any additional equipment, and applies where the work area is equal or less than 50% of the building area.
- Level 3 Alterations: Where the work area exceeds 50% of the building area.

MTCO₂e (metric tons carbon dioxide equivalent): MTCO₂e is a standard unit used to quantify and compare GHGs with different global warming potential (GWP). Since gases have different impacts on climate change, emissions are standardized by the equivalent amount of carbon dioxide that would have the same impact.

Renewable energy: Energy sources are considered renewable when they are replenished at a higher rate than they are consumed. Solar and wind energy are examples of renewable resources, while fossil fuels such as coal, oil, and gas are non-renewable resources. Generating renewable energy creates far lower GHG emissions than burning fossil fuels (United Nations n.d.)

Snow: Don't forget about snow in Crested Butte! We have big winters and a lot of snow and climate action strategies need to take this seasonal reality into account.

Therm: A therm is a unit of energy used to measure natural gas consumption. One therm is equivalent to 100,000 British Thermal Units (BTUs), and one BTU is the amount of energy required to raise the temperature of one pound of water by one degree Fahrenheit.

Grid / Transmission and Distribution (T&D) Losses: This term refers to the emissions associated with losses in the energy system, including electricity lost during the generation, transmission, and distribution of electricity from power plants to end users, and natural gas leakage.

Waste reduction: A decrease in the total amount of waste generated.

Waste diversion: The percentage of total waste generated that is reused, recycled, or composted rather than sent to landfill.



HOW CRESTED BUTTE RESIDENTS CAN TAKE CLIMATE ACTION

Learn about climate change

- Learn about the State of Colorado's actions on climate change and clean energy: climate.colorado.gov
- Explore how the climate is expected to change in Gunnison County and around the U.S.: crt-climate-explorer.nemac.org
- Check out tools, resources, and information to help our community become more resilient in the face of changing conditions: coresiliency.com

Building Decarbonization (B): Improve the efficiency of and electrify your home

- Explore ways that you can save energy at home: energy.gov/energysaver/energy-saver
- Sign up for a home Energy Evaluation through Gunnison County Electric Association (GCEA): gcea.coop/energy-efficiency/energy-evaluations
- Save money and improve the efficiency and comfort of your home through GV-HEAT's income qualified and non-income qualified programs: gvrha.org/gvheat
- Take advantage of available incentives to increase the efficiency of and electrify your home: homes.rewiringamerica.org/calculator and crestedbutte-co.gov/rebates

Renewable Energy Supply (R): Help increase the amount of Crested Butte's energy supply met through renewable resources

- Start your solar journey by installing solar at home or signing up for one of GCEA's Green the Grid subscription programs: gcea.coop/energy-efficiency/renewable-energy-programs
- Participate in GCEA's PowerWise Pledge™ to show your financial commitment to GCEA's efforts to green the grid: gcea.coop/powerwise-pledge
- Participate in GCEA board meetings and elections to advocate for renewable power: gcea.coop/about-us/annual-meeting-elections

Waste and Materials Management (W): Reduce waste sent to landfill

- Make sure you know what can and cannot be recycled in CB: crestedbutte-co.gov/trash-recycle
- Sign up for composting: crestedbutte-co.gov/compost
- Learn how to reduce, reuse and recycle waste at home, work, and school: epa.gov/recycle/reducing-waste-what-you-can-do
- Consider borrowing or buying used items instead of buying new.
- Learn how to properly store food to maximize freshness and avoid waste: foodsafety.gov/keep-food-safe/foodkeeper-app

Low Carbon Transportation (T): Choose low carbon transportation options

- Walk, bike, roll, or take the bus around Town whenever you can!
- Take public transit when possible:
 - » Mountain Express for in-town and inter-mountain trips: mtnexp.org
 - » Gunnison RTA for trips to Gunnison: gunnisonvalleyrta.com
 - » Bustang Outrider all the way to Denver: ridebustang.com/outrider
- Team up with others to carpool to work, run errands, or for longer trips
- Use available incentives to make your next vehicle electric: evco.colorado.gov



HOW CRESTED BUTTE BUSINESSES CAN TAKE CLIMATE ACTION

Learn about sustainable business programs and best practices

- Check out voluntary sustainable business programs that can help you reduce emissions and stand out from the crowd:
 - » Join the State of Colorado Green Business Network to receive a free sustainability assessment: cdphe.colorado.gov/co-green-business
 - » Explore resources from B Lab, including B Corp certification and make your business a force for good: bcorporation.net

Building Decarbonization (B): Improve the efficiency of and electrify your business

- Explore ways that you can save energy in your business: energystar.gov/buildings/save-energy-commercial-buildings
- Sign up for a business Energy Evaluation through Gunnison County Electric Association (GCEA): gcea.coop/energy-efficiency/energy-evaluations
- Save money and improve the efficiency of your business using GCEA's energy rebates: gcea.coop/energy-efficiency/rebates
- Explore resources available through the State of Colorado to support businesses with building efficiency and electrification: energyoffice.colorado.gov/funding-financing-businesses
- Track your building energy and water use: energystar.gov

Renewable Energy Supply (R): Help increase the amount of Crested Butte's energy supply met through renewable resources

- Start your solar journey with by installing solar at your business or signing up for one of GCEA's Green the Grid subscription programs: gcea.coop/energy-efficiency/renewable-energy-programs
- Participate in GCEA's PowerWise Pledge™ to show your financial commitment to GCEA's efforts to green the grid: gcea.coop/powerwise-pledge

Waste and Materials Management (W): Reduce waste sent to landfill

- Sign up for recycling collection and install clear signage to ensure that all staff and customers know what can and cannot be recycled in CB: crestedbutte-co.gov/trash-recycle
- Adopt a sustainable purchasing policy and buy from local vendors whenever possible.
- Reduce and reuse – source products and equipment from improvement or reuse stores like the Habitat Restore in Buena Vista.
- Consider eliminating single use items such as takeout containers and plastic water bottles.
- Participate in the Town of Crested Butte's Climate Responsible Special Events (CRSE) program

Low Carbon Transportation (T): Choose low carbon transportation options

- Encourage or incentivize your employees to walk, bike, carpool or take transit instead of driving alone.
- Coordinate an employee carpool or vanpool program.
- Explore opportunities and incentives to electrify your fleet vehicles: energyoffice.colorado.gov/funding-financing-businesses





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2022 Town of Crested Butte Greenhouse Gas Emissions Inventory

November 2024



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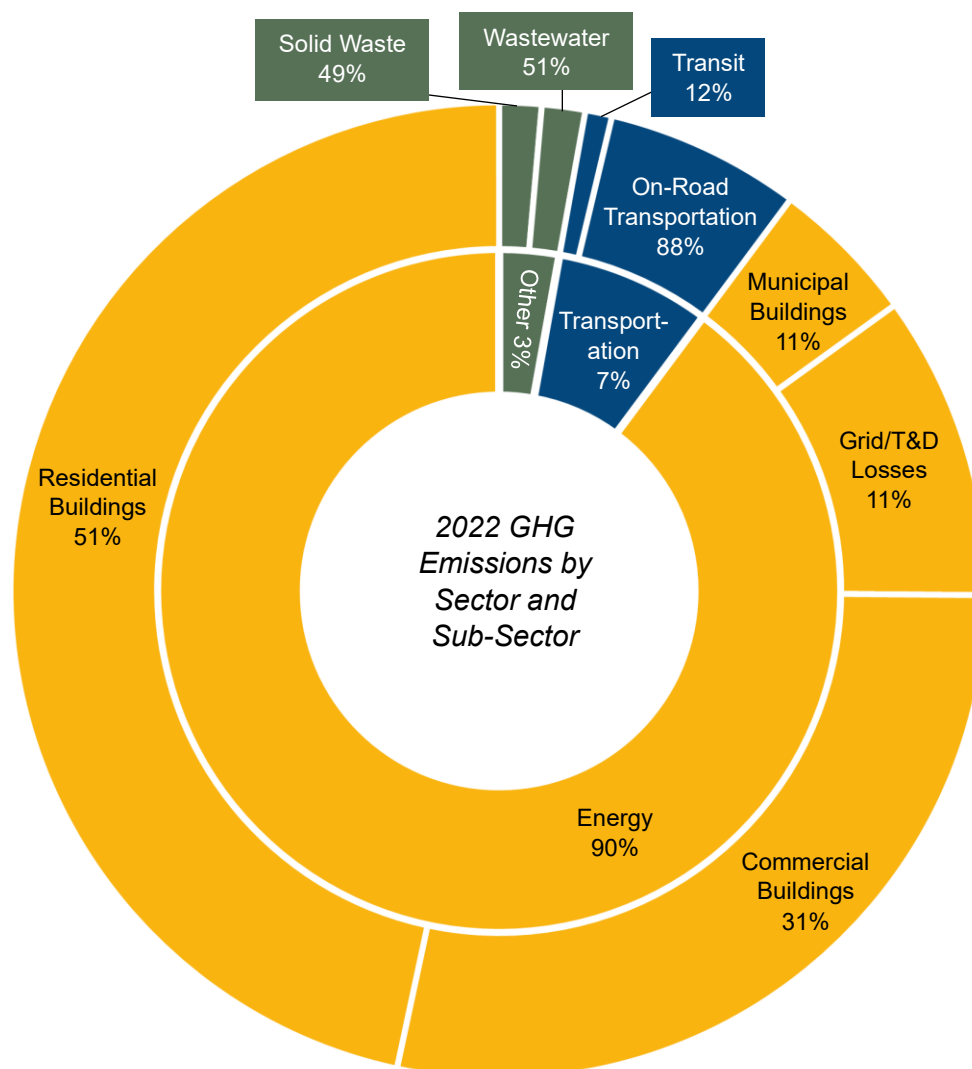
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Town of Crested Butte 2022 Greenhouse Gas Emissions Inventory: Executive Summary

In order to inform the Climate Action Plan 2030, the Town of Crested Butte developed a community-wide and municipal greenhouse gas (GHG) emissions inventory. The inventory provides a snapshot of Crested Butte's GHG emissions in 2022, along with a comparison to 2017 data.



23,670 MTCO₂e
total community
emissions in 2022



5% increase
in calculated
community
emissions between
2017 and 2022



1,800 MTCO₂e
total municipal
emissions in
2022, 8% of the
community total

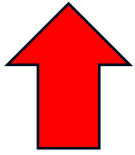


**Building energy
sector**
electricity and
natural gas are the
largest source of
emissions

¹ 2017 emissions presented in this report have been recalculated and updated from the original version of the 2017 inventory to align with current best practices.

CHANGE IN EMISSIONS: 2017 TO 2022

The key drivers of change in emissions between 2017 and 2022 include:



Increased:

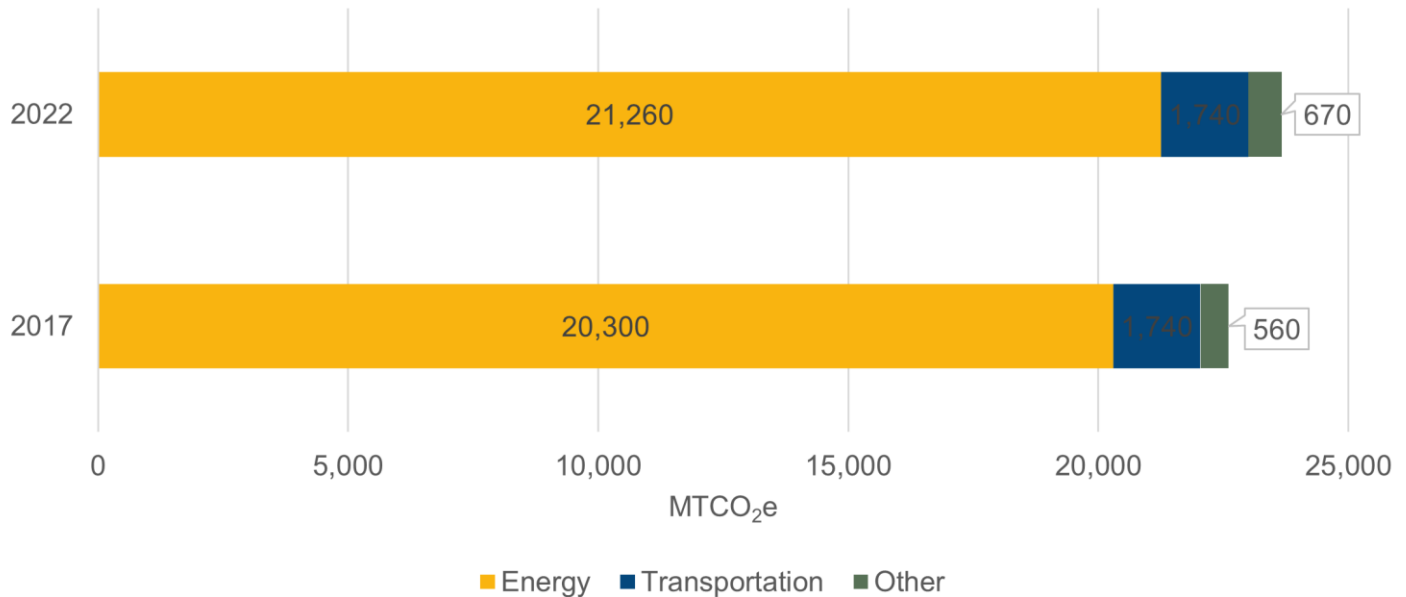
- Natural gas usage
- Vehicle miles traveled
- Solid waste generation



Reduced:

- Electricity use
- Emissions factors (electricity, natural gas, vehicle efficiency)

Town of Crested Butte Community Emissions, 2017 and 2022



Sector	2017 (MTCO ₂ e)	2022 (MTCO ₂ e)	Change
Energy	20,300	21,260	+5%
Commercial Buildings	8,750	6,680	-24%
Grid / T&D Losses	1,970	2,390	+21%
Municipal Buildings	Included in Commercial	1,150	N/A
Residential Buildings	9,580	11,040	+15%
Transportation	1,740	1,740	0%
On-Road Transportation	1,740	1,530	-12%
Transit	Not calculated	210	N/A
Other	560	670	+20%
Solid Waste	240	330	+38%
Wastewater Treatment	320	330	+6%
Total Emissions	22,600	23,670	+5%



1. INTRODUCTION

This report provides an estimate of Crested Butte's greenhouse gas (GHG) emissions in 2022 and a comparison to 2017 emissions data.

The purpose of a GHG inventory is to quantify the emissions associated with energy consumption, fuel use, and activities within the community's geographic boundary. The inventory was created as a first step in the development of Crested Butte's Climate Action Plan. The inventory will inform the identification of climate action alternatives in the Climate Action Plan and will enable the Town to evaluate and monitor the impact of alternatives by tracking change in community and municipal emissions over time.

Community Context and Benchmarks

Since actions and trends in the community drive changes in GHG emissions, it is helpful to understand key community characteristics and context that may have influenced 2022 emissions and changes since 2017.

Factor	Description
Population Growth	Population growth is typically associated with increased activity and community emissions. The population of Crested Butte increased 4%, from 1,385 in 2017 to 1,434 in 2022 while the population of Gunnison County increased by 5%. This growth could explain some of the changes in energy use, transportation, and waste generation.
Impact of COVID-19	Evaluating emissions in 2022 avoids the most significant impacts of the COVID-19 global pandemic on activities and emissions in 2020 and 2021. However, since Crested Butte's tourism-driven economy was significantly impacted by the pandemic, some observed changes in emissions may be attributable to lasting indirect impacts of COVID-19.

Establishing New Community Benchmarks

The 2022 inventory establishes new community benchmarks to support GHG emissions trend analysis and evaluation in future years, including:

Factor	2022 Benchmark	Description
Number of Visitors	267,000	Given Crested Butte's small full-time population and high number of visitors, changes in activity may be more closely linked to changes in visitation than changes in the number of residents.
Annual Daily Average Population	2,779 (2021 estimate)	Average daily annual (ADA) is an average of population throughout the entire year. ² This number was estimated for the Town of Crested Butte Wastewater Treatment Plant Improvements Project.
Heating Degree Days	10,458	Heating degree days (HDD) are a measure of how hot or cold it is in a given year and are a key indicator of natural gas heating demand.
Geographic Area	0.80 square miles	An increase in the geographic area due to annexations into the Town of Crested Butte could be associated with an increase in activity data and services provided by the Town.
Building Area	2,626,995 square feet	An increase in the building area inside the Town could be associated with increased energy use and emissions.

² Kingdom, J., and Charbonnet, E., (2021) Wastewater Treatment Plant Improvements Project: Project Memorandum 1

2. SUMMARY OF RESULTS

This inventory was prepared following the Global Protocol for Community-Scale Greenhouse Gas Inventories (GPC) BASIC+ requirements. The 2017 inventory was developed using different methodologies that are not consistent with the GPC protocol. The electricity grid losses, natural gas transportation and distribution losses, on-road transportation, solid waste, and wastewater treatment emissions presented in this report have been recalculated and updated from the original version of the 2017 inventory to align with current best practices that account more holistically for community emissions.

This section provides a summary of community and municipal inventory results by sector and includes a breakdown of community emissions by scope. **The inventory includes Scope 1 and Scope 2 emissions relevant to Crested Butte and accounts for Scope 3 solid waste emissions attributable to activities within Crested Butte.**

Scope	Definition	Sources Included In This Inventory
Scope 1	GHG emissions from sources located within the Town boundary.	<ul style="list-style-type: none"> Natural gas use Wastewater treatment processes Transportation within Town limits
Scope 2	GHG emissions occurring as a consequence of the use of grid-supplied electricity, heat, steam, and/or cooling within the Town boundary.	<ul style="list-style-type: none"> Electricity use
Scope 3	All other GHG emissions that occur outside the town boundary as a result of activities taking place within the Town boundary.	<ul style="list-style-type: none"> Solid waste disposal

Community Emissions Summary

Community Emissions By Sector and Scope

Total community emissions for the Town of Crested Butte were 23,670 MTCO₂e in 2022. As shown in **Figure 1**, by far the largest source of emissions was the Energy sector, accounting for 90% of the total, followed by Transportation at 7%, and Other emissions (Wastewater Treatment and Solid Waste) at 3%.

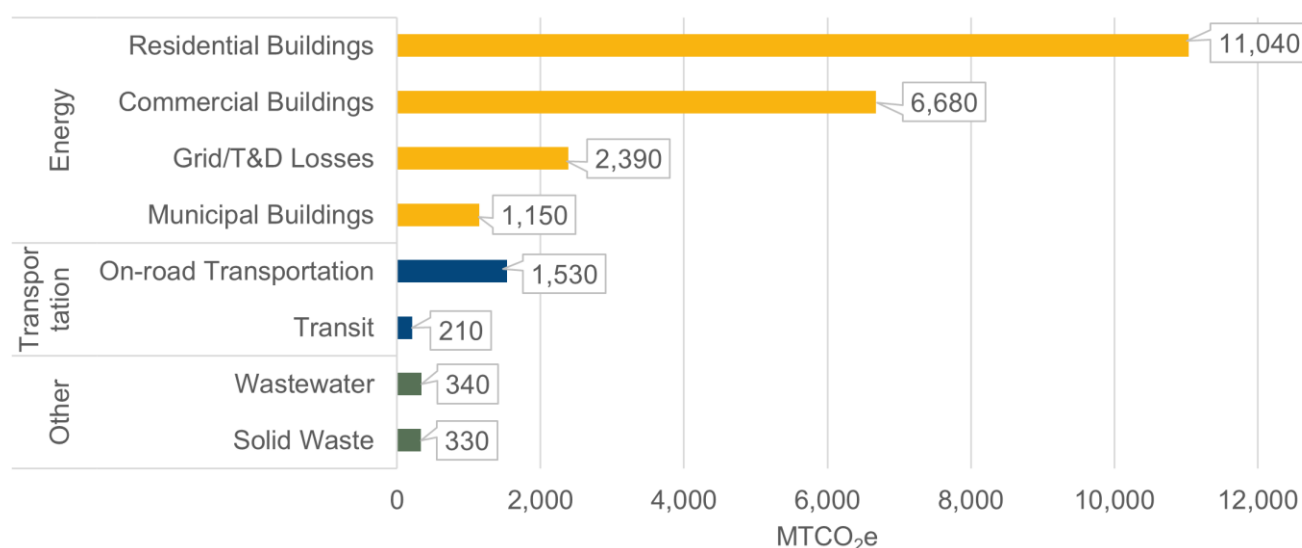


Figure 1. Town of Crested Butte GHG Emissions Summary by Sector And Subsector, 2022

Table 1 provides a more detailed summary of Crested Butte's emissions by sector, source and scope, showing that only a small portion of Scope 3 emissions are included in this inventory. Emissions are fairly evenly distributed between Scope 1 and 2.

Table 1: Community Emissions by Scope, Sector, and Source

Scope, Sector, Source	2022 MTCO ₂ e
Scope 1	11,370
Energy	9,310
Natural Gas	9,310
Commercial	2,590
Municipal	350
Residential	4,580
T&D Losses	1,790
Other	340
Wastewater	330
Wastewater Treatment Process	10
Wastewater Treatment Fugitive	330
Transportation	1,720
On-road Vehicle Transportation	1,510
Diesel	250
Gasoline	1,060
Municipal	200
Transit	210
Diesel	200
Compressed Natural Gas	10
Scope 2	11,970
Energy	11,950
Electricity	11,950
Commercial	4,090
Grid Loss	600
Municipal	800
Residential	6,460
Transportation	20
On-road Vehicle Transportation	20
Electric	20
Scope 3	330
Other	330
Solid Waste	330
Grand Total	23,670

Change in Community Emissions

While the 2017 emissions data presented in this report were calculated to align with current best practices, caution should still be exercised in drawing assumptions about trends between two individual years. As the Town creates future inventories using consistent methodology, it will become easier to reliably compare emissions and track trends over time.

As shown in **Figure 2** and **Table 2**, calculated emissions for 2022 were 5% higher than those for 2017.

The increase in calculated emissions was driven by increases in natural gas use, residential electricity use, vehicle miles traveled, and solid waste generation. Change in these sub-sectors was offset, in part, by reduced commercial electricity use and decreasing emission factors, including for electricity and vehicle efficiency.

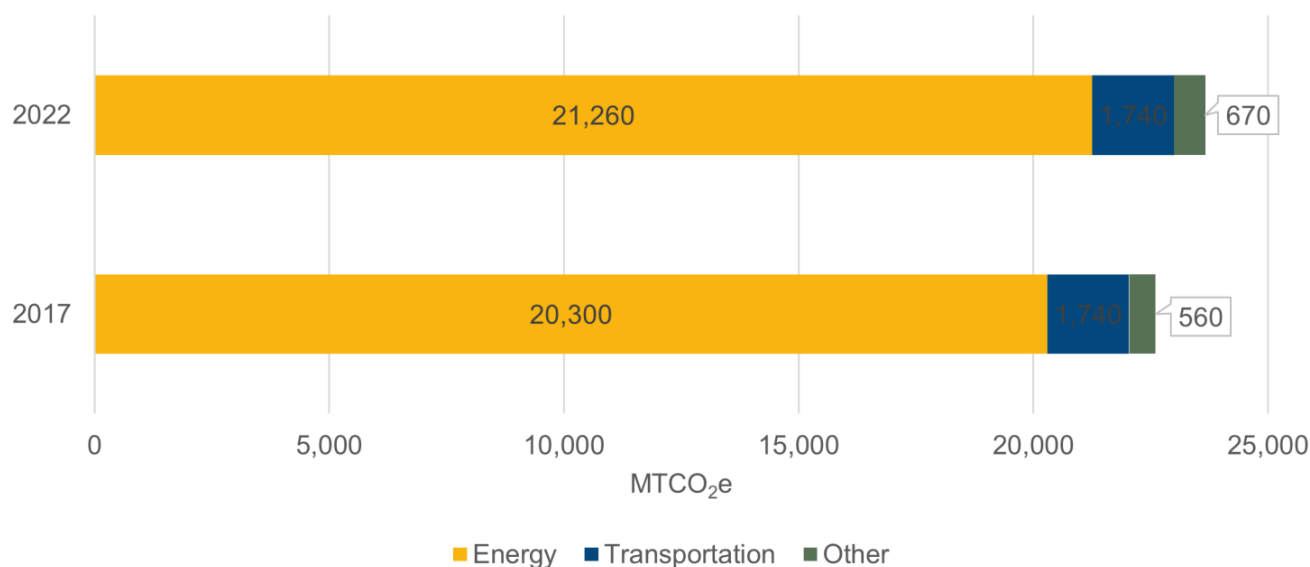


Figure 2. Town of Crested Butte Community GHG Emissions by Sector, 2017 and 2022

Table 2. Community Emissions by Sector and Sub-Sector, 2017 and 2022

Sector	2017 (MTCO ₂ e)	2022 (MTCO ₂ e)	Change
Energy	20,300	21,260	+5%
Commercial Buildings	8,750	6,680	-24%
Grid / T&D Losses	1,970	2,390	+21%
Municipal Buildings	Included in Commercial	1,150	N/A
Residential Buildings	9,580	11,040	+15%
Transportation	1,740	1,740	0%
On-Road Transportation	1,740	1,530	-12%
Transit	Not calculated	210	N/A
Other	560	670	+20%
Solid Waste	240	330	+38%
Wastewater Treatment	320	330	+6%
Total Emissions	22,600	23,670	+5%

Community Emissions Per Capita

Total calculated emissions per capita were approximately 16.5 MTCO₂e, a slight increase from 16.3 MTCO₂e in 2017.

For comparison, **Figure 3** below shows per capita emissions from peer cities, the State of Colorado and the United States. Note that while these comparison cities are all mountain communities with tourism-based economies, they vary in size and are all larger than Crested Butte. Additionally, each of these communities have unique characteristics and different scales and scopes included in their GHG inventories, which means that direct comparison should be approached with caution, for example Aspen's inventory includes aviation emissions at the Aspen-Pitkin County Regional Airport.

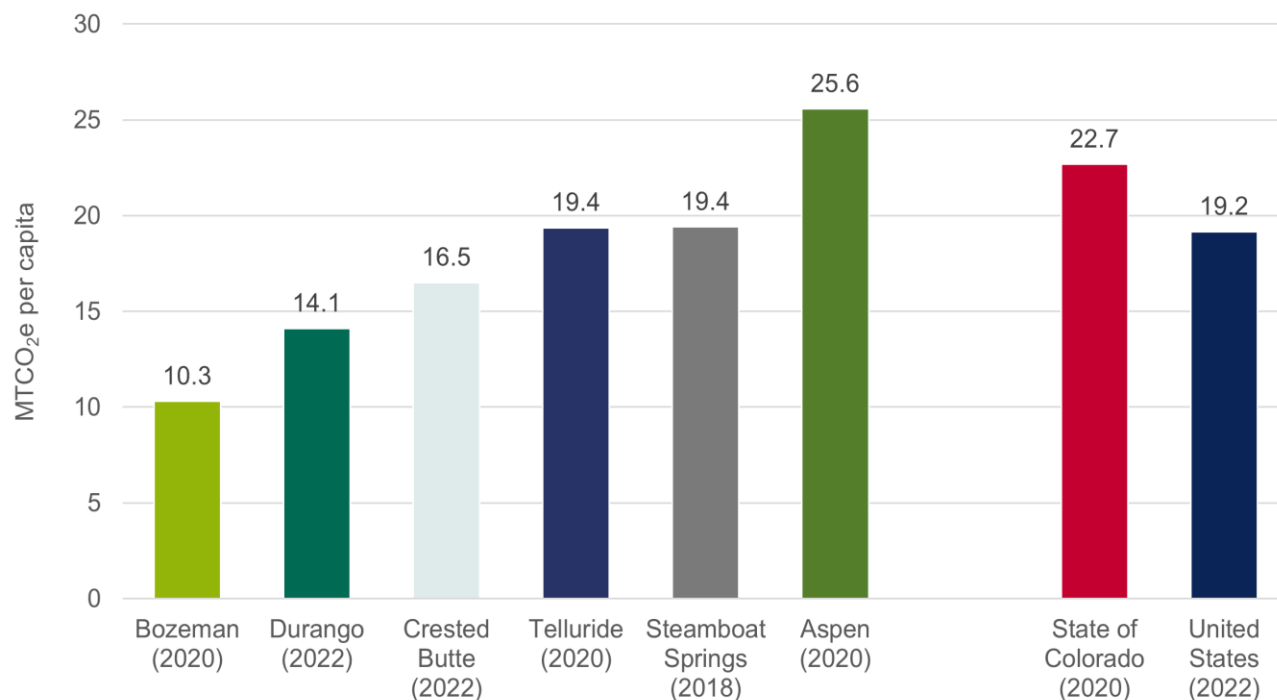


Figure 3. Community Emissions by Capita Comparison⁴

³ [City of Bozeman 2020 Community Greenhouse Gas Emissions Inventory Report](#), [City of Durango 2022 Community and Municipal Greenhouse Gas Emissions Inventory](#), [Town of Telluride 2020 Greenhouse Gas Emissions Inventory](#), [Routt County and City of Steamboat Springs 2018 Greenhouse Gas Inventory and Forecasted Emissions Report](#), [City of Aspen 2020 Greenhouse Gas Emissions Report](#), [2023 Colorado Statewide Inventory of Greenhouse Gas Emissions and Sinks](#), [U.S. Greenhouse Gas Emissions 2022](#)

Municipal Emissions Summary

This section describes emissions associated with Town of Crested Butte municipal operations. In 2022, total municipal emissions were 1,800 MTCO₂e and accounted for approximately 8% of total community emissions.

Municipal Emissions by Sector

Figure 4 shows municipal emissions by sector and subsector. Energy accounted for 71% of total municipal emissions, fleet vehicles accounted for 11% and wastewater treatment processes accounted for 18%.

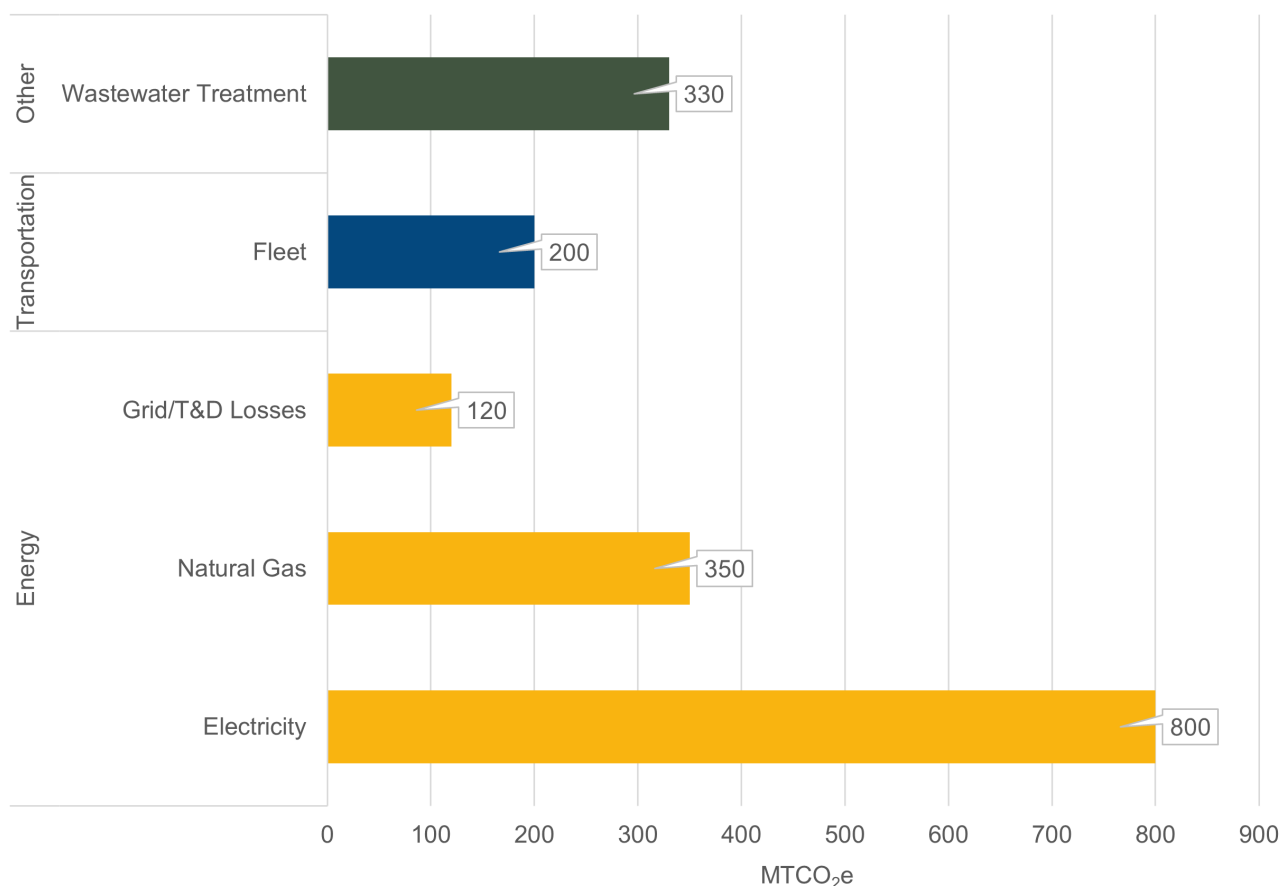


Figure 4. Town of Crested Butte Municipal GHG Emissions by Sector, 2022

Municipal Emissions: New Methodology

Municipal emissions, other than electricity used in wastewater treatment, were not separated out from community emissions in Crested Butte's 2017 inventory. The 2022 municipal emissions inventory was developed to align with best practices outlined in the ICLEI Local Government Operations Protocol and provide a more holistic picture of emissions associated with government operations.

The municipal inventory includes energy emissions from electricity, natural gas usage, and associated losses; gasoline and diesel use by Town fleet; and wastewater treatment process and fugitive emissions. The emissions from electricity used in wastewater production in 2022 are included in the total municipal electricity use total, in accordance with current best practices.

3. ENERGY EMISSIONS

This section provides an overview of emissions associated with energy used in the built environment, including electricity and natural gas use in residential, commercial, and municipal buildings, as well as the associated distribution system losses.

Emissions Snapshot

Total community energy emissions in 2022 were 21,260 MTCO₂e, accounting for 90% of Crested Butte's total community emissions. Emissions included in this sector were 5% higher in 2022 than 2017.

As shown in **Table 3**, the increase in energy emissions is driven by a 15% increase in residential building emissions and a 21% increase in energy losses. This increase was partially offset by an 11% reduction in commercial and municipal building emissions. Since municipal building emissions were not separated out from commercial buildings in 2017, Table 3 compares 2022 combined commercial and municipal emissions to the 2017 commercial subsector.

Table 3: Town of Crested Butte Energy Emissions, 2017 and 2022

Subsector	2017 MTCO ₂ e	2022 MTCO ₂ e	Percent Change
Residential Buildings	9,580	11,040	+15%
Commercial Buildings	8,750	6,680	-11%*
Municipal Buildings	Included in commercial	1,150	
Losses (Transmission & Distribution, Process & Fugitive)	1,970	2,580	+21%
Total	20,030	21,260	+5%

*Change in commercial and municipal emissions combined since municipal was not separated out from commercial in 2017.

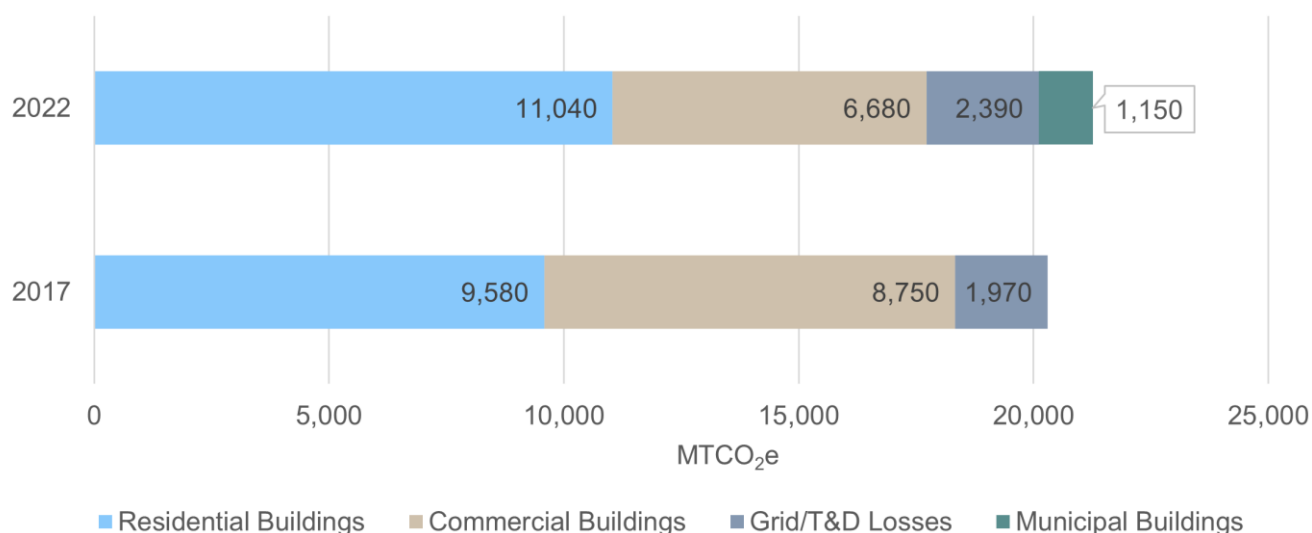


Figure 5. Town of Crested Butte 2017 and 2022 Energy Emissions

Electricity

Total electricity emissions in 2022 were 11,950 MTCO₂e, and account for 56% of total energy sector emissions, down from 63% in 2017. As shown in **Table 4** and **Figure 6**, total electricity emissions were 5% lower in 2022 than 2017.

Table 5 shows the change in electricity use between 2017 and 2022.

Table 4: Electricity Emissions, 2017 and 2022

Subsector	2017 MTCO ₂ e	2022 MTCO ₂ e	Percent Change
Residential Buildings	6,080	6,460	+6%
Commercial Buildings	5,960	4,090	-18%*
Municipal Buildings	Not calculated	800	
Transmission & Distribution Losses	510	600	+18%
Total	12,550	11,950	-5%

*Change in commercial and municipal emissions combined since municipal was not separated out from commercial in 2017.

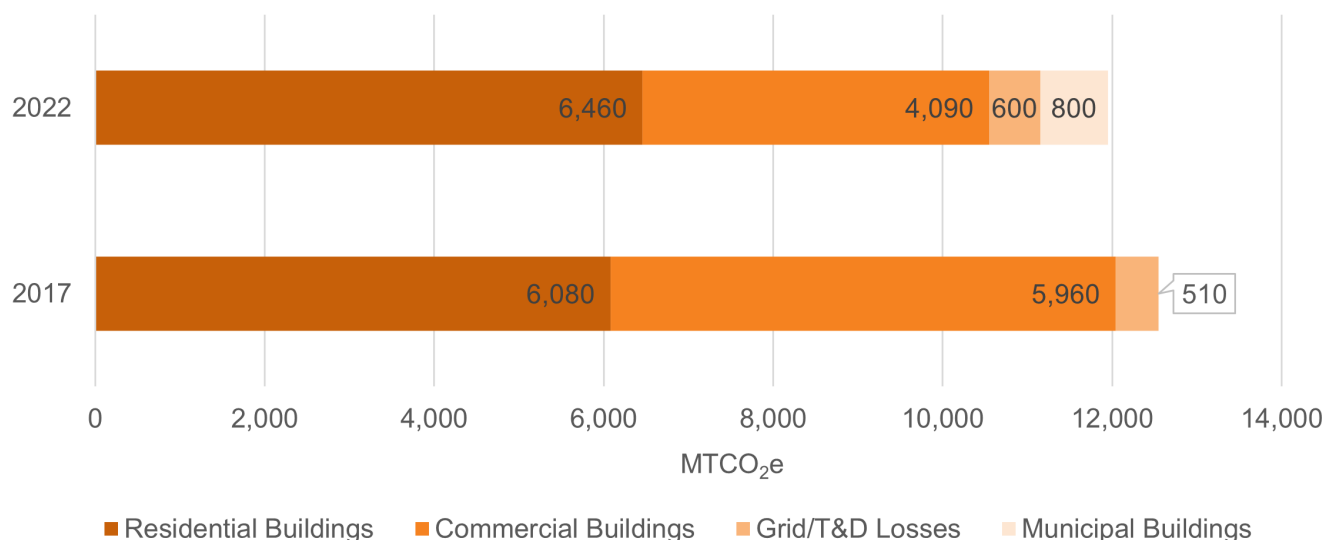


Figure 6. Electricity Emissions by Sub-sector, 2017 and 2022

Table 5: Electricity Inputs

Source	Unit ⁴	2017 Input	2022 Input	Percent Change
Residential Use	kWh	8,697,045	9,371,583	+8%
Commercial Use	kWh	8,530,477	5,926,335	-17%*
Municipal Use	kWh	0	1,159,667	
Total	kWh	17,227,522	16,457,585	-4%

Emissions Factor	lbs CO ₂ e/MWh	1,541	1,520	-1%
Grid Loss Factor	%	4.2%	5.3%	+26%

⁴ A kilowatt-hour (kWh) is a unit of measurement for energy consumption and the amount of energy used by a 1,000-watt appliance running for one hour. A megawatt hour (MWh) is equal to 1,000 kWh.

*Change in commercial and municipal use combined since municipal use was not separated out from commercial in 2017.

Key Drivers of Change in Electricity Emissions

The reduction in community electricity emissions is driven by a combination of lower commercial electricity consumption, and a reduced electricity emissions factor. Together, these changes offset an increase in residential electricity use and the grid transmission and distribution loss factor from 2017 to 2022.

Key drivers of change include:

- **Reduced total electricity usage:** Total electricity consumption in 2022 was 4% lower than in 2017, contributing to the overall reduction in emissions.
 - **Reduced commercial electricity consumption:** Electricity used in commercial buildings accounted for approximately 34% of total electricity emissions in 2022. As shown in
 - **Table 5**, total combined commercial and municipal electricity use decreased by 17% between 2017 and 2022. While the reason for this reduction is unknown, it could be connected to commercial energy efficiency measures and/or a reduction in commercial activity or the number of businesses operating in Crested Butte.
 - **Municipal electricity consumption:** Electricity used in municipal buildings and facilities was not separated out from commercial use in 2017 but accounted for approximately 7% of total community electricity emissions in 2022.
 - **Increased residential electricity consumption:** Electricity used in residential buildings accounted for 54% of total electricity emissions in 2022 and consumption was 8% higher in 2022 compared to 2017.
- **Reduced electricity emissions factor:** The local emissions factor (CO₂e per MWH) provided by Gunnison County Electric Association (GCEA) has decreased by 1% since 2017, as shown in
- **Table 5.** This change resulted in a 6% decrease in emissions associated with residential, commercial, and municipal electricity use, larger than the 4% reduction in total consumption. The emissions factor of GCEA's electricity supply is forecasted to continue decreasing as more renewable generation is brought online.
- **Increased transmission and distribution loss factor:** The loss factor associated with electricity use increased from 4.2% in 2017 to 5.3% in 2022. Grid losses accounted for 4% of total electricity emissions in 2017 and 5% in 2022.

Solar Generation

In 2022 there was a total of 226kW of solar photovoltaic (PV) capacity installed in Crested Butte, including 126kW of residential, 70kW of commercial and 30kW of municipal solar. This installed solar generates approximately 343,700kWh of local renewable electricity each year and reduces the total amount of electricity that residents, businesses, and the Town of Crested Butte need to purchase from the grid. Monitoring the amount of installed local renewable generation going forward will enable the Town to track the impact on electricity use and emissions.

Natural Gas

Total natural gas emissions in 2022 were 9,310 MTCO₂e and accounted for 44% of total energy sector emissions, up from 38% in 2017. As shown in **Table 6**, total natural gas emissions were 20% higher in 2022 than 2017. **Table 6** shows the change in natural gas use between 2017 and 2022.

Table 6: Natural Gas Emissions, 2017 and 2022

Subsector	2017 MTCO ₂ e	2022 MTCO ₂ e	Percent Change
Residential Buildings	3,500	4,580	+31%
Commercial Buildings	2,790	2,590	+5%
Municipal Buildings	Not calculated	350	
Process & Fugitive	1,460	1,790	+23%
Total	7,750	9,500	+20%

*Change in commercial and municipal emissions combined since municipal was not separated out from commercial in 2017.

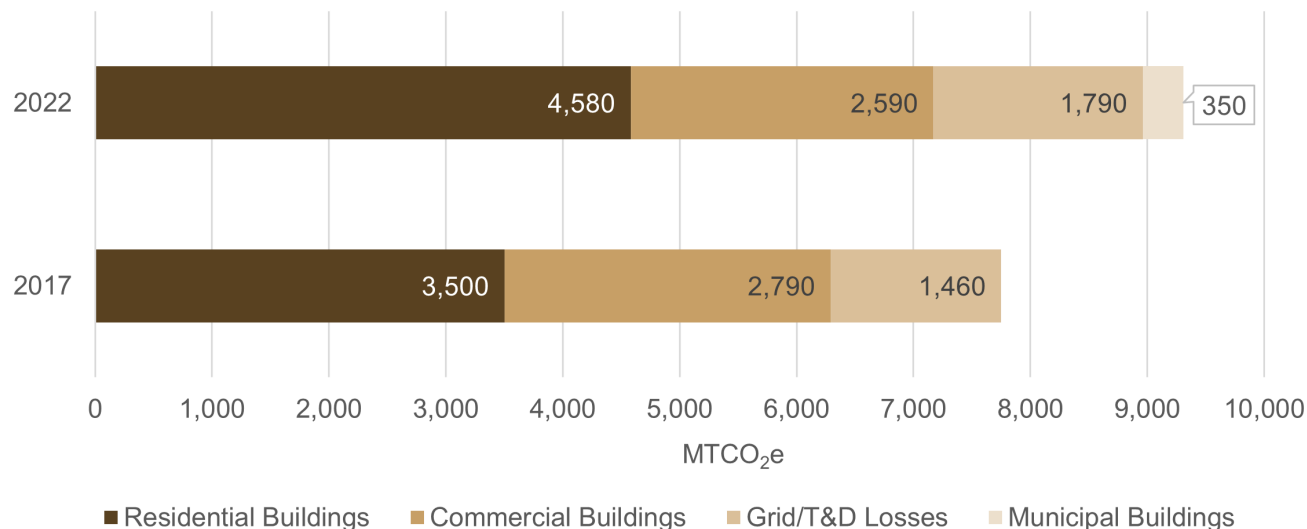


Figure 7. Natural Gas Emissions by Sub-sector, 2017 and 2022

Table 7: Natural Gas Inputs

Sector	Unit ⁵	2017 Input	2022 Input	Percent Change
Residential Use	MCF	64,090	86,000	34%
Commercial Use	MCF	51,074	48,659	8%
Municipal Use	MCF	0	6,511	
Total	MCF	115,164	141,170	23%

Emissions Factor	MT/MCF	0.055	0.053	-2%
Leakage Rate	g CH ₄ /MCF	425	425	-

*Change in commercial and municipal use combined since municipal use was not separated out from commercial in 2017.

⁵ MCF is an abbreviation for thousand cubic feet, a measurement of natural gas.

Key Drivers of Change in Natural Gas Emissions

Changes to natural gas consumption as well as an update to the associated fugitive emissions impacted natural gas emissions, driving the overall increase in energy emissions.

- **Increased natural gas consumption:** Total natural gas usage was 23% higher in 2022 compared to 2017.
 - **Increased residential natural gas consumption:** Residential buildings account for 49% of total natural gas emissions and consumption increased by 34% in 2022 compared to 2017. Residential natural gas use has increased steadily since at least 2019, with a 12% increase between 2019 and 2023. The 2022 increase compared to 2017 is also associated with 42% higher in Heating Degree Days (HDDs)⁶, indicating that 2022 was a colder year than 2017 with a significantly higher home heating demand. Additional years of data will be needed to understand if there is a trend in natural gas use.
 - **Increased commercial natural gas consumption:** Natural gas in commercial buildings accounted for 28% of natural gas consumption. As shown in
 - **Table 7**, municipal natural gas use was not separated out from commercial use in 2017. Total combined commercial and municipal natural gas use increased by 8% between 2017 and 2022. Commercial gas use has been relatively steady between 2019 and 2023. Similar to residential natural gas use, the increase in commercial use in 2022 compared to 2017 is likely linked to the higher HDDs.
 - **Municipal natural gas consumption:** Natural gas used in municipal buildings and facilities was not separated out from commercial use in 2017 but accounted for 4% of natural gas emissions in 2022.
- **Updated natural gas emissions factor:** The 2022 inventory uses standard natural gas emissions factors updated annually by The Climate Registry. The emissions factor used in the 2017 inventory was 2% higher than that used in the 2022 inventory.
- **No change in natural gas leakage rate:** The 2017 and 2022 emissions inventories include an estimate of natural gas process and fugitive emissions based on survey data of natural gas system leaks in the United States. Leakage rates of the natural gas system have been found to be significantly higher than is estimated by the EPA and can vary significantly between municipalities and utilities. The inventory utilizes surveyed leakage rates in Denver, CO, which are slightly below the median leakage rate for U.S. cities surveyed. These emissions accounted for 19% of natural gas emissions in 2022.

⁶ Heating Degree Days (HDD) are a measure of how cold the weather was over a time period and are used as an indicator of the amount of energy needed to heat a building over that period.

4. TRANSPORTATION EMISSIONS

This section provides an overview of transportation emissions, including on-road transportation within the Town boundary, as well as a portion of emissions from public transit that is attributable to the mileage driven by buses within the Town.

Emissions Snapshot

Total transportation emissions in 2022 were 1,740 MTCO₂e, accounting for 7% of total community emissions as shown in **Table 8**, down from 8% in 2017. The difference between 2017 and 2022 emissions was negligible shown in **Table 8** and **Figure 8** and Transit emissions were not calculated for 2017. **Table 9** shows the change in transportation sector inputs.

Table 8: Transportation Emissions, 2017 and 2022

Subsector	2017 MTCO ₂ e	2022 MTCO ₂ e	Percent Change
On-road Transportation	1,740	1,530	-12%
Transit	Not calculated	210	-
Total	1,740	1,740	0%

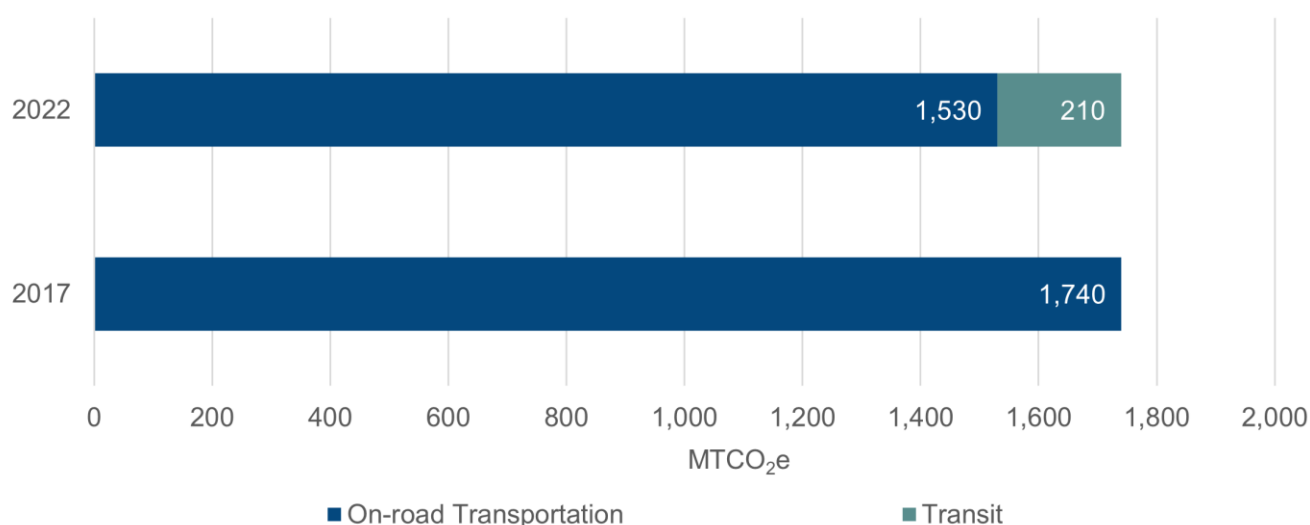


Figure 8. Transportation Emissions by Sub-sector, 2017 and 2022

Table 9: Transportation Inputs

Category	Source	Unit	2017 Inputs	2022 Inputs	Percent Change
On-Road Miles Traveled	Vehicle Miles Traveled (VMT)	VMT	3,567,016	3,578,796	0%
Public Transit	Diesel – Gunnison Valley RTA	Gallons	N/A	331	-
	CNG – Gunnison Valley RTA	GGE ⁷	N/A	1,423	-
	Diesel – Mountain Express	Gallons	N/A	18,970	-
	VMT – Gunnison Valley RTA	VMT	N/A	9,011	-
	VMT – Mountain Express	VMT	N/A	85,364	-

⁷ Gasoline gallon equivalent (GGE) is used to measure the amount of compressed natural gas (CNG) used.

Key Drivers of Change in Transportation Emissions

A reduction in on-road transportation emissions was negated by the inclusion of transit emissions in 2022, resulting in negligible change in total transportation emissions between 2017 and 2022.

- **Reduced vehicle emissions:** Total on-road vehicle emissions accounted for 8% of total transportation emissions and 6% of community emissions in 2022. On-road emissions decreased by 12% from 2017 to 2022.
 - **Negligible change in on-road VMT:** On-road VMT was back-calculated using an updated methodology for 2017 and there was negligible change in estimated VMT between 2017 and 2022.
 - **Increased internal combustion engine vehicle efficiency:** Since 2016, vehicle efficiencies have increased, and the national allocation of gasoline vehicles by class has shifted, leading to a larger percentage of more efficient vehicles on the road and a reduction in emissions per vehicle miles traveled.
 - **Electric vehicles:** Emissions associated with electricity used to power electric vehicles (EVs) were included in the 2022 inventory. While EVs represent a very small percentage of total emissions, tracking the impact of transportation electrification will be important as EV adoption increases.
- **Transit:** The 2022 inventory separates out emissions associated with public transit routes inside the Town of Crested Butte. This sub-sector accounts for 12% of transportation emissions.

Active Transportation

While the majority of visitors to Crested Butte drive to the Town, 95% of trips with an origin and destination within Crested Butte are completed on foot or by bike. This very high percentage of active transportation trips helps reduce Crested Butte's in-Town community transportation emissions.

Transportation Outside Crested Butte Town Limits

While this emissions inventory does not account for the impacts of transportation associated with Crested Butte but occurring outside of Town limits, also known as Scope 3 transportation emissions, the Climate Action Plan may still consider actions to reduce the impact of visitor and resident travel to and from Crested Butte.

5. OTHER EMISSIONS

This section provides an overview of emissions associated with the disposal of solid waste and wastewater generated inside Town limits in landfills located outside of Crested Butte.

Emissions Snapshot

Total solid waste emissions in 2022 were 330 MTCO₂e and wastewater treatment process and fugitive emissions were 340 MTCO₂e as shown in **Table 10**. Together, solid waste and wastewater treatment emissions accounted for just 3% of total community emissions. The 2022 solid waste emissions were 38% higher than the updated 2017 emissions and wastewater treatment emissions were 6% higher as shown in **Table 10** and **Figure 9**.

Table 11 shows the waste and wastewater inputs.

Table 10: Solid Waste and Wastewater Treatment Emissions, 2017 and 2022

Subsector	2017 MTCO ₂ e	2022 MTCO ₂ e	Percent Change
Solid Waste Total	240	330	38%
Wastewater Treatment Processes	10	10	0%
Wastewater Fugitive Emissions	310	330	6%
Wastewater Total	320	340	6%
Other Total	560	670	20%

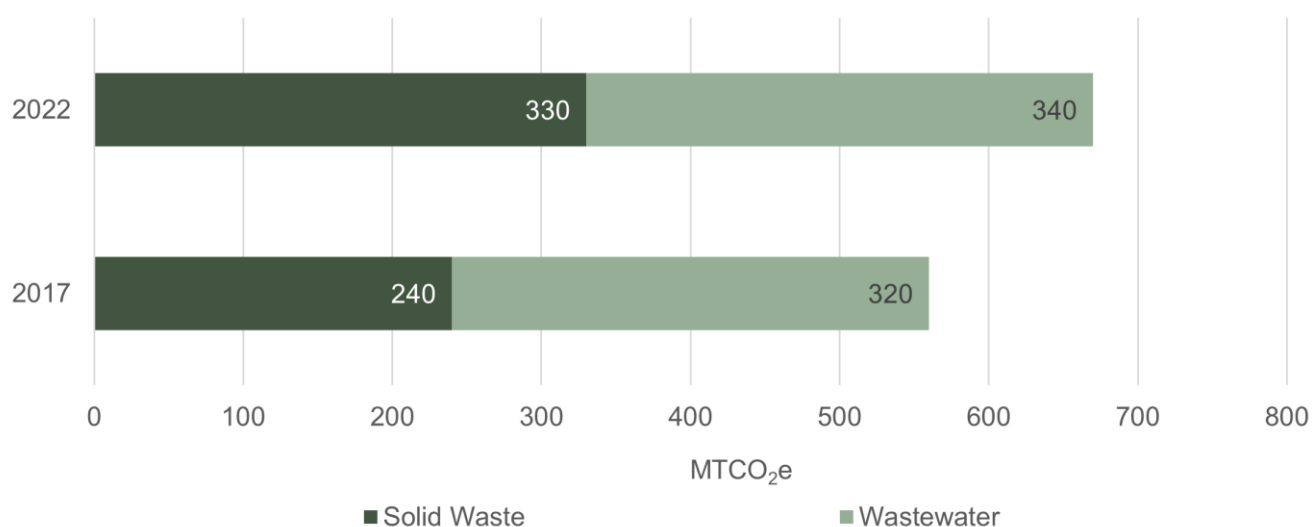


Figure 9. Solid Waste and Wastewater Treatment Emissions, 2017 and 2022

Table 11: Waste Inputs

Sector	Unit	2017 Amount	2022 Amount	Percent Change
Total Landfilled Waste	tons	466	629	35%
Average Daily Population	people	2,673	2,818	5%

Key Drivers of Change in Other Emissions

Both solid waste and wastewater emissions for 2017 were recalculated to allow for comparison using emissions factors and methodology aligned with current best practices. The increase in emissions for both sub-sectors from 2017 to 2022 was therefore directly in-line with change in the inputs used for calculation.

- **Community waste generation:** Both the volume of waste sent to landfill and emissions associated with waste generation increased, by 35% and 38% respectively between 2017 and 2022. While this increase could be driven by increased visitor numbers, additional years of data will be required to infer a trend.
- **Wastewater treatment process and fugitive emissions:** Wastewater treatment emissions are tied to the processes used for treatment and directly proportional to the population served. Both the average daily population served by Crested Butte's wastewater treatment plant and the emissions associated with treatment increased from 2017 to 2022, by 5% and 6% respectively.

Waste Diversion

In 2022, 30% of Crested Butte's total waste generation was diverted from landfill, including 263 tons of material sent for recycling and 11 tons of material composted locally. Diverting waste from landfill reduces waste emissions and tracking the total diversion rate over time will enable the Town to monitor the impact of actions to reduce and divert waste in the future.

6. FUTURE EMISSIONS IN CRESTED BUTTE

Based upon the Town of Crested Butte's 2022 GHG emissions inventory, community scale and town operations-scale GHG emissions forecasts were created to understand potential GHG emissions in 2030. For each scale, a Business as Usual (BAU) and Adjusted Business as Usual (ABAU) forecast of future annual emissions were created to serve as a baseline against which to measure the estimated impact of Climate Action Plan actions on 2030 emissions. The forecasts do not account for the impact of any new actions identified in the Climate Action Plan.

Future Community Emissions

The projection of future community emissions includes the same emissions scopes outlined in the Community Emissions Summary. The community emissions forecast also includes emissions associated with Town operations.

Business as Usual

Under the BAU scenario, community emissions are forecast to increase by an estimated 7% between 2022 and 2030 when accounting for the following known factors and existing Town commitments that will impact future emissions:

- **Expected population growth:** Population is a key driver of activities, including energy use, waste generation and some transportation activities. The BAU includes forecasted growth in the average daily population of Crested Butte. The average daily population, which takes into account both full-time residents and visitors, is based on a forecast of Average Daily Annual population developed to inform future Wastewater Treatment Plant operations (Kingdom and Charbonnet 2021). A summary of average rates of change between 2023-2030 is provided below in Table 12.
- **The Town's adoption of up-to-date building and energy codes:** The Town of Crested Butte has adopted the 2021 International Building and Energy Codes along with additional efficiency and all-electric provisions that will limit the emissions impact of future construction. Although the Town has all-electric new construction codes, a significant portion of the Town's existing building stock is unoccupied for a portion of the year, and in some cases the full year. A 2022 Crested Butte market study indicated housing units in the Town were approximately 68% occupied in 2020, with many of those unoccupied units being used occasionally, recreationally, or seasonally, or for short term rentals. A more recent local census count performed in 2023 found 66% of housing is occupied full time. Due to Town of Crested Butte land largely being built out as well as the prevalence of unoccupancy, the analysis assumes existing housing stock to have higher utilization year-round from increased visitors, in lieu of new builds. This results in slight growth in natural gas use in the residential housing stock being forecasted.

Municipal property growth is forecast to occur between 2023-2030 and is described in the

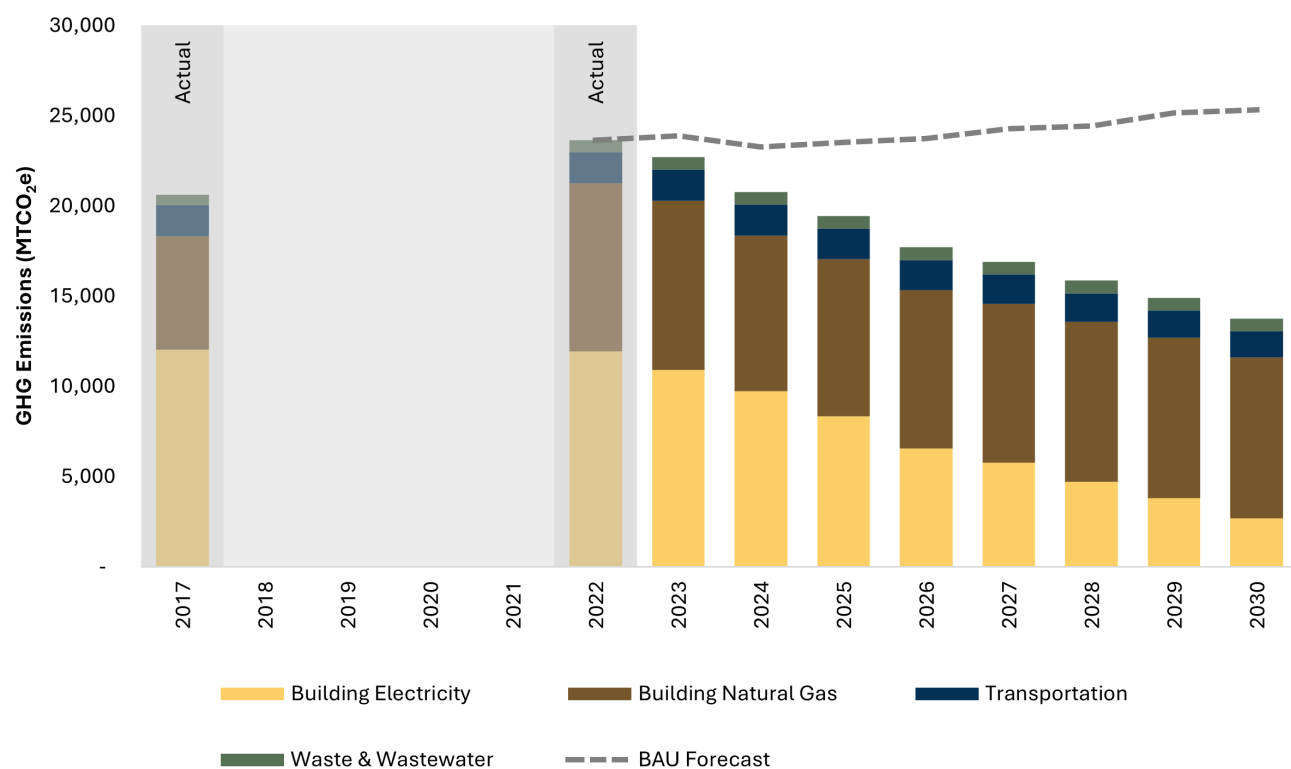


Figure 10. Crested Butte Community Adjusted Business As Usual (ABAU) Emissions Forecast with Business As Usual (BAU) line for comparison

- Future Town Emissions section.
- Commercial electricity and natural gas use is not forecasted to grow. Commercial sector energy use in 2022 has declined slightly since 2017, and employment levels in the Town are forecasted to remain stable to 2030.

Table 12. BAU average rates of change by emissions forecast categories

Metric	Category	Tied Rate of Change	2023-2030 Average Percent Change (annual)
Electricity - GCEA - Residential	Building Electricity	WWTP ADA	1.1%
Electricity - GCEA - Commercial	Building Electricity	Employment	No change
Electricity - GCEA - Municipal	Building Electricity	Town Building kWh	11.7%
Natural Gas - Atmos - Residential	Building Natural Gas	WWTP ADA	1.1%
Natural Gas - Atmos - Commercial	Building Natural Gas	Employment	No change
Natural Gas - Atmos - Municipal	Building Natural Gas	Constant	No change
Electricity - GCEA - T&D Losses	Building Electricity	Electricity T&D Loss	5.3%
Fugitive Natural Gas - Atmos	Building Natural Gas	Based on change in natural gas use	-0.4%
On-road vehicle transportation - community gasoline	Transportation	WWTP ADA	1.1%
On-road vehicle transportation - community diesel	Transportation	Employment	No change
On-road vehicle transportation - community electric	Transportation	WWTP ADA	1.1%
On-road vehicle transportation - municipal gasoline	Transportation	Town Fleet Gasoline Use	-11.5%
On-road vehicle transportation - municipal diesel	Transportation	Constant	No change
On-road vehicle transportation - municipal electric	Transportation	Town Fleet EV kWh	27.7%
Transit - gasoline	Transportation	WWTP ADA	1.1%
Transit - diesel	Transportation	WWTP ADA	1.1%
Transit - electric	Transportation	WWTP ADA	1.1%
Transit - CNG	Transportation	WWTP ADA	1.1%
Waste - Solid waste disposal	Waste & Wastewater	WWTP ADA	1.1%
Waste - Recycling	Waste & Wastewater	WWTP ADA	1.1%
Waste - Compost	Waste & Wastewater	WWTP ADA	1.1%
Wastewater treatment - Process	Waste & Wastewater	WWTP ADA	1.1%
Wastewater treatment - Fugitive	Waste & Wastewater	WWTP ADA	1.1%

Adjusted Business as Usual

Under the ABAU scenario, community emissions are expected to decrease by an estimated 42% between 2022 – 2030 when accounting for the following external commitments:

- **Increased renewables generation in our electricity supply:** Tri-State Generation and Transmission (Tri-State), the wholesale electricity provider to Gunnison County Electric Association (GCEA), has committed to reducing GHG emissions by 89% by 2030 from a 2005 baseline, resulting in an anticipated 78% reduction in Crested Butte's electricity emissions from 2022 to 2030. The planned reduction in electricity emissions factor is shown in Table 13.

Table 13. Tri-State's planned reduction in electricity emissions supplied by the grid

Electricity Emissions Factor	2025	2027	2030
Tri-State Generation Emissions Reduction from 2005 (percent)	47%	67%	89%

- In addition to a reduction in Tri-State's grid mix, GCEA as a member of Tri-State's cooperative is permitted to generate renewable electricity locally. GCEA has several renewable resources anticipated to be online by 2025, as shown in Table 14. In total, these resources are anticipated to generate over 8.1 million kWh of additional renewable energy.

Table 14. GCEA local renewable energy generation resources

Local Renewable Generation	2023	2024	2025
GCEA Renewable Resources by Year	120 kW Solar Garden program (existing) Doyleville wind turbine (existing)	Previous generation, plus Taylor River Hydro	Previous generation, plus Oh, Be Joyful Solar array

- **More fuel-efficient vehicles:** Along with the vehicle miles travelled with Crested Butte, vehicle fuel efficiency is a key driver of transportation emissions. The State of Colorado has adopted fuel efficiency standards that will reduce the emissions per mile of gas and diesel vehicles.
 - The EIA estimates fuel economy for light duty vehicles to increase from an average of 24.4 MPG in 2022 to 28.6 MPG in 2030.
 - The EIA estimates fuel economy for heavy duty vehicles to increase from an average of 7.5 MPG in 2022 to 8.6 MPG in 2030. For purposes of conservative analysis, freight trucks were assumed to make up heavy duty vehicles in Crested Butte for their relatively low fuel efficiency.
- **Transition to electric vehicles (EVs):** The transition from gas and diesel vehicles to electric, combined with more renewable electricity will drive down transportation emissions. The ABAU builds in an expected rate of electric vehicle transition associated with the State's Zero Emission Vehicle requirements and adoption forecasts. Specific sales rates for select years by vehicle class are shown below in Table 15, as specified by the State of Colorado's Advanced Clean Cars and Advanced Clean Trucks requirements. With these requirements in combination with an anticipated 6% vehicle replacement rate, it is estimated that there will be a 19% increase in light duty EV's and a 7% increase in heavy duty EV's in the Town of Crested Butte between 2023-2030.

Table 15. State of Colorado required EV sales rates by vehicle class

EV Sales Rates	2026	2028	2030
Light Duty (Based upon CO Advanced Clean Cars)	35% of sales are EV	51% of sales are EV	68% of sales are EV
Heavy Duty (Based upon CO Advanced Clean Trucks, Class 7-8)	10% of sales are EV	20% of sales are EV	30% of sales are EV

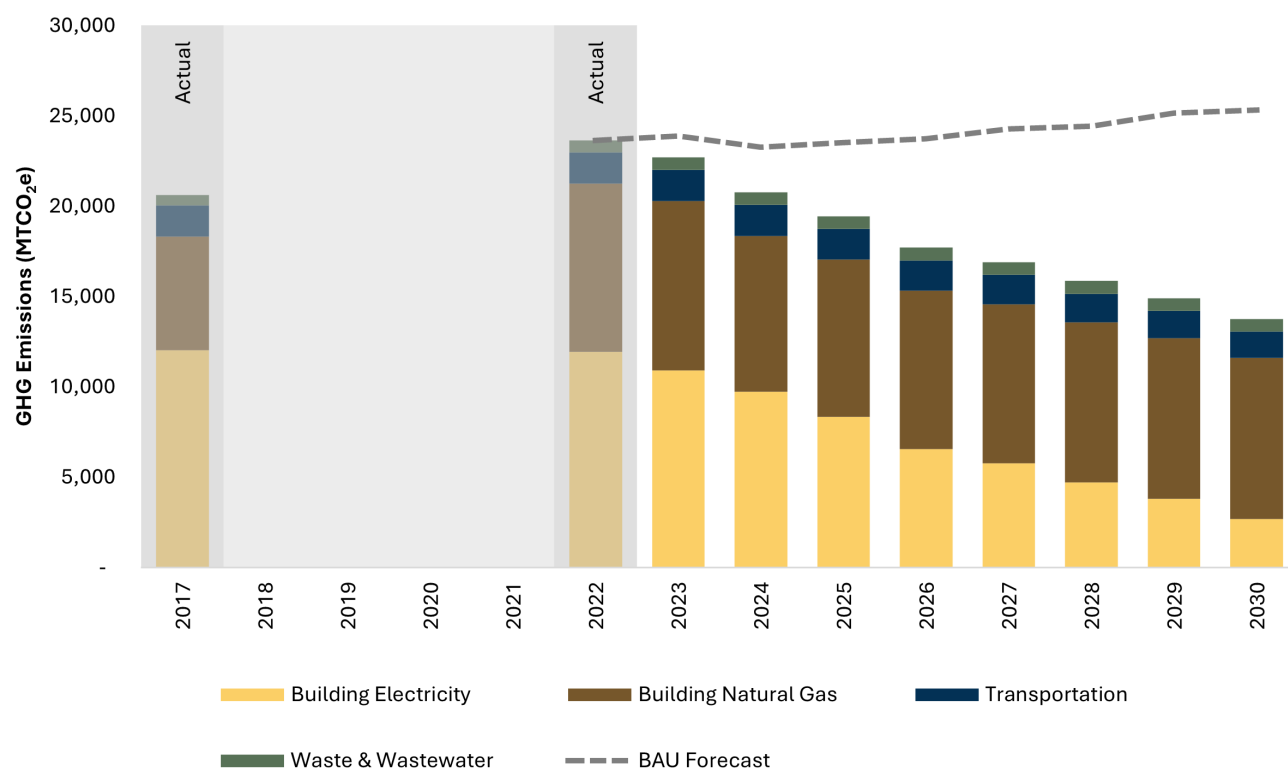


Figure 10. Crested Butte Community Adjusted Business As Usual (ABAU) Emissions Forecast with Business As Usual (BAU) line for comparison

Future Town Emissions

Similar to community-wide GHG emissions forecast, BAU and ABAU forecasts of future annual emissions specific to the Town's municipal operations were created to understand potential emissions in 2030. The emissions forecasts do not account for the impact of any new actions identified in this plan but serve as a baseline against which to measure the estimated impact of the actions on 2030 Town emissions.

Business as Usual

Under the BAU scenario, Town emissions in 2030 would be 59% higher in 2030 than 2022 due to planned new construction and redevelopment projects.

- **Planned new and redeveloped Town facilities:** A number of new Town facilities are planned for construction or redevelopment between now and 2030, according to the Facility Use Plan. Adhering to the Town of Crested Butte's all-electric building code, these properties are forecast to use 100% electricity. The properties and their estimated size and EUI are shown in Table 16.
 - The affordable housing development assumes 45 units at 1,046 square feet per unit, based upon the median US multifamily size.
 - The childcare/healthcare square footage is based upon the lot size, and the Emergency Services building is based upon a previously Town-reported square footage.
 - EUI's are based upon Energy Star Portfolio Manager benchmarking by building type.
 - In addition to the new properties shown in Table 16, the Wastewater Treatment Plant is planning to implement an energy efficiency project saving approximately 164,000 kWh and is also planning to build a new aeration building completely offset by on-site solar.

Table 16. Municipal new property assumptions

New Town Properties	Estimated Square Footage	Assumed EUI	Estimated Completion Date
Affordable Housing - Town Parcel 1	47,070	59.6	1/1/2029
Childcare/Healthcare - Town Parcel 2	10,000	51.2	1/1/2029
Emergency Services New Building (New Marshals' Office)	28,500	63.5	1/1/2027

- **Electrification of the Town's light duty fleet:** The Town is planning to electrify 18 light duty (LD) vehicles in their fleet between 2023-2030 based upon the Town's 2023 fleet replacement schedule. The Town has been electrifying some of its light duty fleet through 2022, but not its heavy duty fleet, potentially due to the limited current availability of electric heavy duty vehicles. Assumptions related to the light duty fleet are below in Table 17. On average, the Town is forecast to replace 2 light duty vehicles per year between 2023-2030.

Table 17. Municipal fleet electrification assumptions

Fleet Metrics	Unit	Value
Average LD Miles Driven per Year	mi/year	7,000
Existing LD Fleet MPG	miles per gallon	24.4
New EV LD Fleet mile per kWh	mile per kWh	2.5
Existing LD Fleet Gasoline per Vehicle	Gallons per vehicle, per year	286.7
New EV LD Fleet kWh per Vehicle	kWh per vehicle per year	2,800.0
Likelihood of New LD EV	percent	100%

Adjusted Business as Usual

Under the ABAU scenario, Town emissions will be 27% lower in 2030 than 2022 as a result of the same utility and state commitments described in the community ABAU section, driven particularly by a reduction in the emissions associated with electricity generation.

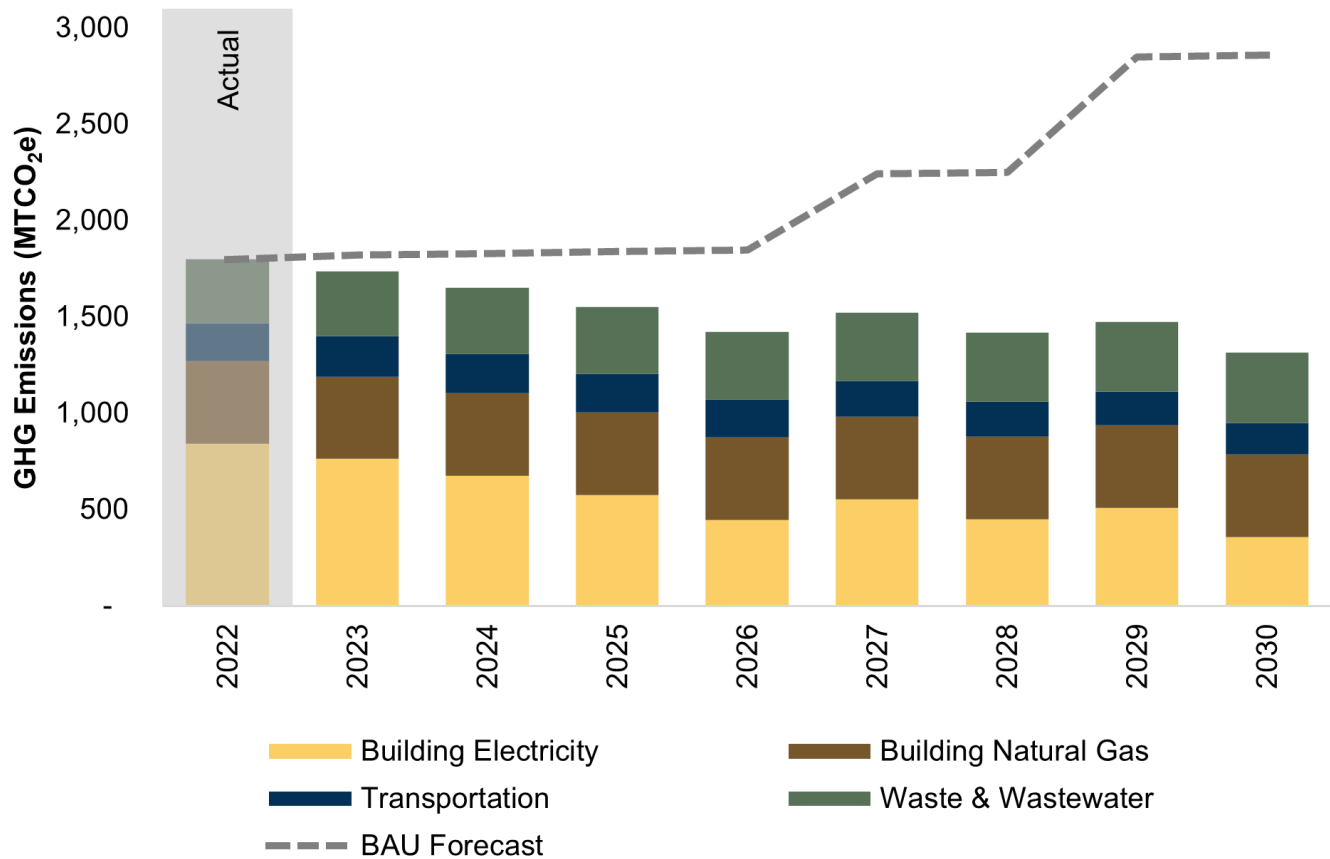


Figure 11. Crested Butte Town Operations Adjusted Business As Usual (ABAU) with Business As Usual (BAU) line for comparison

Crested Butte Action Analysis: Technical Summary

Building Decarbonization (B)

Actions the Town can take to reduce the impact of municipal buildings and those belonging to residents and businesses in Crested Butte. A summary of the expected impact, cost effectiveness, and time commitment for each action are shown in the table below. Calculation inputs and assumptions can be found in the following sections.

Strategy	Action	Scope of Impact	2030 Carbon Reduction (MTCO ₂ e)	Cumulative Cost (2025 – 2030)	Cost Effectiveness (\$/MTCO ₂ e)	2025-2030 Average Annual Town Staff Time (FTE)
B1: Enable climate-friendly future development	A. Incorporate climate considerations into zoning code	Community-wide	n/a - enabling	n/a – included in Community Plan	n/a	n/a
B1: Enable climate-friendly future development	B. Enable climate-friendly construction and development through flexible design guidelines and a review of permitting processes	Community-wide	n/a - enabling	n/a – included in Historic Preservation Plan	n/a	n/a
B2: Accelerate efficiency improvements and electrification in existing residential buildings	A. Require an energy assessment for residential Level 1, 2, and 3 remodels	Community-wide	n/a - enabling	\$4,300 - \$6,500	n/a	<0.1
B2: Accelerate efficiency improvements and electrification in existing residential buildings	B. Require an energy assessment for vacation rental units	Community-wide	n/a - enabling	\$10,800 - \$16,200	n/a	0.1 - 0.2
B2: Accelerate efficiency improvements and electrification in existing residential buildings	C. Provide Town-funded energy efficiency and electrification incentives for all residential buildings	Community-wide	1,163	\$89,500 - \$95,000	\$77 - \$82	0.08 - 0.1
B3: Accelerate efficiency improvements and electrification in existing commercial buildings	A. Require an energy assessment for commercial Level 1, 2, and 3 remodels	Community-wide	n/a - enabling	\$4,300 - \$6,500	n/a	<0.1

B3: Accelerate efficiency improvements and electrification in existing commercial buildings	B. Provide Town-funded energy efficiency and electrification incentives for all commercial buildings	Community-wide	661	\$68,300 - \$69,500	\$103 - \$105	0.08 - 0.1
B3: Accelerate efficiency improvements and electrification in existing commercial buildings	C. Require energy use disclosure and benchmarking for commercial buildings	Community-wide	5	\$8,600 - \$13,000	\$1,813 - \$2,741	0.83 - 1.24
B4: Close the gap on new construction electrification and efficiency	A. Require all-electric commercial kitchen equipment for new construction	Community-wide	19	\$10,900 - \$16,300	\$587 - \$878	<0.1
BD-5: Lead the way with efficiency improvements and electrification of Town buildings	A. Develop a municipal building energy efficiency and renewable energy plan and perform updated audits of all municipal facilities	Town Operations	n/a - enabling	\$55,600 - \$68,000	n/a	<0.1
B5: Lead the way with efficiency improvements and electrification of Town buildings	B. Implement electrification and efficiency improvements identified in energy efficiency and renewable energy plan	Town Operations	49	\$20,800 - \$31,100	\$426 - \$636	0.2 - 0.4
B5: Lead the way with efficiency improvements and electrification of Town buildings	C. Monitor Town facilities' energy use and include within an annual sustainability report	Town Operations	16	\$0 - \$0	\$0 - \$0	<0.1
Community Total		Community-wide	1,847	\$196,700 - \$223,000	\$106 - \$121	1.2 - 1.8
Town Total		Town Operations	65	\$76,400 - \$99,100	\$1,173 - \$1,521	0.2 - 0.4
Sector Total		All	1,912	\$273,100 - \$322,100	\$143 - \$168	1.4 - 2.2

Strategy B1: Enable climate-friendly future development

A. Incorporate climate considerations into zoning code

Adjust the current zoning code to incorporate climate considerations, for example in decisions about maximum or minimum density.

2030 Carbon Reduction (MTCO ₂ e)	Cumulative Cost (2025 – 2030)	Cost Effectiveness (\$/MTCO ₂ e)	Average Annual Town Staff Time (FTE)
n/a - enabling	n/a – included elsewhere	n/a	<0.1

2025 - 2030 targets to achieve savings

n/a

GHG Calculations

No emissions savings are calculated for this action as it is not directly influencing GHG emissions. This change, however, will impact future community growth and emissions.

Cost Calculations

An update to Crested Butte's zoning code has been identified as an action for the Community Plan. This update has been budgeted for elsewhere and therefore no cost has been calculated to incorporate climate-friendly considerations as part of the Climate Action Plan.

B. Enable climate-friendly construction and development through flexible design guidelines and a review of permitting processes

Adjust the current historical buildings requirements, downtown design standards, and other code to allow building upgrades needed to improve efficiency and implement beneficial electrification actions.

2030 Carbon Reduction (MTCO ₂ e)	Cumulative Cost (2025 – 2030)	Cost Effectiveness (\$/MTCO ₂ e)	Average Annual Town Staff Time (FTE)
n/a	n/a	n/a	n/a

2025 - 2030 targets to achieve savings

n/a

GHG Calculations

No emissions savings are calculated for this action as it is not directly influencing GHG emissions. However, this change is important for allowing building upgrades that will impact emissions as modeled below.

Cost Calculations

An update to Crested Butte’s design standards and guidelines has been identified as an action in the Historic Preservation and Community Plans. This update has been budgeted for elsewhere and therefore no cost has been calculated to incorporate climate-friendly design and permitting considerations as part of the Climate Action Plan.

Strategy B2: Accelerate efficiency improvements and electrification in existing residential buildings

A. Require an energy assessment for residential Level 1, 2, and 3 remodels

Change building and/or energy code requirements to include electrification and energy efficiency requirements to help improve performance of existing residential buildings. Under the new code, all level 3 remodel permits will require electrification in disturbed areas and all permits will require an energy audit to be completed and some measures to be implemented during the remodel.

2030 Carbon Reduction (MTCO ₂ e)	Cumulative Cost (2025 – 2030)	Cost Effectiveness* (\$/MTCO ₂ e)	Average Annual Town Staff Time (FTE)
n/a - enabling	\$4,300 - \$6,500	n/a	<0.1

2025-2030 targets needed to achieve savings

- 100% of applicable permits receive an energy assessment

GHG Calculations

- No GHG savings are anticipated. This action is anticipated to enable GHG savings in other actions

Cost Calculations

- The calculations for this action incorporate costs associated with:
 - Gathering stakeholder input to inform code changes
 - Development and delivery of trainings to support code implementation
 - Outreach to inform the community about the changes

B. Require an energy assessment for vacation rental units

Require an energy assessment for all vacation rental units as part of the business license renewal process.

2030 Carbon Reduction (MTCO ₂ e)	Cumulative Cost (2025 – 2030)	Cost Effectiveness* (\$/MTCO ₂ e)	Average Annual Town Staff Time (FTE)
n/a - enabling	\$10,800 - \$16,200	n/a	0.1 - 0.2

2025-2030 targets needed to achieve savings

- 100% (191) vacation rental units with an energy assessment by 2030

GHG Calculations

- No GHG savings are anticipated. This action is anticipated to enable GHG savings in other actions

Cost Calculations

- The calculations for this action incorporate costs associated with:
 - Gathering stakeholder input to inform code changes
 - Development and delivery of trainings to support code implementation
 - Outreach to inform the community about the changes
- Higher costs for initial outreach and engagement are estimated since this is a regulation that is not seen in peer communities, although it is similar to Boulder's SmartRegs program (City of Boulder, 2024) with a more focused scope but a faster roll out
- Ongoing costs for this regulation are also high due to level of effort needed to confirm compliance that largely falls outside of existing Town workflows

C. Provide Town-funded energy efficiency and electrification incentives for all residential buildings

Create a Town-funded energy efficiency and electrification incentive program for all residential properties.

2030 Carbon Reduction (MTCO ₂ e)	Cumulative Cost (2025 – 2030)	Cost Effectiveness* (\$/MTCO ₂ e)	Average Annual Town Staff Time (FTE)
1,163	\$89,500 - \$95,000	\$77 - \$82	0.08 - 0.1

2025-2030 targets needed to achieve savings:

- 87 residential homes converted to all electric
- 447 homes implementing energy efficiency actions
- 191 vacation rental properties implementing efficiency improvements
- Achieve 10% annual adoption by the residential sector for efficiency or electrification upgrades
- Achieve a 10% improvement in average HERS score of homes after energy efficiency upgrades

GHG Calculations

- The GHG impact of this action is based on 10% of residential properties upgrading annually, where approximately 12% of upgrades electrify their residence with associated energy efficiency gain and 88% perform energy efficiency improvements not tied to electrification
- While a net decrease in natural gas use is anticipated, a net increase in electricity use is expected as a result of residential electrification and efficiency measures in 2030

Cost Calculations

- The cost calculations for this action assume a match of GCEA's custom incentives at \$0.15 per kWh and \$4 per Dth. Estimated total incentives of \$46,900 between 2025 and 2030 for energy efficiency improvements through this program assuming a utility incentive match program design based on energy savings

Strategy B3: Accelerate efficiency improvements and electrification in existing commercial buildings

A. Require an energy assessment for commercial Level 1, 2, and 3 remodels

Change building and/or energy code requirements to include electrification and energy efficiency requirements to help improve performance of existing commercial buildings at time of building improvements. Under the new code, all level 3 remodel permits will require electrification in disturbed areas and all permits will require an energy audit to be completed and some measures to be implemented during the remodel.

2030 Carbon Reduction (MTCO ₂ e)	Cumulative Cost (2025 – 2030)	Cost Effectiveness* (\$/MTCO ₂ e)	Average Annual Town Staff Time (FTE)
n/a - enabling	\$4,300 - \$6,500	n/a	<0.1

2025-2030 targets needed to achieve savings

- 100% of applicable permits receive an energy assessment

GHG Calculations

- No GHG savings are anticipated. This action is anticipated to enable GHG savings in other actions

Cost Calculations

- The calculations for this action incorporate costs associated with:
 - Gathering stakeholder input to inform code changes
 - Development and delivery of trainings to support code implementation
 - Outreach to inform the community about the changes

B. Provide Town-funded energy efficiency and electrification incentives for all commercial buildings

Create a Town-funded energy efficiency and electrification incentive program for businesses

2030 Carbon Reduction (MTCO ₂ e)	Cumulative Cost (2025 – 2030)	Cost Effectiveness* (\$/MTCO ₂ e)	Average Annual Town Staff Time (FTE)
661	\$68,300 - \$69,500	\$103 - \$105	0.08 - 0.1

2025-2030 targets needed to achieve savings:

- 16 commercial properties converted to all electric
- 43 commercial properties implemented energy efficiency measures
- Achieve a 10% improvement in average EUI for renovated properties equivalent to 97.5 kBtu/sq. ft., down from 114.7 kBtu/sq. ft. current average through energy efficiency measures

GHG Calculations

- The GHG impact of this action is based significant outreach & engagement to help businesses reduce energy use. This analysis assumes a 21% annual adoption in energy efficiency and electrification upgrades in the commercial sector, based on 106 business licenses in the town. Of the upgrades, this analysis assumes approximately 15% of upgrades electrify the commercial property with associated energy efficiency impact, while 85% perform energy efficiency upgrades to the property unrelated to electrification
- While a net decrease in natural gas use is anticipated, a net increase in electricity use is expected as a result of commercial electrification and efficiency measures in 2030

Cost Calculations

The cost calculations for this action assume a match of GCEA's custom incentives at \$0.15 per kWh and \$4 per Dth. Estimated total incentives of \$62,900 between 2025 and 2030 for energy efficiency improvements through this program assuming a utility incentive match program design based on energy savings

C. Require energy use disclosure and benchmarking for commercial buildings

Require annual energy disclosures and benchmarking for commercial buildings over a certain size to disclose energy use and compare against other similar businesses to encourage energy efficiency actions beyond energy disclosures (for large buildings) required by the state.

2030 Carbon Reduction (MTCO ₂ e)	Cumulative Cost (2025 – 2030)	Cost Effectiveness* (\$/MTCO ₂ e)	Average Annual Town Staff Time (FTE)
5	\$8,600 - \$13,000	\$1,813 - \$2,741	0.8 - 1.2

2025-2030 targets needed to achieve savings

- Benchmarking of commercial properties accounting for 25% of total community commercial energy use
- Reporting businesses improve energy efficiency by 2.4% from baseline

GHG Calculations

- Assumes that a benchmarking program would apply to the largest commercial properties equivalent to 25% of commercial business energy use in Crested Butte
- For those commercial properties that benchmark, a 2.4% energy savings from energy use is achieved by benchmarking, consistent with findings from other commercial benchmarking programs

Cost Calculations

- The calculations for this action incorporate costs associated with:
 - Gathering stakeholder input to inform regulation changes
 - Development and delivery of trainings to support implementation
 - Outreach to inform the community about the changes

Strategy B4: Close the gap on new construction electrification and efficiency

A. Require all-electric commercial kitchen equipment for new construction

Update existing new construction building code to require electrification of commercial kitchen equipment for new construction, the only electrification measure not currently required by existing building code.

2030 Carbon Reduction (MTCO ₂ e)	Cumulative Cost (2025 – 2030)	Cost Effectiveness (\$/MTCO ₂ e)	Average Annual Town Staff Time (FTE)
19	\$10,900 - \$16,300	\$587 - \$878	<0.1

2025-2030 targets to achieve savings

- 2-3 new commercial kitchens transitioned to all electric

GHG Calculations

- The GHG impact of this action is calculated based on this historical average number of commercial new construction permits and a target for 2-3 new commercial kitchens being transitioned from natural gas to electric cooking equipment by 2030

Cost Calculations

- The calculations for this action incorporate estimated costs associated with:
 - Gathering stakeholder input to inform code changes
 - Development and delivery of trainings to support code implementation
 - Outreach to inform the community about the changes
- Since this is a code requirement that is not common in peer communities and has received some pushback from community members, higher levels of engagement are expected to be required to build community understanding and compliance

B. Estimate and track building materials used in construction

Leverage a 2025 building code update to establish methods for tracking building materials used in new construction.

2030 Carbon Reduction (MTCO ₂ e)	Cumulative Cost (2025 – 2030)	Cost Effectiveness (\$/MTCO ₂ e)	Average Annual Town Staff Time (FTE)
n/a - enabling	Not calculated	n/a	Not calculated

2025-2030 targets to achieve savings

- Tracking process established

GHG Calculations

- No direct emissions impact from this action

Cost Calculations

- No cost was calculated for this action

Strategy B5: Lead the way with efficiency improvements and electrification of Town buildings

A. Develop a municipal building energy efficiency and renewable energy plan and perform updated audits of all municipal facilities

Use existing municipal building energy efficiency audits to inform the development of an energy efficiency and renewable energy plan. Complete updated ASHRAE level II audits on all Town buildings to understand energy efficiency, renewable energy, and electrification opportunities and update the plan to reflect new opportunities.

2030 Carbon Reduction (MTCO ₂ e)	Cumulative Cost (2025 – 2030)	Cost Effectiveness (\$/MTCO ₂ e)	Average Annual Town Staff Time (FTE)
n/a	\$55,600 - \$68,000	n/a	<0.1

2025-2030 targets to achieve savings

n/a

GHG Calculations

No emissions savings are calculated for this action as it is not directly influencing GHG emissions. Developing the energy efficiency and renewable energy plan, and performing updated audits of municipal facilities are, however, important to inform upgrades modeled in action BD-5 B.

Cost Calculations

The cost calculation for this action includes the estimated cost of an updated energy audit for all Town of Crested Butte facilities (123,591 square feet at an estimated average of \$0.50 per square foot (Pacific Northwest National Laboratory, 2011)).

B. Implement electrification and efficiency improvements identified in energy efficiency and renewable energy plan

Based on the Facilities Energy Efficiency and Renewable Energy plan, develop upgrade budgets for priority energy efficiency and electrification improvements to be included in the annual budgeting process and install upgrades annually.

2030 Carbon Reduction (MTCO ₂ e)	Cumulative Cost (2025 – 2030)	Cost Effectiveness* (\$/MTCO ₂ e)	Average Annual Town Staff Time (FTE)
49	\$20,800 - \$31,100	\$426 - \$636	0.2 - 0.4

2025-2030 targets needed to achieve savings

- 1 Town facility is upgraded each year to include either energy efficiency or full building electrification (3 energy efficiency upgrades and 3 properties electrified between 2025 and 2030)

GHG Calculations

- Town upgrades alternate between implementing energy efficiency upgrades or fully electrifying natural gas space heating, water heating, and cooking end uses with its one annual upgrade.
- It is assumed a 50% likelihood that either energy efficiency (a 10% reduction in energy use is assumed) or full electrification with estimated savings associated with those improvements occurs for one property annually.
- Town facility electricity use is expected to see a net increase as a result of energy efficiency and building electrification measures.

Cost Calculations

- The cost calculations for this action assume an average 20-year payback for electrification and energy efficiency work and are based on estimated energy savings.
- Note that the costs shown are incremental investments above and beyond typical equipment replacement costs.

C. Monitor Town facilities' energy use and include within an annual sustainability report

Energy benchmarking for all Town facilities along with energy use disclosure in an annual sustainability report.

2030 Carbon Reduction (MTCO ₂ e)	Cumulative Cost (2025 – 2030)	Cost Effectiveness* (\$/MTCO ₂ e)	Average Annual Town Staff Time (FTE)
16	\$0	\$0	<0.1

2025-2030 targets needed to achieve savings

- 100% Town facility energy use benchmarked by 2030

GHG Calculations

- All municipal energy use is subject to a benchmarking program.
- A 2.4% energy savings from municipal energy use is achieved by benchmarking, consistent with findings from other commercial benchmarking programs.

Cost Calculations

- Includes upfront costs to get the Town set up in ENERGY STAR Portfolio Manager and enter all the baseline data for the buildings gathered for this plan.
- Ongoing costs include time to gather and input data as well as time to identify the cause of any data oddities and determine solutions.
- Savings are assumed to arise from equipment setting or other no-cost adjustments. Equipment replacement needs that may be identified through this process are not included here.

Renewable Energy Supply (R)

Actions that increase the amount of renewable energy used by municipal buildings, residents, and businesses in Crested Butte. A summary of the expected impact, cost effectiveness, and time commitment for each action are shown in the table below. Calculation inputs and assumptions can be found in the following sections.

Strategy	Action	Scope of Impact	2030 Carbon Reduction (MTCO ₂ e)	Cumulative Cost (2025 – 2030)	Cost Effectiveness (\$/MTCO ₂ e)	2025-2030 Average Annual Town Staff Time (FTE)
R1: Maximize new local renewable energy generation	A. Coordinate a group buy and provide educational resources to increase voluntary adoption of local renewable energy generation	Community-wide	78	\$15,000 - \$45,000	\$193 - \$580	0.2 - 0.5
R1: Maximize new local renewable energy generation	B. Partner with GCEA to support the installation of local renewable generation up to allowable caps	Community-wide	16	\$7,500 - \$22,500	\$477 - \$1,431	0.1 - 0.3
R1: Maximize new local renewable energy generation	C. Expand the Renewable Energy Mitigation Program (REMP) to require renewable energy generation or fee-in-lieu for buildings over a certain size	Community-wide	22	\$3,200 - \$4,900	\$143 - \$219	<0.1
R2: Push to accelerate widespread grid decarbonization	A. Advocate for increased renewable energy generation at the local, state, and federal levels	Community-wide	n/a	\$13,500 - \$16,500	n/a	0.1 - 0.2
R3: Install renewable energy to serve Town facilities	A. Install renewable energy generation to meet Town energy needs	Town Operations	247	\$2.6M - \$3.2M	\$10,503 - \$12,837	<0.1
	Community-Wide Total	Community-wide	116	\$25,700 - \$72,400	\$222 - \$626	0.4 - 0.8
	Town Operations Total	Town Operations	247	\$2.6M - \$3.2M	\$10,503 - \$12,837	<0.1
	Total	All	362	\$2.6M - \$3.3M	\$7,260 – \$8,986	0.5 – 1.0

Strategy R1: Maximize new local renewable energy generation

A. Coordinate a group buy and provide educational resources to increase voluntary adoption of local renewable energy generation

This action focuses on increasing voluntary adoption of local renewable energy through coordinating a group buy to bring down the cost of on-site installation to individual households and businesses through collective purchasing power. Pairing with educational resources will help to raise awareness of existing incentives and rebates available to support local renewable energy generation. Significant incentives already exist to support local renewable energy and studies have shown that additional local incentives may have limited impact on adoption, hence the focus on coordination and education (Matisoff & Johnson, 2017) (van Valkengoed & Werff, 2022).

2030 Carbon Reduction (MTCO ₂ e)	Cumulative Cost (2025 – 2030)	Cost Effectiveness* (\$/MTCO ₂ e)	Average Annual Town Staff Time (FTE)
78	\$15,000 - \$45,000	\$193 - \$580	0.2 - 0.5

2025-2030 targets needed to achieve savings:

- 3 business and 3 residential solar arrays installed annually (triple the historical rate of installs)

GHG Calculations

- Total installed solar capacity 419 kW installed between 2025-2030 based on average system sizes of 5 kW per residential system and 23 kW per commercial system installed
- Installed solar capacity offsets grid supplied electricity with the emissions factor forecasted in the ABAU

Cost Calculations

- The calculations for this action incorporate costs associated with:
 - Education and outreach associated with coordinating and administering a group buy
 - Education and outreach related to existing incentives for local renewable energy generation
- Moderate level of effort estimated. There are well established group buy programs, but a significant amount of community outreach is still needed

B. Partner with GCEA to support the installation of local renewable generation up to allowable caps

Work with GCEA to maximize local clean electricity generation within existing TriState generation caps to achieve a total of 6MW installed by 2030.

2030 Carbon Reduction (MTCO ₂ e)	Cumulative Cost (2025 – 2030)	Cost Effectiveness* (\$/MTCO ₂ e)	Average Annual Town Staff Time (FTE)
16	\$7,500 - \$22,500	\$477 - \$1,431	0.1 - 0.3

2025-2030 targets needed to achieve savings:

- Achieve 6MW total installed local generation by 2030
- New 0.8MW solar array installed by 2030, with RECs attributed to local businesses or residents

GHG Calculations

- Installed renewable energy reduces the emissions factor for grid supplied electricity by 1.4%. in 2030

Cost Calculations

- Ongoing costs for outreach and engagement activities including printing materials, meeting venue and/or food costs, as well as any travel costs
- Staff time to attend meetings, gather information/data, and coordinate implementation of actions

C. Expand the Renewable Energy Mitigation Program (REMP) to require renewable energy generation or fee-in-lieu for buildings over a certain size

Evaluate the existing REMP program and add a requirement for on-site renewable energy generation or payment of a fee-in-lieu for all newly constructed buildings over a certain size.

2030 Carbon Reduction (MTCO ₂ e)	Cumulative Cost (2025 – 2030)	Cost Effectiveness* (\$/MTCO ₂ e)	Average Annual Town Staff Time (FTE)
22	\$3,200 - \$4,900	\$143 - \$219	<0.1

2025-2030 targets needed to achieve savings:

- 2 business and 17 residential solar arrays installed between 2025-2030

GHG Calculations

- Total installed solar capacity 120 kW installed between 2025-2030 based on average system sizes of 5 kW per residential system and 23 kW per commercial system installed
- Based on total generated power from installed solar offsetting grid electricity delivered at the emissions factor outlined in the ABAU

Cost Calculations

- The calculations for this action incorporate costs associated with:
 - Gathering stakeholder input to inform policy adoption
 - Development and delivery of trainings to support implementation
 - Outreach to inform the community about the new requirements
- Moderate level of effort needed to pass this ordinance as there are similar ordinances in peer communities, but the ordinance can be complex to implement

Strategy R2: Push to accelerate widespread grid decarbonization

A. Advocate for increased renewable energy generation at the local, state, and federal levels

Continue to advocate for increased local and utility renewable generation with GCEA and Tri-State, including a greater percentage of renewable energy supply and/or increased allowances for local generation.

2030 Carbon Reduction (MTCO ₂ e)	Cumulative Cost (2025 – 2030)	Cost Effectiveness* (\$/MTCO ₂ e)	Average Annual Town Staff Time (FTE)
0	\$13,500 - \$16,500	n/a	0.1 – 0.2

2025-2030 targets needed to achieve savings:

n/a

GHG Calculations

- This is an enabling action to pursue the potential for additional renewable energy in the Town electricity mix. No savings expected by 2030, rather a strategy to enable future electricity generation GHG emissions reductions.

Cost Calculations

The cost calculations for this action assume ongoing engagement with GCEA and TriState as well as continued participation in Colorado Communities for Climate Action (CC4CA) and engagement at the state and federal level.

Strategy R3: Install renewable energy to serve Town facilities

A. Install renewable energy generation to meet Town energy needs

Meet 100% of Town electricity needs through on-site solar.

2030 Carbon Reduction (MTCO ₂ e)	Cumulative Cost (2025 – 2030)	Cost Effectiveness* (\$/MTCO ₂ e)	Average Annual Town Staff Time (FTE)
247	\$2.6M - \$3.2M	\$10,503 - \$12,837	<0.1

2025-2030 targets needed to achieve savings:

- Total installed capacity of 1,600 kW by 2030

GHG Calculations

- Installed on-site solar covers all Town electricity needs in 2030
- Based on total generated power from installed solar offsetting grid electricity delivered at the emissions factor outlined in the ABAU

Cost Calculations

- Estimated cost of \$1.80 per watt installed from NREL 2024 commercial rooftop solar installation cost estimates (National Renewable Energy Laboratory, 2024), which includes materials and soft costs for installation

Waste and Materials Management (W)

Actions that increase the diversion rate and reduce the amount of waste sent to landfill in Crested Butte.

The impact of waste actions is calculated as a cumulative impact downstream landfill waste emissions. As the upstream emissions from the manufacturing of materials is not accounted for in the Town's baseline inventory, the upstream impacts are not estimated here. Additionally, granular waste data by sector was not available during the inventory development and thus the emissions impact of waste actions on downstream disposal is calculated at the community scale.

A summary of the expected cumulative impact, cost effectiveness, and time commitment for waste actions is shown in the table below. Calculation inputs and assumptions can be found in the following sections.

Strategy	Action	Scope of Impact	2030 Carbon Reduction (MTCO ₂ e)	Cumulative Cost (2025 – 2030)	Cost Effectiveness (\$/MTCO ₂ e)	2025-2030 Average Annual Town Staff Time (FTE)
W1: Increase diversion from landfill and encourage sustainable consumption	A. Require adequate space for trash, recycling, and composting containers and pickup in new development	Community-wide	Not calculated for individual actions	\$2,200 - \$3,200	Not calculated for individual actions	<0.1
W1: Increase diversion from landfill and encourage sustainable consumption	B. Facilitate the development of new waste diversion infrastructure	Community-wide	Not calculated for individual actions	No cost calculated for this action	Not calculated for individual actions	No time allocated for this action
W1: Increase diversion from landfill and encourage sustainable consumption	C. Incentivize waste reduction and diversion for residents and businesses	Community-wide	Not calculated for individual actions	\$29,500 - \$44,500	Not calculated for individual actions	0.1 - 0.3
W1: Increase diversion from landfill and encourage sustainable consumption	D. Ban certain materials from landfill and enforce requirements for construction and demolition materials recycling	Community-wide	Not calculated for individual actions	\$44,600 - \$50,000	Not calculated for individual actions	0.6

W1: Increase diversion from landfill and encourage sustainable consumption	E. Adopt a pay-as-you-throw ordinance to disincentivize waste generation	Community-wide	Not calculated for individual actions	\$2,200 - \$3,200	Not calculated for individual actions	<0.1
W1: Increase diversion from landfill and encourage sustainable consumption	F. Develop incentives and programs to encourage waste reduction and diversion by Town employees	Town Operations	Not calculated for individual actions	\$1,800 - \$2,700	Not calculated for individual actions	<0.1
W1: Increase diversion from landfill and encourage sustainable consumption	G. Develop and implement a Town Environmental Purchasing Policy	Town Operations	Not calculated for individual actions	\$6,100 – \$7,400	Not calculated for individual actions	<0.1
Total		All	116	\$86,400 - \$111,000	\$742 - \$953	0.8 – 1.0

Strategy W1: Increase diversion from landfill and encourage sustainable consumption

2025-2030 targets needed to achieve savings:

- Increase diversion rate to 53%

GHG Calculations

- Reduce landfilled waste by 224 tons from ABAU

A. Require adequate space for trash, recycling, and composting containers and pickup in new development

Require adequate space for collection of trash, recycling, and composting in new development that is easily accessible to building residents.

Cost Calculations

- Cost calculations for this action include stakeholder engagement and outreach associated with code amendment.
- Low outreach and engagement costs are expected for this action since many similar ordinances have been passed in local jurisdictions and aligns with requirements for LEED, so developers should be familiar.

B. Facilitate the development of new waste diversion infrastructure

Cost Calculations

- The scope of this action is still to be determined, ranging from removing barriers and facilitating the development of new waste diversion infrastructure to incentives or grants for infrastructure. No cost has currently been estimated for this action.

C. Incentivize waste reduction and diversion for residents and businesses

Encourage sustainable materials or low waste events through Town-funded incentives, education, and outreach.

Cost Calculations

- Cost calculations for this action include:
 - A Town-funded waste reduction grant of about \$4,400 per year, based on a similar program implemented in Steamboat Springs, Colorado at \$2.70 per person (City of Steamboat Springs, 2024)
 - Outreach and education
- High time commitments from Town staff to develop and administer the program due to the potential scope of this incentive.

D. Ban certain materials from landfill and enforce requirements for construction and demolition materials recycling

Require sustainable materials to be used in new construction projects, ban some materials from landfill, and/or require deconstruction.

Cost Calculations

- The calculations for this action incorporate costs associated with:
 - Gathering stakeholder input to inform policy adoption
 - Development and delivery of trainings to support implementation
 - Outreach to inform the community about the new requirements
- High level of cost and time commitment for engagement given the complexity of this regulation. Deconstruction regulations are also rate and infrastructure needed to be successful may not already exist.
-

E. Adopt a save-as-you-throw ordinance to disincentivize waste generation

Partner with Waste Management to develop and enforce a save-as-you-throw ordinance with higher trash rates for larger containers or quantities of waste to disincentivize waste generation and encourage recycling and composting by residents and businesses.

Cost Calculations

- The calculations for this action incorporate costs associated with:
 - Gathering stakeholder input to inform policy adoption
 - Development and delivery of trainings to support implementation
 - Outreach to inform the community about the new requirements.
- Low level of effort estimated since this is a common approach to trash service.

F. Develop incentives and programs to encourage waste reduction and diversion by Town employees

Develop programs and incentives such as re-use libraries or interdepartmental competitions to reduce waste generation and increase diversion by Town employees.

Cost Calculations

- Cost calculations for this action include incentives and time commitment proportional to the Town waste incentive program.

G. Develop and implement a Town Environmental Purchasing Policy

Develop an Environmental Purchasing Policy that specifies sustainable purchasing criteria for Town operations such as minimum recycled percentages for paper goods or construction materials, guidelines around reuse, and/or disposal requirements.

Cost Calculations

- Assume 5% additional cost for purchasing Environmentally friendly products for office supplies, cleaning supplies, and tools and equipment from the 2024 Town budget (Town of Crested Butte, 2023)
- Hours estimate for Town staff to develop and pass the policy as well as time annually to adjust and update as needed.
 - Low level of effort estimated since there are many examples and templates available.

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- City of Steamboat Springs. (2024, August 7). *Sustainability Incentives*. Retrieved from Special Events: <https://www.steamboatsprings.net/1301/Sustainability-Incentives>
- Matisoff, D., & Johnson, E. (2017, September). The comparative effectiveness of residential solar incentives. *Energy Policy*, 108(3), 44-54. doi:10.1016/j.enpol.2017.05.032
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- van Valkengoed, A., & Werff, E. (2022). Are subsidies for climate action effective? Two case studies in the Netherlands. *Environmental Science & Policy*, 137-145. doi:10.1016/j.envsci.2021.09.018



Staff Report

February 3, 2025

To: Mayor and Town Council

Prepared By: Dara MacDonald, Town Manager

Subject: Reconsideration of Property Manager position

Summary: Town has received proposals for management of the Paradise Park rental units at 15% of gross rents of \$43,350 in 2026 once the units are fully occupied. The fully burdened (wages + benefits) expense of the property manager position in 2025 had been estimated at \$115,000. Given the expense of contracting for management of the new Paradise Park and Ruby rental units and the other benefits of having this position in-house, staff is requesting the Council reconsider funding the position in 2025.

Previous Council Action: During discussion of cost-cutting measures or ways to supplement the Street and Alleys fund, Town Council directed during the budget work session on November 18, 2024, that this proposed new position be eliminated from the 2025 budget.

Background:

The Town currently has a portfolio of 42 leased properties, including:

- 23 spaces leased to local nonprofits or local government agencies managed by Finance,
- 13 residential units for Town employees managed by Housing Division (Community Development Department)
- 6 rooms at the Ruby managed by GVRHA.

The facilities division maintains these properties as well as all of Town's non-enterprise facilities. In the coming months, 14 additional rental units in Paradise Park for the local workforce will come online. With the addition of these units, the total of residential and nonresidential leases rises to 56 and total Town-owned facilities climbs to 72, excluding enterprise facilities. The size of the leased and maintenance portfolios justifies hiring an in-house property manager. This position will support multiple departments, including Facilities, Community Development (Housing Division) and Finance.

Duties would include:

- Streamline engagement with tenants by providing a single point of contact.
- Administer residential and non-residential lotteries.
- Manage lease up of new properties and turn over for existing properties.

- Administer town policies, leases, and tenant utility bill back agreements.
- Monitor utility usage and report on property performance.
- Field and prioritize maintenance and repair requests on all of Town's facilities, providing afterhours back up to existing staff.

Once Council had provided direction to not include the position in the 2025 budget, staff began seeking proposals for property management services. Town has received two proposals, one from GVRHA and one from a local property management company. Both proposals were for 15% of the gross rents.

In a front-range market, property management fees for a multi-family project of scale would be around 5% of gross collected rents, excluding maintenance or facilitation of capital projects. We anticipated that given our more expensive market and the dispersed nature of the project, that the fees would run higher. We included an expense of 7% of gross in the adopted budget.

Anecdotally, from individuals in the community who employ management services for their long-term rental units we have heard estimates from 4% to 10% plus some fees, not including maintenance.

Discussion:

In the early drafts of the 2025 budget, staff had proposed the expense of the position would be spread equally between the General, Capital and Affordable Housing funds, reflecting the spread of responsibilities between finance, facilities and housing divisions. The impact on each fund was anticipated at \$38,333, expecting to have someone onboard for a full year.

The current estimate of expenses to pay for property management for the Ruby and Paradise Park rental units in 2025 is \$38,100, increasing to \$55,350 in 2026 (assuming the fee for the Ruby remains at a flat \$12,000 annually). Assuming a 5% increase in wages & benefits, the expense of an in-house position is estimated at \$120,750 in 2026.

The Town has come a long way in recent years to establish leases with occupants, create policies for leases, implement maintenance job tracking systems, and tracking of rental payment invoicing among other changes. However, with responsibilities for the Town's many properties spread across a variety of divisions, details of property management and property performance currently are overlooked or pushed aside as each division has more pressing issues to address.

Some examples of items being overlooked or poorly coordinated in recent years:

- Missed deadlines to avoid auto-renewal of non-residential leases
- Delayed follow up on late payments for rents or utilities
- Prolonged turnover of units
- Unaccounted for details of condition at move-in or move-out inspections, resulting in inability to charge back for damages
- Utility usage and performance tracking

A single point of contact to coordinate the various activities involved with property management would be immensely helpful. Given the proposed expense for outside management of just 20 of

our units (the Ruby and Paradise Park), the benefit of bringing the services under an in-house property manager are even more apparent.

Climate Impact: There is no direct climate impact from this request. A duty of this new position would be to monitor and report on utility usage and building maintenance issues. This will help us identify building inefficiencies that would have otherwise gone undetected.

Financial Impact: The 2025 budget anticipated approximately \$10,650 in contracted property management expenses for the Paradise Park rentals. That is now estimated at \$26,100 in 2025. A budget amendment may be necessary depending on other expenses in the fund.

The expense of the position was estimated at \$115,000 in 2025 for the full year. Given that if we begin hiring now the position is unlikely to be filled until Q2, that expense would be closer to \$86,250, spread across the three funds - \$28,750 per fund in 2025. This expense would be immediately offset by the \$10,650 budgeted in the Affordable Housing for management of the Paradise Park units and by some amount once the management agreement for the Ruby could be terminated.

Legal Review: None at this time.

Recommendation: Staff is seeking direction to proceed with hiring for the unbudgeted property manager position in 2025. Alternatively, staff will more fully vet the two proposals for property management services for the Paradise Park rental units and proceed with contracting.



City of Gunnison City Council Agenda

Regular Session

Tuesday, January 28, 2025, at 5:30pm

Council meeting is held at City Hall, 201 West Virginia Avenue, Gunnison, Colorado 2nd floor Council Chambers with Zoom remote access.

Approximate meeting time: 2.5 hours

The public may attend this City Council meeting in-person or via Zoom with phone or computer access. For remote access please use [Zoom Registration](#).

I. Presiding Officer Calls Regular Session to Order (silent roll call)

II. Announcements

Background: Council and/or City Staff may give announcements related to upcoming City events, projects, or acknowledgements.

Staff Contact: Council and City Staff

Public Comment: not applicable.

Action Requested of Council: No action requested; updates only.

Estimated Time: 10 minutes

III. Western Colorado University Liaison Announcements

Background: During the academic year, the Western Colorado University Liaison may give announcements related to upcoming University events and programs.

Staff Contact: Townes Bakke, Western SGA Vice President for External Affairs

Public Comment: not applicable.

Action Requested of Council: No action requested; updates only.

Estimated Time: 5 minutes

IV. Public Input

At this time, members of the public may provide comments to Council in English or Spanish on topics that are not on the agenda. Any questions will be received as comments and potentially responded to by the appropriate staff or Council member, following the meeting. Per Colorado Open Meetings Law, no Council discussion or action will take place until a later date, unless an emergency situation is deemed to exist by the City Attorney. Each speaker has a time limit of 3 minutes to facilitate efficiency in the conduct of the meeting and to allow an equal opportunity for everyone wishing to speak.

V. Proclamations, Recognitions, and Appointments

A. Resolution No. 2, Series 2025: *A Resolution of the City Council of the City of Gunnison, Colorado Commending Keith Robinson, for His Service to the City of Gunnison Police Department from September 1, 1979 through January 31, 2025*

Background: This is a resolution of appreciation for Police Chief Keith Robinson and his service to the City of Gunnison, Colorado.

Staff Contact: Erica Boucher, City Clerk

Public Comment: limited to 3 minutes per speaker.

Action Requested of Council: Consider a motion to adopt Resolution No. 2, Series 2025.

Estimated Time: 15 minutes

VI. Consent Agenda

A. None.

VII. Old Business

A. Excuse Mayor Pro Tem Ballesteros from the January 14, 2025, Regular Session

Background: Councilors are allowed to be formally excused from a Regular, Special, or Reorganization Session meeting by a quorum of the City Council per Section 4.4 (F) of the Gunnison Home Rule Charter.

Staff Contact: Erica Boucher, City Clerk

Public Comment: not applicable.

Action Requested of Council: Consider a motion to excuse Mayor Pro Tem Ballesteros from the January 14, 2025, Regular Session due to an unforeseeable personal matter.

Estimated Time: 2 minutes

B. Intergovernmental Agreement (IGA) between the City of Gunnison and the Gunnison County Fire Protection District for Fire Station Replacement

Background: The existing fire station is a 50-year-old, metal storage building that has been modified over the years to meet service needs. Well beyond its useful life, the structure is unsafe and requires replacement. The draft IGA details the actions, process, and responsibilities associated with implementing the project. Staff presented a draft IGA to Council at the January 14, 2025, Regular Session. The Gunnison County Fire Protection District Board approved the IGA at their January 16, 2025, meeting.

Staff Contact: Amanda Wilson, City Manager

Public Comment: limited to 3 minutes per speaker.

Action Requested of Council: Consider a motion approve and authorize the Mayor to sign the Intergovernmental Agreement between the City of Gunnison and the Gunnison County Fire Protection District for Fire Station Replacement.

Estimated Time: 5 minutes

C. Public Service and Economic Development, Community Program Awards

Background: To achieve its organizational purpose, the city offers the opportunity for community-based organizations to request funds for Contracts for Services to support Public Services and Economic Development programs. The 2025 Annual Budget appropriates funds to support these programs at City Council's discretion.

Staff Contact: Ben Cowan, Finance Director

Public Comment: limited to 3 minutes per speaker.

Action Requested of Council: Consider awarding the 2025 community-based contracts for service as presented by the award summary, in the total amount of \$168,000, and authorize the Finance Director to sign the contracts for service, subject final approval by the City Attorney.

Estimated Time: 5 minutes

D. Ordinance No. 1, Series 2025, Second Reading: *An Ordinance of the City Council of the City of Gunnison, Colorado, for the Regulation of Traffic Within the City of Gunnison, Colorado; Adopting by Reference the 2024 Edition of the "Model Traffic Code for Colorado"; Repealing All Ordinances in Conflict Therewith; and Providing Penalties for Violation Thereof*

Background: The City of Gunnison adopted the 2020 Model Traffic Code (MTC) on May 12, 2020. Since then, the state has made several changes to traffic law. The City of Gunnison does not adopt modifications to traffic law at the same rate as the state. On December 10, 2024, staff presented to council a recommendation to adopt the "2024 Edition of the Model Traffic Code for Colorado" with recommended changes and additions to remain consistent with the Model Traffic Code adopted in 2020 and any other ordinances approved between May 12, 2020 and January 1, 2025. Council approved the first reading of Ordinance No. 1, Series 2025, and ordered to publish at the January 14, 2025, Regular Session.

Staff Contact: Keith Robinson, Chief of Police

Public Comment: limited to 3 minutes per speaker.

Actions Requested of Action: 1) Introduce Ordinance No. 1, Series 2025, and read the ordinance by Title only; and 2) Consider a motion to adopt to Ordinance No. 1, Series 2025, on second reading.

Estimated Time: 5 minutes

VIII. New Business

A. Authorization to Solicit a Request for Proposals for an ADA Self-Assessment & Transition Plan

Background: The ADA federal regulation requires all public entities, regardless of size, to evaluate all of their programs, services, policies, and practices and to modify any that do not meet ADA requirements. Public entities with 50 or more employees are required to develop a transition plan detailing any changes that are needed to achieve program access and specifying a time frame for their completion.

Staff Contact: Erica Boucher, City Clerk (ADA Coordinator)

Public Comment: limited to 3 minutes per speaker.

Action Requested of Council: Consider a motion to authorize to solicitation of an RFP for an ADA Self-Evaluation & Transition Plan.

Estimated Time: 20 minutes

B. Update: REDI, Economic Development Subgrants

Background: In March 2024, the City applied for the Rural Economic Development Initiative through the Department of Local Affairs. This application included a proposal to create a sub-grant program that could be administered through the ICELab. In June 2024, the City was awarded \$101,100 to administer this program to businesses here in Gunnison. Eleven applications were received, and three businesses were selected by the ICELab to receive funding.

Staff Contact: Ricardo Esqueda, Community Outreach and Policy Liaison

Public Comment: not applicable

Action Requested of Council: No action, presentation only.

Estimated Time: 20 minutes

C. MEAN Revised Green Energy Subscription Confirmation Form

Background: In February 2023, the City Council approved the City Manager to sign the Green Energy Subscription Confirmation Form. This Green Energy Program of the Municipal Energy Agency of Nebraska (MEAN) allowed Gunnison to meet goals of becoming carbon neutral.

Staff Contact: Will Dowis, Electric Superintendent

Public Comment: limited to 3 minutes per speaker

Action Requested of Council: Consider a motion to approve and authorize the City Manager to sign the revised MEAN Green Energy Program Subscription Confirmation form.

Estimated Time: 10 minutes

D. 2024 Construction Project Recap and 2025 Look Ahead

Background: The City of Gunnison completed multiple projects in 2024 using a variety of funding strategies. A recap of 2024 projects will be presented as well as a preview of projects planned for 2025.

Staff Contact: Cody Tusing, P.E., City Engineer

Public Comment: limited to 3 minutes per speaker

Action Requested of Council: No action requested, report only.

Estimated Time: 20 minutes

IX. Executive Session

A. Legal Analysis and Discussion of Councilor Employment Opportunity

Background: This Executive Session pursuant to C.R.S §24-6-402(4)(b), C.R.S., Conferences with an attorney for the public entity for the purposes of receiving legal advice on specific legal questions- Legal Analysis and Discussion of Councilor Employment Opportunity.

Staff Contact: Amanda Wilson, City Manager

Public Comment: not applicable.

Action Requested of Council: Consider a motion to enter into Executive Session pursuant to C.R.S §24-6-402(4)(b), C.R.S., Conferences with an attorney for the public entity for the purposes of receiving legal advice on specific legal questions- Legal Analysis and Discussion of Councilor Employment Opportunity.

Estimated Time: 20 minutes

X. Regular Session Meeting Adjournment

The City Council Meeting agenda is subject to change. The City Manager and City Attorney reports may include administrative items not listed. Regular Meetings and Special Meetings are recorded. Meeting minutes are posted at City Hall and on the City website within 10 business days following the meeting at www.gunnisonco.gov. Work sessions are recorded however minutes are not produced. For further information, contact the City Clerk's office at 970-641-8140.

TO REQUEST INTERPRETATION SERVICES OR TO COMPLY WITH ADA REGULATIONS, PEOPLE WITH SPECIAL NEEDS ARE REQUESTED TO CONTACT THE CITY CLERK 48 HOURS BEFORE ALL MEETINGS AT 970.641.8140.

City of Gunnison City Council meeting video recordings can be viewed at [City of Gunnison Colorado - YouTube City of Gunnison](#)

City Council official audio recordings and publicly noticed meetings minutes can be viewed at www.gunnisonco.gov

**GUNNISON COUNTY BOARD OF COMMISSIONERS
REGULAR MEETING AGENDA**

309

DATE: Tuesday, January 21, 2025 **Page 1 of 3**
PLACE: Board of County Commissioners' Meeting Room at the Gunnison County Courthouse
(REMOTE OPTION BELOW)

GUNNISON COUNTY LOCAL LIQUOR LICENSING AUTHORITY MEETING:

8:30 am

- Call to Order
- Consent Agenda: These items will not be discussed unless requested by a Commissioner or citizen. Items removed from consent agenda for discussion may be rescheduled later in this meeting, or at a future meeting.
 1. Alcohol Beverage License #03-15949; The Wooden Spoon dba The Wooden Spoon; 3/7/2025 to 3/7/2026
 2. Alcohol Beverage License #03-13185; Skyhighcolorado LLC dba Nugget Cafe; 4/6/2025 to 4/6/2026
- Adjourn

GUNNISON COUNTY BOARD OF COUNTY COMMISSIONERS REGULAR MEETING:

8:32 am

- Call to Order; Agenda Review
- Minutes Approval
 1. January 7, 2025 Regular Meeting
 2. January 14, 2025 Special Meeting
- Scheduling
- Consent Agenda: These items will not be discussed unless requested by a Commissioner or citizen. Items removed from consent agenda for discussion may be rescheduled later in this meeting, or at a future meeting.
 1. Acknowledgement of County Manager's Signature; Gunnison County Finance Director Employment Agreement; Ana Canada; 1/1/2025; \$144,828
 2. Acknowledgement; Intergovernmental Grant Agreement; Energy & Mineral Impact Assistance Program (EIAF); Facilities; 12/27/2024 to 11/30/2026; \$2,000,000
 3. Quote; eCertification; Tyler Technologies; Clerk & Recorder; 3 years; \$3,897
 4. Quote; Payments with Resident Access Migration; Tyler Technologies; Finance; \$4,500
 5. Professional Services Agreement Letter Amendment – Gunnison Crested Butte Regional Airport; Ricondo & Associates, Inc.; 10/18/2022 to 12/31/2025; \$205,000
 6. Professional Services Agreement; Somerset Domestic Waterworks District; 1/1/2025 to 12/31/2025; \$20,000
 7. Pharmacy Benefit Plan Design; TrueRx; Human Resources; 1/1/2025
 8. Grant Application; Colorado Regional Opioid Abatement Council; Juvenile Services; \$500,000
 9. Grant Application; Temple Hoyne Buell; Parents as Teachers; Health and Human Services; \$20,000
 10. Incumbency and Signature Certificate

8:35 am

- County Manager's Reports
 1. County Designation of 2025 Steering Committee Proxies; Colorado Counties, Inc. Steering Committees

8:40 am

- Draft Correspondence; Crested Butte Postal Facilities; US Postal Service

8:45 am

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**GUNNISON COUNTY BOARD OF COMMISSIONERS
REGULAR MEETING AGENDA**

310

DATE: Tuesday, January 21, 2025

Page 2 of 3

**PLACE: Board of County Commissioners' Meeting Room at the Gunnison County Courthouse
(REMOTE OPTION BELOW)**

- A Resolution Rescinding the Gunnison County Local Disaster Emergency Due to the Highway 50 Bridge Closures

8:50 am

- A Resolution of the Board of County Commissioners of Gunnison County, Colorado Pertaining to Open Fire Bans and the Imposition of Fire Restriction Stages and Exemptions

8:55 am

- A Resolution Establishing Gunnison County as a Local Authorizing Authority for Ambulance Services, Establishing Ambulance Service Areas, Adopting Gunnison County Ambulance Licensing Regulations and Revoking Resolution No. 2018-13

9:05 am

- Gunnison County Boards and Commissions:
 - 1. Board of Adjustment Appointments:
 - At Large Appointments; Fill Two Vacancies for One-Year Terms
 - Applicants: Julie Baca, Andy Tocke
 - BOCC Appointments; Three Commissioners for One-Year Terms
 - Commissioners: Laura Puckett Daniels, Liz Smith, Jonathan Houck
 - Alternate Appointments; Extend Terms for One-Year
 - Applicants: Drew Brookhart, John O'Neal
 - 2. Environmental Health Board Appointments:
 - Fill Four Vacancies for Regular Member for Three-Year Terms & Fill Two Vacancies for Alternate Members for One-Year Terms
 - Applicants: Bill Barvitski, Ashley Bembenek, Lynn Cudlip, Kari Roberts, Brooke Ann Zanetell
 - 3. Extension Advisory Committee Appointments:
 - Regular Appointments; Fill Two Vacancies for Three-Year Terms
 - Applicants: Janet Washburn, Dan Zadra
 - 4. Gunnison Valley Land Preservation Board Appointments:
 - Fill One Vacancy for Regular Member for a Four-Year Term & Fill One Vacancy for Alternate Member for a Two-Year Term
 - Applicant: Glo Cunningham
 - 5. Gunnison Watershed Weed Commission Appointments:
 - Regular Appointment; Fill One Vacancy for a Three-Year Term
 - Applicant: Thomas Walker
 - 6. Historic Preservation Commission Appointments:
 - Regular Appointments; Fill Two Vacancies for Three-Year Terms
 - Applicants: Krister Kooiman, Jody Reeser
 - 7. Planning Commission Appointments:
 - Fill Three Vacancies for Regular Members for Three-Year Term & Fill Two Vacancies for Alternate Members for One-Year Term
 - Applicants: Julie Baca, Bill Barvitski, Krister Kooiman, Catherine McBreen, Fred Niederer, Sean Patrick
 - 8. Region 10 Board Appointments:
 - Board of Directors (Private Representative) Appointments; Fill Two Vacancies for Two-Year Terms
 - Applicant: Colleen Hannon
 - Business Loan Fund Appointments; Fill Two Vacancies for Two-Year Terms
 - Applicants: David Assad, Shane McGuinness

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**GUNNISON COUNTY BOARD OF COMMISSIONERS
REGULAR MEETING AGENDA**

311

DATE: Tuesday, January 21, 2025

Page 3 of 3

PLACE: Board of County Commissioners' Meeting Room at the Gunnison County Courthouse
(REMOTE OPTION BELOW)

- Gunnison Valley Transportation Planning Region Committee Appointments; Fill Two Vacancies for One-Year Terms
 - Applicants: Vince Rogalski, Martin Schmidt, Erika Vohman
- 9. Sustainable Tourism and Outdoor Recreation Committee Appointments:
 - At-Large Appointments; Fill Four Vacancies for Two-Year Terms
 - Applicants: Than Acuff, Jon Hare, Caressa Holland, Jeremy Johndrow, Jake Jones, Tim Kugler, Danny J. Lefebvre, Heather Leonard, Mimi Mather, Hannah November, Chris Parmeter, Tyler Portenier, Kurt Portwich, Pamela Williams
- 10. Veteran Services Officer Appointment:
 - Regular Appointment; Fill One Vacancy for a Two-Year Term
 - Applicant: Steve Otero

9:35 am

- Vouchers and Transfers
- Treasurer's Report
- Unscheduled Public Comment: Limit to 5 minutes per item. No formal action can be taken at this meeting.
- Commissioner Items: Commissioners will discuss among themselves activities that they have recently participated in that they believe other Commissioners and/or members of the public may be interested in hearing about.
- Executive Session, pursuant to C.R.S. § 24-6-402(4)(b): Conferences with the County Attorney, Deputy County Attorney or Assistant County Attorney for Gunnison County for the purpose of receiving legal advice related to legal issues surrounding County land use authorities and jurisdiction under the Gunnison County Land Use Resolution and Article 28 of the Colorado Revised Statutes.
- Adjourn

Please Note: Packet materials for the above discussions will be available on the Gunnison County website at <http://www.gunnisoncounty.org/meetings> prior to the meeting.

ZOOM MEETING DETAILS:

Join Zoom Meeting: <https://gunnisoncounty-org.zoom.us/j/89798905619>

One tap mobile

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+13462487799,,82753657556#,,,*,471302# US (Houston)

**GUNNISON COUNTY BOARD OF COMMISSIONERS
WORK SESSION MEETING AGENDA**

312

DATE: Tuesday, January 28, 2025

Page 1 of 1

PLACE: Board of County Commissioners' Meeting Room at the Gunnison County Courthouse
(REMOTE OPTION BELOW)

8:30 am

- Pitch Mine Reclamation Project Update
- Adjourn

Please Note: Packet materials for the above discussions will be available on the Gunnison County website at <http://www.gunnisoncounty.org/meetings> prior to the meeting.

ZOOM MEETING DETAILS:

Join Zoom Meeting: <https://gunnisoncounty-org.zoom.us/j/89798905619>

One tap mobile

+12532158782,,82753657556#,,,,*471302# US (Tacoma)

+13462487799,,82753657556#,,,,*471302# US (Houston)

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December 23, 2024

Town of Crested Butte
P.O. Box 39
Crested Butte, CO 81224-0039

**THANK YOU FOR YOUR
GENEROUS SUPPORT!**

Dear Town of Crested Butte,

Thank you for your recent donation of **\$66,666 to the Gunnison Valley Promise Fund**. Your support is making an impact on our campus and in the lives of our students, faculty, and staff. Because of your commitment, we can continue to provide a high-quality, transformative education in a vibrant and supportive environment. Your contribution helps us maintain the excellence in teaching that defines Western and strengthens our state and beyond by preparing students to lead meaningful and fulfilling lives.

We are excited to share some wonderful updates from campus, including the inaugural season in the newly renovated Mountaineer Bowl at the Rady Family Sports Complex. This state-of-the-art facility is enhancing the student and athlete experience, fostering school spirit, and serving as a gathering place for the entire Western community. Additionally, thanks to the generosity of donors like you, the Elevate Western Campaign has achieved significant fundraising milestones, directly benefiting scholarships, academic programs, and campus enhancements. Your continued support enables us to build on this momentum and create a brighter future for all who call themselves Mountaineers.

Thank you for your remarkable generosity and commitment to Western.

Happy Holidays!



Brad Baca
President
Western Colorado University

*Appreciate your support of The
GVP!*

Questions? Need to update your records? Please contact foundation@Western.edu.



ELEVATE WESTERN
THE CAMPAIGN FOR WESTERN COLORADO UNIVERSITY



ELEVATE WESTERN
THE CAMPAIGN FOR WESTERN COLORADO UNIVERSITY

Western Colorado University Foundation, Inc.
909 E Escalante Drive
Gunnison, CO 81230, USA

Town of Crested Butte
P.O. Box 39
Crested Butte, CO 81224-0039

Town of Crested Butte,

Thank you for your gift. To achieve our mission, we depend on the generous support of individuals like you. We are grateful for your generosity and hope you take great pride in the important difference that your gift makes.

Gift details

Gift amount:	\$66,666.00
Gift type:	One-time gift
Gift date:	10/10/2024
Fund:	Gunnison Valley Promise
Receipt status:	Issued
Receipt date:	12/30/2024
Receipt number:	10002972
Location issued:	Gunnison, CO, US

No goods or services were provided in exchange for this gift.

On behalf of our entire organization, thank you for your generous gift.

Registration number: 84-0709935

A handwritten signature in dark ink, appearing to read "Mike LaPlante".

Mike LaPlante

Executive Director and Vice President for Advancement

From: [Gillie and Marc](#)
To: [Team Council](#)
Subject: Artists want to co-fund a bronze public statue for your community
Date: Monday, January 20, 2025 9:11:47 PM

Some people who received this message don't often get email from publicart@gillieandmarc.com. [Learn why this is important](#)

Dear Mayor of Crested Butte,

I'm thrilled to reach out regarding Gillie and Marc, two of the world's most prolific public artists.

This year in 2025, they're launching an initiative to co-fund public sculptures, focusing on creating custom site specific artworks that reflect local stories, feature native animals, or highlight unique historical narratives. They're also celebrated for their functional art, such as sculptural benches, which bring both beauty and utility to public spaces.

Gillie and Marc have already created remarkable sculptures for cities across the U.S., including Ruth Bader Ginsburg in NYC, Justina Ford in Aurora and Daniel K. Inouye at Honolulu Airport.

I'd love to explore how we could bring their art to your community. Let me know if this is of interest, and I'd be happy to share more details!













Kind regards,

Jessie Schattner | Global Project Director



"Gilie and Marc are the most prolific creators of public art in NYC's history" - NEW YORK TIMES

MOB +61 432 506 885 | SYD +61 2 9666 3337 | NYC +1 888 898 7460 | LDN +44 808 196 8047

Dear Mayor Billick and Council Members,

Happy New Year from the Crested Butte Land Trust! As we close out the year, we want to extend our heartfelt gratitude for your partnership in conservation. Together, we've made a lasting impact in protecting the lands that make our community so special.

Wishing you and yours a wonderful holiday season and a New Year filled with warmth and joy.

Warm regards,


The Crested Butte Land Trust Team



