



## **Keystone Town Council Work Session Agenda**

The Keystone Town Council will have a Work Session on September 10, 2024, at 4:00 p.m. at 1628 Sts. John Rd, Keystone, CO 80435.

- I. CALL TO ORDER, ROLL CALL
- II. DISCUSSION WITH MARCHETTI & WEAVER
- III. DISCUSSION WITH SUMMIT SCHOOL DISTRICT SUPERINTENDENT TONY BYRD
- IV. DISCUSSION OF SUMMIT COUNTY CHILDCARE TUITION ASSISTANCE
- V. DISCUSSION OF SUMMIT COUNTY BUILDING DEPARTMENT INTERGOVERNMENTAL AGREEMENT
- VI. DISCUSSION OF UNSCHEDULED ABSENCES
- VII. DISCUSSION OF NATURAL MEDICINE
- VIII. DISCUSSION OF MANAGER/COUNCIL ISSUES
- IX. ADJOURNMENT

# TOWN OF KEYSTONE, COLORADO

## STAFF REPORT

TO: Mayor & Town Councilmembers  
THROUGH:  
FROM: John Crone, Town Manager  
DATE: October 8, 2024  
SUBJECT: Intergovernmental Agreement About Summit County  
Childcare Tuition Assistance

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### **Executive Summary:**

Discussion about joining the Child Care Tuition Assistance IGA providing for the funding of early childcare in Summit County.

### **Background:**

In 2018, Summit County voters approved the Strong Futures initiative to provide funding for Pre-K childcare. In response, the County entered into an MOU with Early Childhood Options (“ECO”) to run a pre-K program for four-year olds. In 2023, most of the incorporated towns of Summit County and the Summit County government recognized that early childcare was posing a significant problem for our workforce. In response, all of the municipalities (except Montezuma) and the County entered into an IGA to address the impacts of ever increasing childcare costs on the Summit County workforce.

The IGA commits the jurisdictions to provide childcare tuition assistance for children three-years old and younger who are not covered by the Strong Futures program. The funding for this program (also known as “First Steps”) comes primarily from the general funds of the individual jurisdictions (often using excess funds from the Nicotine Tax). The Town Managers and the County Manager make up the Board of Directors for the program.

The commitment levels are determined by a formula that takes into account the residence of the recipients and the location where the parents work. Using the formula, Keystone's share of the expenses will be around 3.27% of the total cost of the program.

The program is available for those families who can show that childcare costs account for 10-20% of their income. The Tuition assistance is awarded on a sliding scale that takes into consideration the economic burden on the family and the family's income and assets. The specific requirements are set by the Board. The tuition assistance is paid directly to the childcare providers. The IGA calls for ECO to administer the program.

Unlike most of the other IGAs that the Town has entered into or is considering entering into, this IGA does not provide for a revenue source for the Town. This IGA is the Town's recognition that our workers need help to make sure that our businesses can remain fully staffed.

**Alternatives:**

Decline to join the IGA

**Financial Considerations:**

If adopted, the IGA will result in annual costs between \$45,000 and \$75,000.

**Previous Council Actions:**

None

**Suggested Motions:**

N/A

**Attachment:**

- IGA about Summit County Child Care Tuition Assistance
- Draft budget for 2025 Child Care Tuition Expenditures

INTERGOVERNMENTAL AGREEMENT FOR SUMMIT COUNTY CHILD CARE  
TUITION ASSISTANCE

Among

SUMMIT COUNTY, COLORADO, And

THE TOWNS OF BLUE RIVER, BRECKENRIDGE, DILLON, FRISCO, AND  
SILVERTHORNE, COLORADO, And

SUMMIT COUNTY CHILD CARE RESOURCE & REFERRAL AGENCY, INC.

**THIS INTERGOVERNMENTAL AGREEMENT** (this "Agreement") is made and entered into this 7<sup>th</sup> of August 2023, among SUMMIT COUNTY, COLORADO (the "County"), a body corporate and politic and political subdivision of the State of Colorado (the "State"), and THE TOWNS OF BLUE RIVER, BRECKENRIDGE, DILLON, FRISCO, AND SILVERTHORNE, COLORADO (the "Towns" or individually as a "Town"), home rule or statutory municipalities and political subdivisions of the State, and SUMMIT COUNTY CHILD CARE RESOURCE & REFERRAL AGENCY, INC. dba EARLY CHILDHOOD OPTIONS ("ECO") a Colorado Non-Profit Corporation. The County the Towns and ECO are referred to collectively herein as "the Parties" or individually as "a Party."

**WHEREAS**, pursuant to title 29, article 1, part 2, Colorado Revised Statutes, as amended (the "Intergovernmental Relations Statute"), and Article XIV, Section 18 of the State Constitution, governments may contract with one another to provide any function, service or facility lawfully authorized to each of the contracting units and any such contract may provide for the joint exercise of the function, service or facility; and

**WHEREAS**, according to an April 2022 Summit County Childcare & After School Care Needs Assessment ("2022 Needs Assessment"), Summit County is home to 4,367 total children, and 1,485 children are under age 6, and 2,882 are between 6 and 12; and

**WHEREAS**, seventy three percent of children in Summit County have all parents in the labor force and are therefore likely to need some type of childcare; and

**WHEREAS**, the Parties to this Agreement have all determined that public support of childcare is an important investment in the community and that quality early childcare benefits families, children, employers, and the community at large; and

**WHEREAS**, among parents not using regular childcare, one of the most common reasons cited in the 2022 Needs Assessment survey was "can't afford it"; and

**WHEREAS**, the Parties are committed to assisting to provide access to affordable, quality childcare for local working-families; and

**WHEREAS**, the 2022 Needs Assessment specifically recommended that the County and Towns explore options for extending tuition assistance countywide for all age groups; and

**WHEREAS**, a Countywide Tuition Assistance Workgroup ("Workgroup"), comprised of representatives from the County, Summit Municipalities, private industry, and several non-profit sector representatives was established in 2021 to study and discuss the concept of a countywide assistance tuition program; and

**WHEREAS**, the Workgroup made recommendations to, and received support from, Summit County, Silverthorne, Breckenridge, Frisco, Dillon, and Blue River, regarding a proposed framework for a countywide tuition assistance program; and

**WHEREAS**, this IGA for countywide Child Care Tuition Assistance will establish the

general guidelines of the program and define the roles and responsibilities of the IGA's participants; and

**WHEREAS**, the tuition assistance program will provide a 'needs based' approach that can potentially provide tuition assistance when a family's childcare expenditures exceed 10-20% of their income. The amount of potential assistance is determined based on a variety of factors, including but not limited to: gross income, child care cost, parents' work schedule, the number of children in care, etc. The assistance is paid directly to the participating Child Care Center, or licensed in-home childcare location, on behalf of approved families; and

**WHEREAS**, the Summit County Pre-K Program ("SPK") currently funds tuition assistance for all 3- and 4-year-olds in Summit County and is funded through Strong Future, a voter-approved ballot initiative; and

**WHEREAS**, this Agreement establishes the Summit First Steps Program ("First Steps") to fund tuition assistance for children ages 6 weeks to 3 years who do not qualify for SPK; and

**WHEREAS**, Early Childhood Options ("ECO") is a Colorado non-profit corporation with a mission to improve the quality, affordability and availability of early childhood education in Summit County and ECO has been identified by the Parties as the appropriate local entity to administer this program, and ECO has hired an Enrollment and Eligibility Specialist specifically for this purpose.

**NOW, THEREFORE**, the Parties agree as follows:

**Section 1. Childcare Tuition Board and Plan.**

- a. Tuition Board:
  - i. To promote the purposes of this Agreement and cooperation among the parties, the Parties agree to form a Childcare Tuition Board (The "Board"). The Board shall consist of the Town/County managers of each Party or their designees. The Board will: (i) develop the Childcare Tuition Assistance Plan (the "Plan") described below; and (ii) collaborate on the implementation of the Plan. The Plan shall be evaluated at least annually by the Board and reports regarding the Plan will be reported to each Party's governing board.
  - ii. The Plan adopted by the Board shall include a statement of goals that are to be accomplished through funding provided by each of the Parties.
  - iii. The Plan adopted by the Board shall include specifics regarding the percentage of funding that is to be provided by each of the Parties. The necessary funding amount will be updated annually based on need.
  - iv. The Board shall make an annual budgetary recommendation to the governing bodies of the Parties.

- v. Meetings of the Board shall occur at least annually during each calendar year as established by the Board.
  
- b. The Plan:
  - i. The tuition assistance program will provide a ‘needs based’ approach that can potentially provide tuition assistance when a family’s childcare expenditures exceed 10-20% of their income. The amount of potential assistance is determined based on a variety of factors, including but not limited to: gross income, child care cost, parents’ work schedule, the number of children in care, etc. The tuition assistance is paid directly to the participating Child Care Center, or licensed in-home childcare location, on behalf of approved families. The Plan will include tuition assistance for Summit First Steps (“First Steps”) for children ages 6 weeks to three years.
  
  - ii. A draft Plan, for review by the Parties and the Board, upon the Board’s establishment, is attached as Exhibit A. The draft Plan includes the following elements: Tuition Credit Standards/Eligibility, Qualified Childcare Providers, and Budget/Program Expenditures.

**Section 2. Funding**

a. The Summit First Steps program shall be funded from contributions from each of the Parties, from revenue sources of their choosing, including but not limited to, Nicotine tax revenues.

b. The Parties agree to the following percentages for the funding of the Summit First Steps program in year one:

Blue River:	2%
Breckenridge:	36%
Dillon:	10%
Frisco:	20%
Silverthorne:	22%
Summit County:	10%

c. An estimate of the funding requirements for the first year of First Steps and the associated costs for the parties, based upon the funding percentages, is as follows:

Estimated 2023/2024 Direct Funding Need: \$1,226,000

Estimated Funding Contributions for each Party:

Blue River:	\$24,520
Breckenridge:	\$441,360
Dillon:	\$122,600
Frisco:	\$245,200
Silverthorne:	\$269,720
Summit County:	\$122,600

d. The County also agrees to pay an amount not to exceed 5% of the total program cost for administration fees to ECO.

e. Future budgets, agreed to by all Parties, will be incorporated into this Agreement.

**Section 3. ECO'S Responsibilities.**

For the Term of this Agreement, in addition to any and all obligations required by law or stated elsewhere in this Agreement or any attachments hereto, ECO shall comply with the following requirements:

a. ECO, through the work of their Program Director and Enrollment and Eligibility Specialist, shall administer the Summit First Steps program on behalf of the parties.

b. ECO shall present to the Board a proposed budget for the Administration of the Tuition Assistance Program pursuant to this Agreement by August 30th of every year. The budget shall include a comparison of actual expenses to budget and adequate notice of any projected budget overruns that need to be addressed.

c. No less than once annually ECO shall report to the Parties and the public the following information:

- i. The number of children and families receiving tuition credits in Summit County.
- ii. Complete financial statements for First Steps, including full reports on expenditures for the prior fiscal year and anticipated budgets and work plans for the ensuing fiscal year.
- iii. An assessment of the performance of First Steps, including but not limited to program design and implementation, fiscal accountability, and responsiveness to preschool providers and the public, parents and children served by First Steps.

d. Tuition assistance funded pursuant to First Steps shall comply with the following standards and requirements:



- i. Eligible children must be between at least 6 weeks of age and three years. If the child turns three years of age on or before October 1 of the program year, they are no longer age eligible for Frist Steps.
  - ii. Eligible children must be enrolled or eligible for enrollment in a participating, licensed childcare center, family childcare home or preschool program in Summit County.
  - iii. At least one parent or legal guardian must work 30+ hours for a Summit County business.
  - iv. Tuition credits shall be administered on a sliding scale with the amount of the credit being inversely related to the family income of the recipient, and with the sliding scale to be more specifically determined by the Parties.
  - v. Tuition credits shall be administered on a sliding scale, with the amount of the credit being related to the rated quality of the preschool provider with whom the credit is used, and with the sliding scale to be more specifically determined by the Parties.
  - vi. Other specific criteria and procedures for the disbursement of tuition credits shall be determined by the Parties.
- e. In order to be qualified for the use of tuition assistance and for receipt of technical assistance or direct grants, a childcare provider shall meet the following minimum requirements:
- i. The childcare provider shall be a duly licensed childcare center, family childcare home or preschool program under the Colorado Child Care Licensing Act, §§ 26-6-101, et seq., C.R.S., as amended.
  - ii. The childcare provider shall agree to participate in the Colorado Shines Quality Rating System and maintain a minimum of a Level 2 Colorado Shines Quality Rating.
  - iii. The preschool shall meet such other specific criteria and standards as shall be determined by the Parties.

f. ECO in administering the First Steps Program will ensure any childcare provider participating in the First Steps, shall not use tuition assistance derived from First Steps funds to engage in inherently religious activities, such as worship, religion education or instruction or proselytization. If any childcare provider participating in First Steps engages in such inherently religious activities, the inherently religious activities must be offered separately, in time and location, from the programs, activities, or services supported by First Steps, unless offering such inherently religious activities in separate place would not be practicable due to the physical limitations of the facility in which First Steps activities are held. Nothing in this Agreement shall be construed to affect a childcare provider's right to engage in privately funded, inherently religious activities or affect the independence of childcare providers, including any rights protected by the Colorado and U.S. Constitutions and applicable law.

#### **Section 4. Payment**

- a. ECO shall submit invoices, at least quarterly to the Parties for budgeted First Steps expenses. All documentation required hereunder and such additional documentation as may be

reasonably required by the Parties to document ECO invoices must be accompanied by billing invoices to support the expenditure of funds.

b. Payments will be issued by a Party within thirty (30) days of receipt of the invoice, or as soon as possible in accordance with a Party's normal financial administration procedures for paying invoices, whichever is longer. An authorized obligation hereunder is a cost supported by the applicable documentation that is approved by a party in accordance with the Party's approved First Step budget, as amended.

**Section 5. Status of ECO.** The status of ECO shall be that of an independent, tax-exempt, non-profit corporation. It is not intended, nor shall it be construed, that ECO or its personnel are employees or officers of any Party for any purpose whatsoever. ECO is a corporation and as such is responsible for the operational management, errors and omissions of its employees.

**Section 6. Examination of Records.** ECO agrees that any duly authorized representative of a Party, shall have access to and the right to examine any directly pertinent books, bank statements, records, returns, cost accounting records, files, and any other records or documents (whether prepared or maintained in hardcopy or electronic format) ("ECO's Records") prepared or maintained by ECO involving matters or transactions in any way, directly or indirectly, related to this Agreement, except those matters required to be kept confidential by law. Further, the Parties shall have the right at any time, and from time to time, to audit ECO's Records and ECO, upon request, shall make all such matters available for such examination. If ECO's Records exist in electronic form, ECO shall maintain a means of transferring said records to hardcopy form. Unless a Party has reason to believe there are special circumstances requiring a different schedule or procedure, and the Party shall have given written notice to ECO of such special circumstances, (i) the Party shall not make such monitoring or inspection more often than annually, and (ii) such monitoring or inspection shall be conducted at a mutually agreeable time and so as to prevent unnecessary interference with the work of ECO. Attendance at public meetings shall not constitute monitoring or inspection for purposes of this section.

**Section 7. Performance Monitoring/Inspection.** ECO shall permit the Parties or authorized designees, to monitor all activities conducted by ECO pursuant to the terms of this Agreement and inspect any and all records, whether in hardcopy or electronic format, relating to any matter covered by this Agreement, except those matters required to be kept confidential by law. Such monitoring may consist of reviewing methods, procedures and practices, examining internal evaluation procedures, examining program data, on-site observation, on-site verification, attending all meetings, hearings, or proceedings held by ECO, its board of directors or advisors, orbits employees or any other reasonable procedures relating to the performance of services under this Agreement. All such monitoring and inspection shall be performed in a manner that will not unduly interfere with the services to be provided under this Agreement. Unless the Party has reason to believe there are special circumstances requiring a different schedule or procedure, and the Party shall have given written notice to ECO of such special circumstances, (i) the Party shall not make such monitoring or inspection more often than annually, and (ii) such monitoring or inspection shall be conducted at a mutually agreeable time and so as to prevent unnecessary interference with the work of ECO. Attendance at public meetings shall not constitute monitoring or inspection for purposes of this section.

**Section 8. Amendment of Agreement; Additional Parties.**

- a. Except as otherwise provided in this Section, this Agreement may be modified or amended only by a duly executed written agreement with the express approval of all Parties.
- b. The Parties may agree to amend this Agreement pursuant to subsection (a) to add one or more additional incorporated Town Parties upon passage of an ordinance or resolution of the additional Party's governing body approving of this Agreement.

**Section 9. Term and Termination of Agreement.**

- a. **Effective Date.** The effective date of this Agreement is June 1, 2023 and shall continue until terminated by mutual agreement of the parties.
- b. **Termination.** Any party may withdraw from this Agreement upon written notice provided to the other Parties at least sixty (60) days prior to the end of the then-current calendar year.
- c. **Non-Appropriation.** Nothing in this Agreement is intended or shall be deemed or construed as creating any multiple-fiscal year direct or indirect debt or financial obligation on the part of the County of the Towns within the meaning of Colorado Constitution Article X, Section 20 or any other constitutional or statutory provision. All financial obligations of the local government Parties under this Agreement are subject to annual budgeting and appropriation by their respective governing boards, in their discretion. Notwithstanding anything in this Agreement to the contrary, in the event of non-appropriation, this Agreement shall terminate as to the non-appropriating party or parties effective December 31 of the then-current fiscal year.

**Section 10. Execution and Performance of Agreement in Accordance with Law.** Each Party hereby represents to each other Party that it has adopted and executed this Agreement in accordance with applicable law. Each Party shall perform their respective obligations and expend any revenues derived hereunder in accordance with all applicable laws, rules and regulations, including but not limited to the Act, this Agreement, and a voter-approved ballot measure.

**Section 11. Indemnification.** All actions or omissions by any Party, including their respective representatives, employees, officers, agents, contractors, designees, volunteers, or officials, shall be the sole responsibility of the respective Party. Accordingly, each Party shall fully indemnify, to the extent permissible under Colorado law, all other Parties for any damages, claims, costs, expenses, cause of action or liability of any manner, including without limit reasonable attorney's fees, arising out of or relating to the acts or omissions of such Party, its representatives, employees, officers, agents, contractors, designees, volunteers, or officials. The Parties understand and agree that liability for claims for injuries to persons or property arising out of the actions or omissions of any Party, except ECO, is controlled and limited by the provisions of the Colorado Governmental Immunity Act ("Immunity Act") title 24, article 10, Colorado Revised Statutes, as now or hereafter amended and that the applicable Parties do not intend

to waive by any provision of this Agreement the liability limitations or any other right, immunity or protection afforded by the Immunity Act or as may otherwise be afforded by law. The indemnity obligations of this Section shall survive the termination of this Agreement.

**Section 12. Insurance.**

a. General Conditions: ECO agrees to secure, prior to the disbursement of funding hereunder, the following insurance covering all operations, goods or services provided pursuant to this Agreement. ECO shall keep the required insurance coverage in force at all times during the term of the Agreement, or any extension thereof, during any warranty period, and for any claims-made policy, three (3) years after termination of the Agreement. The required insurance shall be underwritten by an insurer licensed to do business in Colorado and rated by A.M. Best Company as "A" VIII or better, or other insurer acceptable to the County. Each policy shall contain a valid provision or endorsement stating "Should any of the above-described policies be canceled or should any coverage be reduced before the expiration date thereof, the issuing company shall send written notice to the County by certified mail, return receipt requested. Such written notice shall be sent thirty (30) days prior to such cancellation or reduction unless due to non-payment of premiums for which notice shall be sent ten (10) days prior." If any policy is in excess of a deductible or self-insured retention, the Parties must be notified by ECO. ECO shall be responsible for the payment of any deductible or self-insured retention. The Parties reserve the right to require the ECO to provide a bond, at no cost to the Parties, in the amount of the deductible or self-insured retention to guarantee payment of claims. The insurance coverages specified in this Agreement are the minimum requirements, and these requirements do not lessen or limit the liability of the ECO. The ECO shall maintain, at its own expense, any additional kinds or amounts of insurance that it may deem necessary to cover its obligations and liabilities under this Agreement.

b. Third Party Providers: All sub-consultants, independent contractors, suppliers or other entities providing goods or services to or on behalf of ECO as contemplated by this Agreement shall be subject to all of the requirements herein and shall procure and maintain to the extent applicable the same coverages required of ECO. ECO shall include all such consultants, independent contractors, suppliers or other entities as insureds under its policies or shall ensure that such third parties maintain the required coverages. ECO agrees to provide proof of insurance for all such third parties upon request by the Parties. ECO shall also obtain from, and provide copies to the Parties of, proof of insurance of each preschool/childcare provider participating in the First Steps Program, evidencing the same insurance coverages required of ECO.

c. Workers' Compensation/Employer's Liability. ECO shall maintain the coverage as required by statute for each of its business locations and shall maintain Employer's Liability insurance with limits of \$1.2 million for each bodily injury occurrence claim, \$1.2 million for each bodily injury caused by disease claim, and \$1.2 million aggregate for all bodily injuries caused by disease claims. ECO expressly represents to the Parties, as a material condition and requirement of this Agreement, that none of ECO's officers or employees who may be eligible under any statute or law to reject Workers' Compensation Insurance shall affect such rejection during any part of the term of this Agreement, and that any such rejections previously effected, have been revoked as of the date ECO executes this Agreement.

d. General Liability: ECO shall maintain limits of \$1.2 million for each occurrence claim, \$1.2 million for each personal and advertising injury claim, \$2,000,000 products and completed operation for each occurrence, and \$2,000,000 policy aggregate.

**Section 13. Dispute Resolution.**

a. The Parties shall attempt to informally resolve all disputes and claims arising from or related to this Agreement, beginning first with discussions among affected Party staff, and if not resolved, escalating to discussions between the applicable Party management, and ultimately to the applicable Party Boards or Council(s).

b. Any and all disputes and claims arising from or related to this Agreement that are not resolved pursuant to Section (a), above shall thereafter be submitted to mediation. The affected Parties shall share equally the mediator's fees and costs associated with the mediation, and each Party shall pay its own fees, costs, and expenses related to the mediation. If the dispute is not resolved by mediation, any affected Party may commence a Court proceeding, with jurisdiction and venue residing exclusively in the Summit County District Court. Each Party waives its right to have such dispute decided by jury trial. The prevailing Party(s) shall be awarded its reasonable attorneys' fees, costs, and expenses, including any attorneys' fees, costs, and expenses incurred in collecting or executing upon any judgment, order, or award.

c. In the event that the County or a Town defaults in the performance of any of the duties and responsibilities under this Agreement, the non-defaulting Party shall be limited to the remedies of specific performance and mandamus. Prior to exercising such remedies, the non-defaulting Party shall give written notice to the other party of the nature of the claimed default and declare that such default must be cured within thirty (30) days from the date notice is given.

**Section 14. Parties in Interest.** Nothing expressed or implied herein is intended or shall be construed to confer upon any person other than the Parties any right, remedy or claim under or by reason of this Agreement, this Agreement being intended to be for the sole and exclusive benefit of the Parties.

**Section 15. No Personal Liability.** No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of an elected or appointed official, officer, agent, servant or employee of any Party in his or her individual capacity.

**Section 16. Notices.** Except as otherwise provided in this Agreement, all notices or other communications by any Party shall be in writing, shall be given in a reasonable time and shall be deemed given upon receipt. Notice to the Parties shall be given to the address listed on Exhibit B, attached and incorporated herein, and may also be delivered in electronic form by electronic mail to the addresses listed on Exhibit B.

**Section 17. Severability.** If any clause, provision, subsection, or Section of this Agreement shall be held to be invalid, illegal or unenforceable for any reason, the Agreement shall be reformed to the extent necessary to reflect the intent and purpose of the original agreement or the Parties may terminate this Agreement.

**Section 18. Interpretation.** Because this Agreement is the result of mutual negotiation and drafting, in the event this Agreement is deemed to be ambiguous or vague, the Parties agree that the rule of construction that "ambiguities shall be construed against the drafter" shall not apply. In the event of any conflict between the Act, the Intergovernmental Relations Statute or any other law with respect to the exercise of any such power, the provision that permits the broadest exercise of the power consistent with the limitations set forth in this Agreement shall control. The laws of the State shall govern the construction and enforcement of this Agreement.

**Section 19. Counterparts.** This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement. Electronic or scanned signatures shall be valid and acceptable for all purposes.

**Section 20. Contract Documents; Order of Precedence.** This Agreement consists of Paragraphs 1 through 20, which precede the signature page, and the following attachments which are incorporated herein and made a part by reference:

- Exhibit A Guidelines - Summit First Steps 2023-2024 Program Year ("The Rules")
- Exhibit B Contacts for Notices

In the event of an irreconcilable conflict between a provision of Paragraphs 1 through 20, and any of the listed attachments or between provisions of any attachments, such that it is impossible to give effect to both, the order of precedence to determine which document shall control to resolve such conflict, is as follows, in descending order:

- Paragraphs 1 through 20 hereof
- Exhibit A Guidelines - Summit First Steps 2023-2024 Program Year ("The Rules")
- Exhibit B Contacts for Notices

**IN WITNESS WHEREOF**, this Agreement has been executed by the Parties effective as of the date set forth above.

**BOARD OF COUNTY COMMISSIONERS  
OF SUMMIT COUNTY**

DocuSigned by:  
By: Joshua Blanchard  
30320BB1F6C047A...  
Joshua Blanchard, Chair

**ATTEST:**

DocuSigned by:  
By: Taryn Power  
B28DDAF3AE254A3...

Clerk and Recorder

**TOWN OF BLUE RIVER**

DocuSigned by:  
By: Toby Babich  
EFF0F3A7EC90493...  
Toby Babich, Mayor

**ATTEST:**

DocuSigned by:  
By: Michelle Eddy  
0B76F7D19BE942C...  
Town Clerk

**TOWN OF BRECKENRIDGE**

DocuSigned by:  
By: [Signature]  
5CFD7A56D20E4D2...  
Eric Mamula, Mayor

**ATTEST:**

DocuSigned by:  
By: Helen Cospolich  
F0FCABE1D124474...  
Town Clerk

**TOWN OF DILLON**

DocuSigned by:  
By: Carolyn Skowyrá  
A5699C080DFD487...  
Carolyn Skowyrá, Mayor

**ATTEST:**

DocuSigned by:  
By: Adrienne Stuckey  
B547C520A615476...  
Town Clerk

**TOWN OF FRISCO**

DocuSigned by:  
*Hunter Mortensen*  
By: \_\_\_\_\_  
CBE0CC1AC14442E...  
Hunter Mortensen, Mayor

**ATTEST:**

DocuSigned by:  
*Stacy Nell*  
By: \_\_\_\_\_  
B9823D19BC5B4CB...  
Town Clerk

**TOWN OF SILVERTHORNE**

DocuSigned by:  
*Ann-Marie Sandquist*  
By: \_\_\_\_\_  
65A706BE103F4D3...  
Ann-Marie Sandquist, Mayor

**ATTEST:**

DocuSigned by:  
*Angie Van Schoick*  
By: \_\_\_\_\_  
78876B1C340F43A...  
Town Clerk

**SUMMIT COUNTY CHILD CARE  
RESOURCE & REFERRAL AGENCY, INC., dba  
EARLY CHILDHOOD OPTIONS**

DocuSigned by:  
*Kelly Renoux*  
By: \_\_\_\_\_  
974145B636EB416...  
Kelly Renoux, Vice-Chair

**ATTEST:**

By: \_\_\_\_\_



## Exhibit A

### **Guidelines - Summit First Steps**

#### **("The Rules")**

#### **OVERVIEW**

Summit First Steps offers financial tuition assistance to families living, working and utilizing childcare in Summit County. The purpose of First Steps is to assist families with the cost of childcare so that parents can remain in the local workforce while their children attend childcare. First Steps is governed by a Child Care Tuition Assistance Board and administered by a local non-profit, Early Childhood Options (ECO).

Financial assistance is available for children between the ages of 6 weeks and 3 years attending a participating, licensed childcare center or family childcare home. The amount of assistance is determined based on gross income, childcare cost, parents' work schedule, the number of children in care, and other criteria as described below. Assistance is paid, in the form of tuition credits, directly to the participating childcare center on behalf of qualified families and is intended only for the Centers' use to cover the true cost of care.

The following policies have been established to ensure that the available funds are used in the fairest and most effective way possible. The Child Care Tuition Assistance Board reserves the right to amend the eligibility criteria or to request additional information at any time. Any fraud or misrepresentation made by applicants, participants, or recipients may result in immediate termination of funding, required repayment of funds, and additional penalties. Program funding is limited, and all tuition assistance is subject to the availability of funds. It is the responsibility of the Centers and families to inform ECO if they feel that the policies and procedures herein are being violated.

#### **ELIGIBILITY CRITERIA FOR FIRST STEPS TUITION ASSISTANCE**

- Age Eligibility: For the 2023/2024 school year, participating child's birthday must be on or after October 2, 2020
- Child must be enrolled in a qualified childcare program. A qualified childcare program can be a childcare center or family childcare home. Program qualifications are:
  - Childcare program must have a childcare license in good standing from the Colorado Department of Human Services, and
  - Childcare program must have a Colorado Shines Quality rating of 2 or above ([Current SCTA Provider List](#)).
- Household income must be at or below 180% of the Area Median Income ([AMI](#)).
- At least one member of the household is required to work 30+ hours per week, for a business located in and serving Summit County.
- To access assistance for a full time childcare schedule (4 or 5 days/ week), both parents must work 30 + hours / week and have a combined household income under 180% [AMI](#).

- Self-employed applicants must maintain an average income that exceeds their business expenses and must show that his/her taxable gross income divided by the number of hours of care used for the employment activity equals at least the current Federal Minimum Wage.

### **DETERMINATION OF TUITION CREDIT AMOUNT**

The amount of tuition credit is based on a sliding scale and will be determined using the following factors: gross household income, childcare center tuition rates, number of children in care, Colorado Shines quality rating of program, parent/legal guardian work schedule, enrollment in other programs such as CCCAP or Early Head Start.

### **APPLICATION PROCESS**

All families, including currently participating families, are required to apply during the annual enrollment/application period. With the exception of Qualified Permitted Changes described below, no applications will be considered until the next annual enrollment deadline.

Applicants will be required to complete the application at <https://eco1.smapply.org/>. For a detailed list of documents required to apply click [here](#).

### **APPLICATION TIMELINES**

Applications Available:	On or around May 1 of the program year
Applications Due:	On or around May 31 of the program year
Assistance Cycle:	September 1– August 31

The application will be available online through Early Childhood Options website at: <http://www.earlychildhoodoptions.org/>

COMPLETE applications will be processed in the order they are received. Late applications will not be accepted or considered.

### **ADDITIONAL GENERAL POLICIES**

#### **ASSET TESTING**

ECO may require a comprehensive list of household assets and liabilities. A child may be ineligible or disqualified from the program if assets of the parent(s)/legal guardian exceed \$250,000. Some assets will be exempt, such as primary residence equity, retirement accounts, health savings and college savings accounts.

#### **OUT OF COUNTY APPLICANTS**

If a parent or legal guardian works in Summit County but the child does not reside in Summit County, at least one parent/legal guardian must be working a minimum average of 30+ hours per week annually in Summit County, for a Summit County business. If, during the program year, the family member's employment in Summit County upon which tuition credit was based is terminated for any reason, the child may remain in the program for up to eight (8) weeks without disruption to the tuition credits. If within eight weeks the family becomes compliant with the eligibility requirements, they may remain in the program for the duration of the program year. If after eight



weeks the family is not in compliance with the eligibility requirements, tuition credits will be terminated immediately. It is the family's responsibility to report these changes within 30 days.

### **QUALIFIED PERMITTED CHANGES/OUT OF CYCLE APPLICATIONS**

**CURRENTLY ENROLLED FAMILIES:** If a current tuition assistance recipient is experiencing an emergency including but not limited to birth, adoption, loss of job, or other situation that significantly impacts family income, they may be eligible for amended tuition credits. The parent(s)/legal guardian will need to contact the Enrollment and Eligibility Specialist at 970-406-3060 directly to discuss options.

**NEW FAMILIES:** If a family becomes eligible because of residency or new employment in Summit County, and/or they receive an enrollment offer from a qualified childcare provider, they may be eligible to apply for tuition credits outside of the application window. The parent(s)/legal guardian will need to contact the Enrollment and Eligibility Specialist at 970-406-3060 directly to discuss options.

### **COLORADO CHILD CARE ASSISTANCE PROGRAM (CCCAP)**

In some instances, children may be eligible for both the [Colorado Child Care Assistance Program \(CCCAP\)](#) and First Steps tuition credits. In such instances, all the eligibility criteria mentioned above are applicable, as well as:

- Families must be in good standing with their local CCCAP office and must comply with all CCCAP rules and regulations.
- If during the award cycle a family becomes ineligible for CCCAP, they may submit a complete application with all the required documentation to be considered for an adjustment to their tuition credit.

An application will only be considered when the application is completed and submitted in full. Any approved credit may be prorated back to the date of the completed application.

Please note, the CCCAP Program is considered the payer of first resort. The First Steps tuition credit can be used to cover a portion or all of the difference between the CCCAP reimbursement and the actual rate of tuition. If parent(s)/legal guardian(s) apply for tuition credits and appear to be potentially eligible for CCCAP, they will be referred to the CCCAP office before the application can be further processed.

For more information about Summit County CCCAP, please call 970-668-9160.

### **ATTENDANCE**

It is the expectation that children participating in Summit First Steps will regularly attend based on their approved enrollment days. Parent(s)/legal guardian(s) are required to notify the childcare program if the child is going to be absent and provide the reason for the absence when appropriate.

Consistent excused absences may result in a loss or deduction of your child's tuition credit. Childcare programs are required to notify ECO anytime a child's attendance falls below 75% of his/her regular schedule.

### **EVALUATION AND DATA TRACKING**

ECO will be using a variety of strategies to evaluate the overall success of the program. Short and long-term program data may be gathered through early childhood assessments, interviews,

surveys, observations, and small groups. Parent(s)/legal guardian will be asked to sign an information sharing release, within the guidelines of the stated confidentiality agreement.

### **PARENT RESPONSIBILITY**

1. Parent/s or legal guardians are responsible for reporting to the Enrollment and Eligibility Specialist, in writing or by email, any changes in their child's preschool or childcare schedule, or any changes of program.

2. Every parent(s) or legal guardian applying for tuition credit will be required to sign a statement acknowledging that they do not have any outstanding debt to any licensed preschool program, childcare center, and/or family childcare provider or have made agreeable arrangements to pay their debt. If it is brought to ECO' attention by any means that a participating family has an outstanding debt, an investigation will take place. If the allegations are founded, the tuition credit will be placed on-hold for a probationary period of 30 calendar days.

During the 30 days, the family must pay the balance of their debt or make acceptable arrangements for payment. If these conditions have not been met after 30 days, there will be immediate termination of funding and additional penalties adopted by ECO may occur.

A family may re-apply at the next annual deadline if they have an age-eligible child and only after the balance is paid in full to the preschool program, childcare center or family childcare provider.

3. Loss of Employment must be reported immediately to the Enrollment and Eligibility Specialist at ECO.

4. If, during the program year, household income either increases by 10% or decreases by 10% the family must notify the Enrollment & Eligibility Specialist within 20 days of the date of such change to my income. The amount of household income includes wages, assets or other property obtained during such a school year.

5. Applicants must sign a complete "Participant Responsibility Agreement" as well as a Verification and Acknowledgement form to attest that all the information that has been provided as part of their application is true and complete.

6. It is the responsibility of the parent(s)/legal guardian to comply with the rules and regulations of the childcare provider and the Frist Steps program, including but not limited to those relating to absences. The parent must agree to notify the childcare program if the child is going to be absent, and the reason for the absence when appropriate.

### **CONFIDENTIALITY**

Early Childhood Options (ECO) respects the importance of maintaining the confidentiality of personal or sensitive information disclosed in the First Steps program and takes reasonable measures to protect the unauthorized disclosure of such information.

ECO may disclose certain anonymous, aggregated data and provide it to early childhood programs, funding sources and governmental agencies either for market research and statistical purposes or to ensure compliance with the agreements between ECO and early childhood programs, funding sources, governmental agencies, and similar organizations.

**Exhibit B**  
**Contacts for Notices**

**Blue River**

Town Manager's Office  
0110 Whispering Pines Circle  
PO Box 1784, Breckenridge, CO 80424

e-mail: [info@townofblueriver.org](mailto:info@townofblueriver.org)

**Breckenridge**

Town Manager's Office  
150 Ski Hill Road  
PO Box 168  
Breckenridge, CO 80424

e-mail: [shannonh@townofbreckenridge.com](mailto:shannonh@townofbreckenridge.com)

**Dillon**

Town Manager's Office  
275 Lake Dillon Drive  
PO BOX 8  
Dillon, CO 80435

e-mail: [info@townofdillon.com](mailto:info@townofdillon.com)

**Early Childhood Options**

ECO Executive Director  
PO BOX 3355  
330 Fiedler Avenue  
Suite 100  
Dillon, CO 80435

e-mail: [program@earlychildhoodoptions.org](mailto:program@earlychildhoodoptions.org)

**Frisco**

Town Manager's Office  
PO Box 4100  
1 East Main Street  
Frisco, CO 80443

e-mail: [TomF@townoffrisco.com](mailto:TomF@townoffrisco.com)

**Silverthorne**

Town Manager's Office  
PO Box 1309  
601 Center Circle  
Silverthorne, CO 80498

e-mail: [info@silverthorne.org](mailto:info@silverthorne.org)

**Summit County**

County Manager's Office  
P.O. Box 68  
208 Lincoln Ave., 3rd Floor  
Breckenridge, CO 80424

e-mail: [Philip.Gonshak@summitcountyco.gov](mailto:Philip.Gonshak@summitcountyco.gov)

<b>Projected 2025</b>								
		Frisco	Breck	Silverthorne	Dillon	Keystone	SCG	Blue River
Nicotine Projected Revenue	\$ 3,075,716	\$ 723,408	\$ 830,136	\$ 1,058,969	\$ 115,647		\$ 347,556	\$ -
	Budget Request							
Nicotine Part 1 (Programs)	\$ 1,190,615	\$ 280,033	\$ 321,347	\$ 409,929	\$ 44,767		\$ 134,539	
Nicotine Part 2 (FIRC, BH, SCCC)	\$ 1,000,000	\$ 235,200	\$ 269,900	\$ 344,300	\$ 37,600		\$ 113,000	
First Steps Scholarships	\$ 2,280,943	\$ 348,528	\$ 830,263	\$ 468,278	\$ 217,830	\$ 74,587	\$ 328,912	\$ 13,001
<b>Total</b>	<b>\$ 4,471,558</b>	<b>\$ 863,761</b>	<b>\$ 1,421,510</b>	<b>\$ 1,222,506</b>	<b>\$ 300,197</b>	<b>\$ 74,587</b>	<b>\$ 576,451</b>	<b>\$ 13,001</b>
Balance (all Exp from Nicotine)	\$ (1,395,842)	\$ (140,352)	\$ (591,374)	\$ (163,537)	\$ (184,550)	\$ (74,587)	\$ (228,896)	\$ (13,001)

<b>Projected 2025 with \$1M from Strong Futures</b>								
		Frisco	Breck	Silverthorne	Dillon	Keystone	SCG	Blue River
Nicotine Projected Revenue	\$ 3,075,716	\$ 723,408	\$ 830,136	\$ 1,058,969	\$ 115,647		\$ 347,556	\$ -
	Budget Request							
Nicotine Part 1 (Programs)	\$ 1,190,615	\$ 280,033	\$ 321,347	\$ 409,929	\$ 44,767		\$ 134,539	
Nicotine Part 2 (FIRC, BH, SCCC)	\$ 1,000,000	\$ 235,200	\$ 269,900	\$ 344,300	\$ 37,600		\$ 113,000	
First Steps Scholarships	\$ 1,280,943	\$ 195,728	\$ 466,263	\$ 262,978	\$ 122,330	\$ 41,887	\$ 184,712	\$ 7,301
<b>Total</b>	<b>\$ 3,471,558</b>	<b>\$ 710,961</b>	<b>\$ 1,057,510</b>	<b>\$ 1,017,206</b>	<b>\$ 204,697</b>	<b>\$ 41,887</b>	<b>\$ 432,251</b>	<b>\$ 7,301</b>
Balance (all Exp from Nicotine)	\$ (395,842)	\$ 12,448	\$ (227,374)	\$ 41,763	\$ (89,050)	\$ (41,887)	\$ (84,696)	\$ (7,301)

Assumptions:

- For Nicotine Rev - First 4 months of 2024 plus last 8 months of 2023. Need updated 2024 numbers.
- Used 2024 Nicotine Splits - Frisco 23.52%, Breck 26.99%, Silverthorne 34.43%, Dillon 3.76%, SCG 11.3%
- Use ECO Live/Work Splits - Frisco 15.28%, Breck 36.40%, Silverthorne 20.53%, Dillon 9.55%, Keystone 3.27%, SCG 14.42%, Blue River .57%
- It looks like 2nd page of ECO allocations (doc from Catherine) for 2025 used 6% for SCG instead of 14.42%

# TOWN OF KEYSTONE, COLORADO

## STAFF REPORT

TO: Mayor & Town Councilmembers  
THROUGH: John Crone, Town Manager  
Jennifer Madsen, Town Attorney  
FROM: Lindsay Hirsh, Community Development Director  
DATE: October 8, 2024 – Work Session  
SUBJECT: Extension of the IGA for the provision of Summit County’s Building Services.

---

### **Executive Summary:**

Since incorporation, The Town’s Community Development Department has had numerous opportunities to work with the County’s Building Department regarding the coordination and processing of various types of building permits. Both County and Town staff have worked cooperatively through the transition with no known complaints from the building community.

### **Recommendation:**

The Community Development Director and Town Manager have reviewed the existing building permit process, and both agree that it would be to the community’s and Town’s best interest to continue with the County’s building services for an additional year and then re-evaluate.

### **Background:**

Prior to the formal incorporation of the Town of Keystone, the Town entered into an Intergovernmental Agreement (IGA) with Summit County for certain County services including Building Department Services to assist in the transition of services from the County to the Town.



The IGA was subsequently amended on February 8, 2024, to extend said services beyond the initial 90-day term. Specifically, regarding the Building Services, the amended IGA stated that the County agreed to provide Building Services to the Town for building and development matters within the Town of Keystone through December 31, 2024.

The Building Services provided by the County includes tasks such as intake, processing, plan review, and inspections. The County agreed to pay to the Town of Keystone ten percent (10%) of the Plan Review Fees collected by the County for the Town's performance of the plan review.

**Alternatives:**

Direct Staff to further research a third-party consultant to handle all building permit responsibilities.

**Financial Considerations:**

There are currently no Town financial issues to be considered.

**Previous Council Actions:**

None

**INTERGOVERNMENTAL AGREEMENT FOR THE PROVISION OF  
BUILDING INSPECTION SERVICES**

THIS INTERGOVERNMENTAL AGREEMENT FOR THE PROVISION OF BUILDING INSPECTION SERVICES (the “IGA”) is made and entered into this 1<sup>st</sup> day of January, 2025, by and between the Board of County Commissioners of Summit County, Colorado, a political subdivision of the State of Colorado, (the “County”), on behalf of its Summit County Building Inspection Department (“Building Inspection Department”) and the Town of Keystone, a Colorado municipal corporation (the “Town”). The Town and the County shall be referred to together herein as the “Parties.”

WITNESSETH:

WHEREAS, the County operates its Building Inspection Department for purposes of ensuring that construction activity in unincorporated Summit County is conducted in compliance with the Summit County Building Code, as amended; and

WHEREAS, the County’s Building Inspection Department’s responsibilities include performance of plan review, inspection, and permitting services for construction projects occurring within the unincorporated area of Summit County, Colorado; and

WHEREAS, the Town operates a Community Development Department for purposes of ensuring that construction activity in the incorporated areas of Keystone is conducted in compliance with the Towns Land Use and Development Code; and

WHEREAS, at this time the Town has not adopted its own Keystone Building Code, and the Community Development Department does not have sufficient staffing to perform the plan review and permitting services identified herein for construction projects occurring within the Town; and

WHEREAS, the County has an adopted building code and has sufficient staff necessary for performing the herein described services in both the County and Town’s jurisdictions; and

WHEREAS, the Town desires that the County’s Building Inspection Department perform the plan review and inspection services described in this IGA for construction projects occurring within the incorporated areas of the Town; and

WHEREAS, pursuant to the provisions of Section 18 of Article XIV of the Colorado Constitution, C.R.S. § 29-1-203 and other applicable authority, the Parties may cooperate or contract with one another to provide any function, service or facility lawfully authorized to each; and

WHEREAS, the County and the Town hereby find it to be feasible, desirable and in the interest of public health, safety and welfare that the Parties enter this IGA for the purpose of utilizing the County Building Inspection Department’s existing capability to

perform the Services in the Town's incorporated areas in accordance with the terms and conditions of this IGA.

NOW THEREFORE, in consideration of the above recitals, which are hereby incorporated into the terms of the IGA set out below, in consideration of the mutual covenants, performances, and agreements hereafter set forth, and for such other valuable consideration the receipt and sufficiency of which is hereby acknowledged, the County and Town hereby mutually understand, covenant, and agree as follows:

A. Purpose. The purpose of this IGA is to state the Parties' mutual and respective obligations regarding the Summit County Building Inspection Department's provision of certain below described construction administration services on the Town's behalf for construction projects occurring within the incorporated area of the Town (the "Town's Jurisdiction").

B. Appointment. The Town hereby appoints and authorizes the County, through its Building Inspection Department, to perform certain plan review and building, energy, plumbing, mechanical, fuel gas and electrical inspection services for properties lying within the Town's Jurisdiction in accordance with the terms and conditions of this IGA (the "Services").

C. Services. The County shall provide the Services hereunder in accordance with all applicable requirements of the County adopted building code and local ordinances.

D. Plan Review Services. The Town will utilize the County Building Inspection Department for the performance of the below described permit application plan review Services ("Plan Review Services"). Administration of Plan Review Services hereunder shall be as follows:

1. After completing its own construction plan review process, the Town will forward permit applications to the County's Building Inspection Department for its performance of Plan Review Services on the Town's behalf.

2. The County Building Inspection Department shall perform its Plan Review Services in accordance with the terms, requirements and conditions of the County adopted building, energy, plumbing, mechanical, fuel, gas, and electrical Codes.

E. Permit Inspection Services. The Town will utilize the County's Building Inspection Department for performance of building, mechanical, plumbing, electrical, fuel, and gas permit inspection services ("Permit Inspection Services"). Administration of Permit Inspection Services hereunder shall be as follows:

1. All requests for Town Permit Inspection Services shall be scheduled directly through Summit County's Etrakit program.

2. The County's Building Inspection Department will perform the subject Permit Inspection Services on the day the inspection is scheduled.

F. Fee Collection Retention and Reimbursement. The County shall collect and retain all permit fees in the amounts described in the Summit County Building Department Fee Schedule.

a. The County shall reimburse the Town 10% of Building Permit Plan Review Fees collected by the County, because the Town is providing Planning and Zoning Services, and the Town will perform plan review related to evaluation of compliance with the Town's Land Use and Development Code.

b. The County agrees to reimburse the Town its share on or by the 30<sup>th</sup> day of the month for the plan review fees collected the previous month.

G. Term and Termination. This IGA, as amended, shall be effective on the date first written above and shall automatically renew for annual one-year periods beginning January 1 and terminating on the next subsequent December 31, unless otherwise terminated by either party upon giving 30 days written notice to the other party. Either party may terminate this IGA at any time, without cause, upon thirty days prior written notice to the other Party.

H. County Employees Not Town Employees or Contractors. The County staff, its officers, employees, and agents shall remain employees of the County and shall not, for any reason, be considered to be staff, officers employees, agents, or contractors of the Town.

I> Entire Agreement. This IGA, as amended, constitutes the entire agreement between the Parties with respect to the matters herein discussed and contains all the terms and conditions agreed upon by the Parties.

J. Modification. No modification, amendment, alteration, or variation hereto shall be valid unless made in writing and signed by the Parties and no oral understanding or agreement shall be binding on the Parties.

K. Indemnification. To the extent allowed by law, the Parties shall each indemnify, keep and hold the other harmless from and against all liabilities, judgments, costs, damages, losses, and expenses, including court costs and attorney's fees, of and from any claims arising out of or resulting from acts or omissions of their respective employees, contractors, officers or agents during their respective performance of the Services hereunder.

L. Insurance. The Parties shall each obtain and maintain at all times during the term of this IGA, liability insurance, by commercial policy or self-insurance, as is necessary to meet its liabilities under the Governmental Immunity Act, CRS § 24-10-101, et seq.. Upon request by either party, the other party shall show proof of such insurance.

M. Government Immunity. Nothing in this IGA shall be construed as waiving the rights and privileges of any of the Parties under the Colorado Governmental Immunity Act, or other applicable authority, with respect to any other person, entity, or third party.

N. Notification. All notices in connection with this IGA must be in writing and signed by the party giving notice. Notice will be deemed properly delivered and received when personally delivered or upon deposit in the United States mail, first class postage prepaid. All such notices or other instruments will be addressed to the party at the address below or to such other addresses as the party may designate by written notice:

Summit County Government:  
Attn: Building Official  
Summit County Com Dev Dept  
P.O. Box 5660  
Frisco, CO 80443

Town of Keystone  
Attn: Community Development Director  
Keystone Community Development Dept  
1628 Sts John Rd  
Keystone, CO 80435

O. Assignment and Subcontracting. This IGA is predicated upon County's and Town's special authority, abilities and/or knowledge, and neither Party hereto may assign this IGA or its respective obligations hereunder, in whole or in part. Neither Party may subcontract its responsibilities hereunder to any non-Party hereto without the other Party's prior written consent.

P. Third Party Beneficiaries. It is expressly understood and agreed that enforcement of the terms and conditions of the IGA, and all rights and actions relating to such enforcement shall be strictly reserved to the County and Town and nothing contained in this IGA shall give or allow any such claim or right of action by any other or third person on this IGA. It is the express intention of the County and Town that nothing contained in this IGA shall give or allow any claim of right of action by any other third person. It is the express intention of the County and the Town that any person or entity other than the County and the Town receiving services or benefits arising from the performance of this IGA shall be deemed to be an incidental beneficiary only.

Q. Applicable Law. At all times during the performance of this IGA, the Parties shall each strictly adhere to all applicable federal, state, and local laws, rules, and regulations that have been or may hereafter be established, and all work performed under this IGA shall comply with Federal, State, and local laws, rules and regulations. This IGA shall be interpreted in all respects in accordance with the laws of the State of Colorado. Venue shall only be proper in Summit County Colorado.

R. Waiver. A Party's waiver of any breach or failure to enforce any of the terms, covenants, conditions, or other provisions of this IGA at any time shall not in any way affect, limit or modify or waive that Party's right thereafter to enforce or compel strict compliance with every term, covenant, condition, or other provision of this IGA.

S. Severability. In case one or more of the provisions contained in the IGA, or any application hereof, shall be invalid, illegal, or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in the IGA and the application thereof shall not in any way be affected or impaired thereby.

T. Counterparts. This IGA may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

U. Paragraph Headings. Paragraph headings are inserted for convenience only and in no way limit or define the interpretation to be placed upon this IGA.

DONE AND SIGNED effective the date first written above.

SUMMIT COUNTY, COLORADO

TOWN OF KEYSTONE

\_\_\_\_\_  
By: David Rossi, County Manager

\_\_\_\_\_  
By: John Crone, Town Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# TOWN OF KEYSTONE, COLORADO

## STAFF REPORT

TO: Mayor & Town Councilmembers  
THROUGH: John Crone, Town Manager  
FROM: Jennifer Madsen, Town Attorney  
DATE: October 8, 2024  
SUBJECT: Discussion of revised bylaws

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### **Executive Summary:**

At the August 27, September 10 and 24 meetings, Town Council discussed consideration of a policy related to electronic participation by members of Town Council at work sessions and regular meetings. Town Council reviewed the revised bylaws on the September 10 meeting. Additional revisions were requested, and Town Council asked that the revised Bylaws be placed on the October 8 agenda for further discussion.

### **Background:**

Town Council adopted bylaws on April 9, 2024. The adopted Town Council bylaws did not address electronic participation in meetings by members of Town Council. Electronic participation by members of Town Council was discussed at the September 10 meeting and edits were proposed in the Town Council Bylaws.

Drafts revisions to the Town Council Bylaws dated September 24 are provided for Council's consideration and discussion – there are no revisions to the bylaws from the September 24 meeting. In addition, documents outlining discussion points are attached.

### **Attachment:**

-  ~~RAFT Town Council Bylaws and Procedure 2024\_9\_24 (redline)~~

- ~~DRAFT Town Council Bylaws and Procedure 2024\_9\_24~~
- October 8 discussion points



## Proposed Attendance Program for Keystone Town Council

- For the Regularly Scheduled and Calendared Town Council meetings
- Illness, family emergencies or unanticipated and uncontrollable absences are excused
- All other absences can not exceed 4. That includes 2 excused absences for any reason as well as 2 additional “unexcused” absences prior to invoking Article III, section 3.1. Council member shall inform council in advance of these absences.
- Council members are encouraged to participate virtually in all sessions, whether excused or not and members will be allowed to discuss and vote on all matters.
- The one exception to this rule is for **quasi-judicial sessions** where the council member can join virtually, but not be allowed to participate
- For **Administrative sessions**, council members can participate virtually as long as they can attest that no unauthorized individuals can hear.
- The Mayor shall work to ensure that no more than 3 members are remote at any time.

**Action Steps:**

- ✓ Examine the policy from an impartial perspective, relative to the Charter
- ✓ Set up an official calendar and approve it as a council (with town manager)
  - May reduce the need for additional vacations
  - Consider how far in advance
  - Consider national holidays and the local public-school calendar
- ✓ Distinguish absence policy between **regular meetings** versus **special meetings**
- ✓ Define the "circumstances (that) necessitate another form of meeting", aka possibly virtual
  - This needs to be conservative and within the original intent of the Charter, which was based on discussion around events such as COVID or natural disasters that prevent in-person attendance.
- ✓ Distinguish between **attendance**, **participation** and **voting** based on excused versus unexcused.

**Regular Meet Absences:**

Reason	Excused/Unexcused	"Circumstance necessitating another form of meeting"	Virtual Attendance	Vote	Limit
illness, family emergency, <u>unanticipated, uncontrollable event</u> (snowstorm, car accident)	Excused	Yes	Yes	Yes	No
Vacation	Excused by mayor and/or by mayor council	No	Yes	No	
Vacation or other	Unexcused	No	Yes	No	

**Special Meetings:**

				<b>Virtual Attendance</b>	<b>Participation</b>	<b>Vote</b>
<b>Executive Session</b>				<b>No</b>	<b>No</b>	<b>No</b>
<b>Quasi Judicial</b>				<b>Yes</b>		

# TOWN OF KEYSTONE, COLORADO

## STAFF REPORT

TO: Mayor & Town Councilmembers  
THROUGH: John Crone, Town Manager  
Lindsay Hirsh, Community Development Director  
FROM: Jennifer Madsen, Town Attorney  
DATE: October 9, 2024  
SUBJECT: [Work Session] Natural Medicine regulations

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### **Executive Summary:**

In 2022, Colorado voters approved the [Natural Medicine Health Act](#) (the “NMHA”) through a statewide ballot measure ([Proposition 122](#)). The NMHA decriminalized the personal use, possession and growth of certain natural medicines, such as psilocybin and psilocin, for individuals over the age of 21. The NMHA also established a regulating framework for the use of these substances in therapeutic settings, including the creation of licensed healing centers where natural medicines can be administered under the supervision of trained facilitators. Decriminalization and legalization of Natural Medicine is a relatively recent national phenomenon. In November 2020, Oregon voters passed ballot measure 109, which was the first state to create a state-legal, regulated market for psychedelic psilocybin products. Colorado voters followed suit in November 2022.

At the work session, Council will be given an overview of Colorado’s Natural Medicine landscape, discuss the role that local governments play in the regulatory field, and next steps for Keystone.

### **Background:**

The first phase of Colorado’s legalization and licensing regime focuses on psilocybin, a naturally occurring psychedelic compound found in more than 200 species of mushrooms

that grow naturally around the world (other substances related to mushrooms and in the state definition of natural medicine) will be the focus of future roll out of licensing and state regulations in coming years.

**Historical background on the use of psilocybin:** For centuries, Indigenous and Tribal communities across the globe have used psilocybin for spiritual, ceremonial and other purposes. Research suggests psilocybin may help address depression, anxiety, trauma and addiction. Studies have also found it may increase spiritual well-being. The NMHA decriminalized the cultivation, possession, consumption, and sharing of natural medicine for personal use for persons 21 years of age and older provided no money or other consideration is paid for the natural medicine. Natural medicine can be consumed in exchange for money or other consideration only for therapeutic purposes in a state-licensed natural medicine healing centers under the supervision of a state-licensed facilitator.

**Licensing requirements:** The NMHA, as amended in 2023 by SB-23-290, creates occupational licensing requirements for facilitators that are to be administered by the Colorado Department of Regulatory Agencies (DORA) (such as requirements for training and experience) and business licensing requirements for healing centers, products manufacturers, cultivation faculties, and testing facilities that are to be administered by the Colorado Department of Revenue (DOR Natural Medicine Division).

**Local government role:** The NMHA states that a local government may not prohibit the provision of “natural medicine services” within its boundaries so long as the provider is a “licensed facilitator” as defined by state law. A local jurisdiction may also not prohibit the establishment or operation of state-licensed natural medicine businesses within their jurisdiction nor adopt ordinances or regulations that are unreasonable or in conflict with state law. Nevertheless, local governments retain the ability to reasonably regulate the time, place, and manner of the operation of state-licensed natural medicine businesses (such as healing centers). The State anticipates accepting applications for natural medicine businesses before the end of 2024 and intends to issue licensing at the

beginning of 2025, so local regulations on natural medicine will need to be in place before Dec. 31, 2024.

**Potential Health Impacts:** Contemporary research indicates that after digesting substances that contain psilocybin, they enter the brain via the same receptors as serotonin, which helps control body functions such as sleep, desire, and feelings of satisfaction, happiness and optimism. People diagnosed with depression, anxiety PTSD, addiction and substance abuse often have low levels of serotonin. Psychedelic drugs may help neurons in the brain sprout new pathways, increasing communication between brain cells, allowing for psychological benefits. There is more research that needs to be done.

Psychedelic consumption is not without risk. Persons may ingest too much of a particular psychedelic, causing overdose and a need for immediate emergency medical care.

Please note that this section of the report is not intended to be a comprehensive review of the purported health impacts of natural medicine and how that may relate to land use decisions. Rather, it aims to offer context regarding the use of natural medicine.

**State Regulatory Oversight:** The NMHA and Senate Bills establish the following state-level agency oversight:

- Department of Regulatory Agencies (DORA):
  - Responsible for licensing professionals involved in the cultivation, testing, and provision of natural medicine services.
  - Primarily responsible for the overall regulation and oversight of the NMHA. This includes creating rules and regulations, licensing facilitators, and ensuring compliance with the law.
  - Works closely with the Natural Medicine Advisory Board to gather input and make informed decisions on the regulation and expansion of natural medicine services.
- Natural Medicine Advisory Board:
  - Advises DORA on various aspects of natural medicine regulation, including public health approaches, safety protocols, and potential expansions of the list of approved natural medicines.

- Reviews ongoing research and making recommendations for the safe and effective use of natural medicines, as well as for educational and training requirements for facilitators.
- Department of Revenue (DOR):
  - Responsible for licensing facilities. As a part of the licensing process, DOR will verify with the local government if the facility meets zoning requirements.
  - Responsible for enforcing regulations related to the commercial aspects of natural medicine, such as tax compliance.
  - Collects Data (law enforcement, health impacts, consumer protection, behavioral health, healthcare system impacts.)
  - Responsible for coordinating educational campaigns for the public and first/multi-responders.

**Permitted Business Operations:** The NMHA allows for the creation of four (4) types of state-licensed facilities to be located in communities throughout the state. They are:

1. **Cultivation Facilities:** These facilities are responsible for growing and cultivating natural medicine products, such as psilocybin. Cultivation facilities must comply with state health, safety, and environmental standards, including proper ventilation and sanitation, and must track all products grown and transferred to licensed facilities.
2. **Product Manufacturers:** These entities manufacture and prepare natural medicine products like psilocybin in various forms, including capsules, powders, or other ingestible products. They must adhere to state-established safety and sanitation protocols.
3. **Testing Facilities:** These licensed laboratories test natural medicine products for safety and potency. Testing facilities must meet strict certification requirements and can be co-located with licensed marijuana or hemp laboratories as long as products are stored separately.
4. **Healing Centers:** These are licensed facilities where natural medicine services, such as the administration of psilocybin, are provided by licensed facilitators. Healing centers are required to follow strict security protocols and provide safe, regulated environments for participants. They can co-locate with other healing centers or healthcare facilities under certain rules.
  - Healing centers may not sell natural medicine directly for recreational use but may sell bona fide services for harm reduction or support related to the use of Natural Medicine and may share Natural Medicine with clients.
  - This service model is a departure from how Coloradoans purchase or consume other types of controlled or restricted products such as alcohol, tobacco and marijuana.

**Personal Use Allowances:** The NMHA allows for individuals over the age of 21 to legally possess, store, use, process, and transport natural medicines for personal use. This

includes the keeping natural medicine at home and transporting it for personal consumption.

- Cultivation: Individuals can grow and cultivate plants and fungi capable of producing natural medicines at home. The cultivation must occur in an enclosed and locked space no bigger than 12 feet by 12 feet on private property.
- Sharing: You are allowed to give away natural medicine to other adults (21 years or older) for personal use, provided there is no exchange of money or other compensation. This means you can share what you grow, but you cannot sell it.
- Safekeeping: Natural medicine plants or fungi being grown must be kept secure and not accessible to anyone under 21 years old.
- No Commercial Sales: Personal use does not include the sale of natural medicines. All commercial activities require specific licenses.
- Public Consumption: Consuming natural medicines in public places is prohibited unless in a location specifically licensed or permitted by the state for such use.
- Advertising and Promotions: You cannot give away natural medicine as part of any business promotion or commercial activity.
- Legal Protections: Conduct permitted under the personal use allowances (e.g., possession, cultivation) is protected from criminal penalties under state law, meaning these activities are not considered offenses.

**Role of Local Law Enforcement and Regulators:** While the Department of Revenue will be licensing facilities and playing a role in the enforcement of state regulations as it relates to those facilities, local law enforcement and local regulators will be responsible for enforcing upon unlicensed facilities (such as unlicensed or unpermitted facilities), or possession of Natural Medicine by persons not permitted to have possession.

**Role of Local Government Within the Regulatory Framework:** The NMHA and Senate Bills allow for local governments to adopt reasonable “time, place, and manner” restrictions that do not conflict with the state law. However, they do not allow for an outright ban of Natural Medicine Cultivation, Manufacturing, Testing, Transport, or Consumption either in personal or commercial settings. Time, place, and manner restrictions are where the use can be located in a jurisdiction, when it can be operated, and how the use can be operated.

State law does will not permit the issuance of a facility license in a location where local zoning does not permit, and also prohibits Natural Medicine Services from a building within 1,000 ft. of a child care center; preschool; elementary, middle, junior, or high school;



or a residential child care facility (unless the facility is on land owned by a municipality or the state, or if a city adopts an alternative spacing standard by ordinance.)

The NMHA and Senate Bills do not contemplate a local licensing system.

**Approaches of other Local Governments:** Noted below are the general approaches that other local governments in Summit County are planning to take as it relates to Natural Medicine land uses:

Frisco: Considering allowing Healing Center in locations at which Frisco's land development code allows for medical office uses.

Breckenridge: Natural Medicine Business are not allowed in the Downtown Overlay District unless located in an existing Health Care Facility and not within 1000 feet of licensed childcare facility, preschool, elementary, middle, junior, or high school, or a residential childcare facility.

Silverthorne: Unknown.

Dillon: Unknown.

**Next steps:** The Community Development Director will work with the Town Attorney in preparing a draft ordinance of an amendment to the Town of Keystone Land Use Code for presentation to the Planning & Zoning Commission for review and request for recommendation. The ordinance will then come before Town Council.

**Attachment:**

- Colorado Dept of Revenue, Natural Medicine – Know the Law Brochure
- Colorado Dept of Revenue, Natural Medicine Act SB23-290 Summary



**COLORADO**  
Department of Revenue  
Natural Medicine Division

# KNOW THE LAW

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



# The Basics - Personal Use

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

## Reminders

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



## Plan Ahead

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



## Who To Contact

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For information about licenses for healing centers, cultivations, manufacturers, or testing labs, contact the Department of Revenue at: [DOR\\_NaturalMedicine@state.co.us](mailto:DOR_NaturalMedicine@state.co.us)

For information about facilitator training, licensing, or the Natural Medicine Advisory Board, contact the Department of Regulatory Agencies at: [dora\\_natural\\_medicine@state.co.us](mailto:dora_natural_medicine@state.co.us)



**COLORADO**  
Department of Revenue  
Natural Medicine Division



## **SB23-290 Natural Medicine Regulation & Legalization**

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

### **I. BACKGROUND - PROPOSITION 122**

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

### **II. SB23-290 REGULATORY PROGRAM**

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

### **III. SB23-290 PERSONAL USE PROVISIONS**

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

# **SB23-290 NATURAL MEDICINE REGULATION & LEGALIZATION**

## **Detailed Bill Outline**

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

# Natural Medicine Regulation & Legalization

## SB23-290

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

### Department of Regulatory Agencies (DORA)

[DORA Natural Medicine Health Act Homepage](#)

#### SECTION 1

#### 12-170-102. Legislative Declaration.

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

#### SECTION 2

#### 12-170-103. Applicability of Common Provisions.

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

#### SECTION 3

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

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

**Summary Definition - Natural Medicine:**

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

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

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

(I) **Dimethyltryptamine** (DMT)

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

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

#### SECTION 4

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

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

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

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

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

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

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



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

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

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

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

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

**SECTION 4 (Continued)**

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

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

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

**Other Requirements & Limitations:**

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

<b>SECTION 5</b>	<b>12-170-106. DORA - Natural Medicine Advisory Board</b>
<p><b><u>Creates Natural Medicine Advisory Board (2 and 4 year terms), Pg. 13</u></b>  At expiration of term, the Governor shall appoint members, without consent of the Senate (4 year term). May serve up to 2 consecutive terms. Can be removed for misconduct, incompetence, neglect of duty, unprofessional conduct.</p> <p><b><u>Board Recommendation Subjects, Pg. 14-15:</u></b></p> <ul style="list-style-type: none"> <li>➤ Accurate public health approaches regarding use, benefits, harms, and risk reduction</li> <li>➤ Content and scope of educational campaigns</li> <li>➤ Research related to the efficacy and regulation, including product safety, harm reduction, and cultural responsibility</li> <li>➤ Facilitator Requirements - Proper content of training programs, educational and experiential requirements, and qualifications. When making recommendations, the Board may consider: (I) Tiered facilitator licensing; (II) Limited waivers of education and training requirements based on experience, training, skills; (III) Removal of unreasonable or logistical barriers</li> <li>➤ Affordable, equitable, ethical, and culturally responsible access to NM (may consider recommendations on ways to reduce costs of licensure, incentives for reduced costs for services, and incentives for services in geographic and culturally diverse regions)</li> <li>➤ Regulatory considerations for each type of NM and each type of session</li> <li>➤ Addition of other types of NM, based on medical, psychological, and scientific studies, research, and other information related to safety and efficacy - Shall prioritize consideration of Ibogaine</li> <li>➤ All rules to be promulgated by DORA &amp; DOR</li> <li>➤ Requirements for accurate and complete data collection, reporting, and publication</li> </ul> <p><b><u>Other Board Duties, Pg. 15:</u></b></p> <ul style="list-style-type: none"> <li>➤ Shall, on an ongoing basis: <ul style="list-style-type: none"> <li>○ Review and evaluate existing and current research, studies, and real-world data related to NM and make recommendations to the GA and agencies regarding coverage under health first Colorado or other insurance programs for various mental health conditions</li> <li>○ Review and evaluate sustainability issues and impacts on tribal and indigenous cultures and documenting existing reciprocity efforts and continuing support measures needed</li> </ul> </li> <li>➤ Board shall publish an <b>ANNUAL REPORT</b> describing activities</li> </ul>	
<b>SECTION 6</b>	<b>12-170-107. American Tribes &amp; Indigenous Working Group (P. 16)</b>
<p><b><u>Federally Recognized American Tribes &amp; Indigenous Community Working Group</u></b></p> <ul style="list-style-type: none"> <li>➤ To avoid misappropriation, exploitation, excessive commercialization, conservation issues (including potential for further depletion of peyote due to it being a source of mescaline), best practices, and open communication to avoid unnecessary burdens.</li> <li>➤ Shall advise the Board and DORA on findings and recommendations</li> <li>➤ Encourages DORA To engage with those who have significant experience with traditional use</li> </ul>	
<b>SECTION 7</b>	<b>12-170-108. License - Unauthorized Practice - Disclosures (P. 17)</b>
<p><b><u>Facilitator License Requirements &amp; Restrictions</u></b></p> <ul style="list-style-type: none"> <li>➤ Shall not engage in Facilitation or represent self as a Facilitator without a license</li> <li>➤ Shall conspicuously display license in Healing Center, including info on how to file a complaint</li> <li>➤ Shall provide specific information in writing prior to each session (P. 18) <ul style="list-style-type: none"> <li>○ Name, address, and phone # of the licensee;</li> <li>○ Explanation of regulations applicable to the licensee;</li> <li>○ Listing of training, educational and experiential requirements and qualifications satisfied</li> </ul> </li> </ul>	

<ul style="list-style-type: none"> <li>to obtain a license <ul style="list-style-type: none"> <li>○ Statement indicating the participant is entitled to receive information about services, may terminate services and may terminate informed consent for physical contact at any time</li> </ul> </li> <li>➤ Nothing prohibits a person from performing a bona fide religious, culturally traditional, or spiritual ceremony, but must inform that they are not a licensed facilitator and so long as the ceremony is not associated with commercial, business, or for-profit activity</li> </ul>	
<b>SECTION 8</b>	<b>12-170-109. Grounds for Discipline (P. 19)</b>
<p><b><u>DORA Permissive Authority to Take Disciplinary or Other Action Upon Proof of Following:</u></b></p> <ul style="list-style-type: none"> <li>➤ Violation of this Article 170 or rules, Article 20, or any valid order of DORA</li> <li>➤ Convicted of or entered plea of nolo contendere to a felony</li> <li>➤ Misstatement of an application or fraud, deception, or misrepresentation</li> <li>➤ Act or omission necessary to meet generally accepted professional standards of conduct</li> <li>➤ Excessive or habitual use or abuse of alcohol or controlled substances</li> <li>➤ Guilty of unprofessional or dishonest conduct</li> <li>➤ Advertising by means of false or deceptive statement</li> <li>➤ Failure to display license as required</li> <li>➤ Guilty of willful misrepresentation</li> <li>➤ Failure to disclose within 45 days a conviction for a felony or any crime related to practice</li> <li>➤ Aids/abets unlicensed practice of facilitation</li> <li>➤ Fails to timely respond to a complaint end by the Director (DORA) pursuant to 12-170-110</li> </ul>	
<b>SECTION 9</b>	<b>12-170-110. Disciplinary Proceedings (P. 20)</b>
Establishes bases and process for disciplinary proceedings, including hearings and judicial review	
<b>SECTION 10</b>	<b>12-170-111. Fees - Cash Fund (P. 21)</b>
Establishes a cash fund. Shall set and adjust fees so revenue approximates the direct and indirect costs of the program. Fees shall not exceed the amount necessary to administer the Article.	
<b>SECTIONS 11 &amp; 14</b>	<b>12-170-112 &amp; 115. Local Jurisdiction (P.21) / Preemption (P.23)</b>
Consistent with Prop 122, local governments cannot prohibit Facilitation of NM Services and can not adopt ordinances/regulations that are unreasonable or in conflict with Article 170.	
<b>SECTION 12</b>	<b>12-170-113. Protections (P. 22)</b>
<p><b><u>Protections Include:</u></b></p> <p>(1)(a) Licensed activity and allowing use of property for licensed activity are not an offense under state or local law; are not subject to civil fine or sanction; are not a basis for detention, search, or arrest; and are not a basis to deny any right or seize or forfeit assets.</p> <p>(b) Contracts enforceable (federal prohibition does not render a contract unenforceable)</p> <p>(c) Mental health care, substance use services, or behavioral health services covered under the CO Medical Assistance Act, Title 25.5, Articles 4-6, cannot be denied on the basis of federal prohibition of NM. However, Insurance providers are not required to cover the cost of NM.</p> <p>(d) Nothing prevents the Director from enforcing rules or limits state or local LE to investigate unlawful activity in relation to a licensee.</p> <p>(2) Professional or occupational license not subject to professional discipline on the basis of federal prohibition, but this does not authorize conduct that violates standards of care or scope of practice.</p>	

<b>SECTIONS 13-16</b>	<b>12-170-114 - 12-170-117. Construction &amp; Repeal (P. 23)</b>
<ul style="list-style-type: none"> <li>➤ <b>Section 13. 12-170-114. Liberal Construction</b> - Article 170 must be liberally construed</li> <li>➤ <b>Section 15. 12-170-116. Self-Executing, Severability, Conflicting Provisions</b> - Provisions are self-executing except as specified and supersede conflicting state and local provisions</li> <li>➤ <b>Section 16. 12-170-117. Repeal &amp; Review</b> - Article 170 subject to review prior to repeal 9/1/2032</li> </ul>	
<b>SECTION 17</b>	<b>12-20-407. Unauthorized Practice</b>
Class 2 Misdemeanor if a person practices or offers or attempts to practice/engage in Facilitation	
<b>Department of Revenue (DOR) - <a href="#">DOR Website</a></b> <b>&amp;</b> <b>Department of Public Health &amp; Environment (CDPHE) - <a href="#">CDPHE Website</a></b>	
<b>SECTION 18</b>	<b>24-1-117. Department of Revenue - New Division (P. 24)</b>
Creates the DOR Natural Medicine Division, a type 2 entity (as defined in 24-1-105)	
<b>SECTION 19</b>	<b>24-34-104. Review for Repeal or Continuation (P. 25)</b>
September 1, 2032 - Scheduled repeal of Article 170 of Title 12 and Article 50 of Title 44	
<b>SECTION 20</b>	<b>25-1.5-120. CDPHE - Testing and Standards - Rules (P. 25)</b>
<p>CDPHE authority to establish (in coordination with DOR) rules for testing and certification. 44-50-203 also gives permissive authority for DOR to allow for personal use testing.</p> <p><b><u>Minimum testing rules must include:</u></b></p> <ul style="list-style-type: none"> <li>➤ Testing standards and certification requirements</li> <li>➤ Independent testing and certification program within a timeline established by the DOR, to ensure products do not contain contaminants injurious to health and ensure correct labeling</li> <li>➤ Quarantine and notification procedures if results indicate substances deemed injurious;</li> <li>➤ Ensure testing verifies concentration representations and homogeneity for labeling;</li> <li>➤ Acceptable variance for concentration and procedures to address misrepresentations; and</li> <li>➤ Protocols and frequency of testing.</li> </ul>	
<b>SECTION 21</b>	<b>PART 1: NEW ARTICLE 50 - CO Natural Medicine Code (P. 26)</b>
Establishes Article 50 in Title 44 - The Colorado Natural Medicine Code, 44-50-101 - 102	
<b>SECTION 21</b>	<b>PART 1: 44-50-103. Definitions (P. 27)</b>
<p><b>44-50-103. Definitions:</b> Consistent with Title 12 (underlined terms are new)</p> <p>Administration Session; Board; Director; Division; Facilitator; Healing Center; Health-Care Facility; Integration Session; <u>License</u>; <u>Licensed Premises</u>; <u>Licensee</u>; Local Jurisdiction; Natural Medicine; <u>Natural Medicine Business</u>; Natural Medicine Product; Natural Medicine Services; Participant; <u>Person</u>; Preparation Session; <u>Principle File</u>, Regulated Natural Medicine; Regulated Natural Medicine Product; Remuneration; State Licensing Authority; <u>Transfer</u></p>	

<b>SECTION 21</b>	<b>PART 1: 44-50-104. Applicability (P. 32)</b>
<p><b><u>Application Procedures</u></b></p> <ul style="list-style-type: none"> <li>➤ Requires SLA to <u>prioritize review</u> of applications from Colorado residents</li> <li>➤ Application &amp; License fees are credited to the Regulated Natural Medicine Cash Fund</li> </ul> <p><b><u>Employer, School, Hospital, Detention Facility, Related Protections</u></b></p> <ul style="list-style-type: none"> <li>➤ Employers are not required to permit or accommodate NM use, consumption, possession, etc., or impairment in the workplace</li> <li>➤ Employers may have policies restricting use or impairment in the workplace</li> <li>➤ An employer, school, hospital, detention facility, corporation, or other entity that occupies, owns, or controls property can prohibit/regulate NM activities on such property</li> </ul> <p><b><u>Local Jurisdiction Authority &amp; Limitations</u></b></p> <ul style="list-style-type: none"> <li>➤ May enact ordinances/regulations governing time, place, manner of operation of licenses</li> <li>➤ May NOT prohibit: <ul style="list-style-type: none"> <li>○ Establishment or operation of licenses</li> <li>○ Transportation of NM on public roads by licensed persons</li> </ul> </li> <li>➤ May NOT adopt ordinances/regulations that are unreasonable or in conflict</li> </ul>	
<b>SECTION 21</b>	<b>PART 2: 44-50-201. State Licensing Authority (P. 33)</b>
<p>Establishes the DOR Executive Director as the State Licensing Authority (can delegate to NM Division Director), who may employ Department officers and employees as necessary.</p>	
<b>SECTION 21</b>	<b>PART 2: 44-50-202. Powers &amp; Duties of SLA (P. 33)</b>
<p><b><u>Licensing &amp; Enforcement: PP. 33-34</u></b></p> <ul style="list-style-type: none"> <li>➤ December 31, 2024 - DOR begins accepting applications/granting licenses</li> <li>➤ Authority to suspend, fine, restrict, revoke licenses (active, expired, or surrendered)</li> <li>➤ Conduct investigations and hearings, gather evidence, and pursue disciplinary actions</li> <li>➤ Petition a district court for an investigative subpoena to unlicensed persons after reasonable efforts to obtain requested documents/information</li> <li>➤ Petition a court to temporarily restrain or enjoin action of an unlicensed person when the NM Division director finds sufficient evidence that the person has or is committing a prohibited act and such act (A) threatens public health or safety; or (B) constitutes an unlawful act</li> <li>➤ Hearing procedures and authority</li> <li>➤ Develop forms, licenses, ID cards, and applications</li> </ul> <p><b><u>Reporting, Public Education &amp; Training: PP. 34-36</u></b></p> <ul style="list-style-type: none"> <li>➤ In coordination with DORA, publish an <b>ANNUAL REPORT</b> on the implementation/administration (must not include information that could disclose the identity of a participant) <ul style="list-style-type: none"> <li>○ <b>DATA COLLECTION REQUIREMENT</b> (to include in annual report): In coordination with other agencies, the SLA shall request data concerning LE incidences / adverse health events / impacts to health care systems / consumer protection claims / and behavioral health impacts</li> </ul> </li> <li>➤ Develop and promote <b>PUBLIC EDUCATION CAMPAIGNS</b> (including public service announcements, educational materials, and crisis response materials)</li> <li>➤ Develop and promote <b>TRAINING MATERIALS</b> for first responders and multi-responders (LE, emergency medical providers, social service providers, fire fighters)</li> </ul> <p><b><u>Other Duties &amp; Limitations: PP. 35-36</u></b></p> <ul style="list-style-type: none"> <li>➤ SLA cannot fix prices for regulated NM</li> <li>➤ Nothing requires LE ability to investigate unlawful activity related to a licensee</li> <li>➤ LE has authority to run a criminal history record check during an investigation of unlawful activity</li> </ul>	

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

**SECTION 21**

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

**DOR MANDATORY RULEMAKING**

**General Licensing:**

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

**Qualifications and eligibility requirements for licensure**

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

**Permitted and prohibited financial interests:**

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

**Testing Program:** DOR rules in coordination with CDPHE

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

**Regulation of Licensed Premises:**

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

**Transportation Requirements:**

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

**Production Management**

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

**Record Keeping**

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

**Other**

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

**DOR PERMISSIVE RULEMAKING (P. 40)**

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

**Other Requirements & Limitations (P. 43)**

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

**SECTION 21**

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

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

**SECTION 21**

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

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

**SECTION 21**

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

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

*CONTINUES TO NEXT PAGE*

<b>SECTION 21</b>	<b>PART 4: 44-50-401. Healing Center (P. 47)</b>
<p><b><u>General Requirements &amp; Restrictions</u></b></p> <ul style="list-style-type: none"> <li>➤ License may be issued only to a person that employs or contracts with a Facilitator</li> <li>➤ May transfer regulated NM to another HC</li> <li>➤ Prior to initiating NM Services, a Facilitator shall verify the Participant is 21+</li> <li>➤ Shall comply with all provisions of Article 34, Title 24, as related to persons with disabilities</li> </ul> <p><b><u>Additional Rulemaking Authority</u></b></p> <ul style="list-style-type: none"> <li>➤ Shall not transfer more than amount permitted by rule in a single Administration Session</li> <li>➤ SLA may establish exemptions to the above administration limitations and may establish record-keeping requirements for HCs pursuant to any such exemption</li> </ul>	
<b>SECTION 21</b>	<b>PART 4: 44-50-402. Cultivation Facility (P. 48)</b>
<p><b><u>Transfer Allowances/Restrictions</u></b></p> <ul style="list-style-type: none"> <li>➤ License may be issued only to a person who cultivates regulated NM for transfer and distribution to NM healing centers, manufacturers, or other cultivations</li> </ul> <p><b><u>Activities Restricted on Premises</u></b></p> <ul style="list-style-type: none"> <li>➤ NM cannot be consumed on the premises unless co-located with HC premises</li> </ul>	
<b>SECTION 21</b>	<b>PART 4: 44-50-403. Product Manufacturer (P. 48)</b>
<p><b><u>General Requirements &amp; Restrictions</u></b></p> <ul style="list-style-type: none"> <li>➤ License may be issued only to a person who manufactures regulated NM products</li> <li>➤ Licensee shall NOT: <ul style="list-style-type: none"> <li>○ Add regulated NM to a food product that holds a trademark, unless it's used only as a component or as part of the recipe and only if the licensee does not state or advertise to the consumer that the final product contains a trademarked product</li> <li>○ Intentionally or knowingly label or package in a manner that would cause reasonable confusion as to whether the product was trademarked</li> <li>○ Label or package in a manner that violates federal trademark law/regs</li> </ul> </li> </ul> <p><b><u>Activities Restricted on Premises</u></b></p> <ul style="list-style-type: none"> <li>➤ NM cannot be consumed on premises unless co-located with HC premises</li> </ul>	
<b>SECTION 21</b>	<b>PART 4: 44-50-404. Testing Facility (P. 49)</b>
<p><b><u>General Requirements &amp; Restrictions</u></b></p> <ul style="list-style-type: none"> <li>➤ License may be issued only to a person who performs testing and research on NM</li> <li>➤ Testing is a matter of statewide concern</li> <li>➤ A testing licensee cannot have an interest in another NM business license</li> </ul> <p><b><u>Additional Rulemaking Authority</u></b></p> <ul style="list-style-type: none"> <li>➤ Acceptable testing and research practices, including but not limited to: <ul style="list-style-type: none"> <li>○ Standards</li> <li>○ Quality control analysis</li> <li>○ Equipment certification and calibration</li> <li>○ Identification of chemicals and other substances used in bona fide research methods</li> <li>○ Whether to allow persons 21+ to request and use testing services for personal use</li> </ul> </li> </ul>	



<b>SECTION 21</b>	<b>PART 5: 44-50-501. Unlawful Acts (P. 50)</b>
<ul style="list-style-type: none"> <li>➤ Knowingly transfer to person under 21</li> <li>➤ Knowingly adulterate or alter test samples (or attempt to do so)</li> </ul>	
<b>SECTION 21</b>	<b>PART 6: 44-50-601 - 602. Fees (P. 50)</b>
<p><b><u>Establishes the Regulated Natural Medicine Division Cash Fund</u></b></p> <ul style="list-style-type: none"> <li>➤ Fees must cover direct and indirect costs of agency operations to implement and administer</li> <li>➤ May charge for the cost of each fingerprint analysis and background investigation to qualify new officers, directors, managers, or employees</li> <li>➤ Shall annually review and, if necessary, adjust fees to reflect direct and indirect costs</li> <li>➤ Fees must not exceed the amount necessary to administer</li> <li>➤ Shall also establish a subpoena fee (not applicable to government agencies)</li> </ul>	
<b>SECTION 21</b>	<b>PARTS 7 - 8: 44-50-701 - 801. Disciplinary Actions (P. 52)</b>
Establishes process for disciplinary actions with notice, hearing, and judicial review.	
<b>SECTION 21</b>	<b>PART 9: 44-50-901. Protections, Construction, Preemption, Severability (P. 53)</b>
<p><b><u>44-50-901. Protections (PP. 53-54)</u></b></p> <ul style="list-style-type: none"> <li>➤ Licensed activity and allowing use of property for licensed activity are not an offense under state or local law; are not subject to civil fine or sanction; are not a basis for detention, search, or arrest; and are not a basis to deny any right or seize or forfeit assets.</li> <li>➤ Contracts enforceable (federal prohibition does not render a contract unenforceable)</li> <li>➤ Licenses under this Article are not subject to professional discipline for providing advice or services related to NM on the basis of federal prohibition, but does not authorize malpractice.</li> <li>➤ Mental health care, substance use services, or behavioral health services covered under the CO Medical Assistance Act, Title 25.5, Articles 4-6, cannot be denied on the basis of federal prohibition of NM. However, Insurance providers are not required to cover the cost of NM.</li> <li>➤ Nothing prevents the Director from enforcing rules or limits state or local LE to investigate unlawful activity in relation to a licensee.</li> </ul> <p><b><u>44-50-902 - 904. Construction, Preemption, Severability (P. 55)</u></b></p> <p>Article 50 must be liberally construed to effectuate its purpose; local jurisdictions cannot adopt any ordinance, rule, or resolution in conflict with this Article; If any provision of this Article is found to be unconstitutional, the remaining provisions are valid.</p>	
<b>SECTION 21</b>	<b>PART 10: 44-50-1001. Sunset Review &amp; Repeal (P. 55)</b>
Effective <b>September 1, 2032</b> ; Scheduled for Sunset Review under 24-32-104(5)	
<b>TITLE 16</b> <b>CODE OF CRIMINAL PROCEDURE</b>	
<b>SECTIONS 22 -23</b>	<b>PART 10: 16-13-303 - 304. Class 1 &amp; 2 Public Nuisance (P. 55)</b>
Not a Class 1 or 2 public nuisance if in compliance with 18-18-434, Title 12, or Title 44	

**TITLE 18  
CRIMINAL CODE**

**SECTIONS 24 - 26**

**18-18-403.5. Unlawful Possession of Controlled Substance  
18-18-404. Unlawful Use of Controlled Substance  
18-18-405. Unlawful Distro, Manufacturing, Dispense, Sale**

Exemptions if in compliance with Title 12, Title 27, Title 18, and Title 44

**SECTION 27**

**18-18-410. Declaration of Class 1 Public Nuisance (P. 57)**

Exemptions regarding use of places for storage, manufacture, sale, or distribution

**SECTION 28**

**18-18-411. Property & Controlled Substances (P. 57)**

Exemptions for persons (keeping, controlling, renting, making property available for distribution or manufacture) if in compliance with 18-18-434, Article 170 of Title 12, or Article 50 of Title 44

**SECTION 29**

**18-18-412.7. Sale or Distribution of Materials to Manufacture CS**

Exemptions if in compliance with 18-18-434, Title 12, and Title 44

**SECTION 30**

**18-18-430.5. Drug Paraphernalia - Exemption (P. 58)**

Exemptions from 18-18-425 - 18-18-430 if using equipment, products, or materials in compliance

**SECTION 31**

**NEW 18-18-434. Offenses Relating to Natural Medicine (P. 58)**

**NEW PERSONAL USE PROVISIONS FOR NATURAL MEDICINE**

**OFFENSES P. 58**

**(1) Persons under 21 Years of Age - Knowingly Possess or Consume P. 58**

*\*Aligns with 18-13-122 for MJ*

- **Drug petty offense** - subject to:
  - Fine of not more than \$100; OR
  - Not more than four (4) hours of substance use education or counseling
- **Second or subsequent conviction:**
  - Fine of not more than \$100
  - Not more than four (4) hours of substance use education or counseling; AND
  - Not more than twenty-four (24) hours of useful public service

**(2) Open and Public Display or Consumption: P. 58**

*\*Aligns with 18-18-406(5)(b) for MJ*

- **Drug petty offense** - subject to:
  - Fine of not more than \$1,000; AND
  - Not more than twenty-four (24) hours of useful public service.

**(3)(a) Knowing Cultivation (or allowance) - Private Property Exceeding 12x12 (non-contiguous) P. 59**

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

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

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

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

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

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

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

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

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**PERSONAL USE P. 59**

**Personal Cultivation**

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

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

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

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

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

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

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

used as a factor IF:

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

**(11) Exceptions for Living Plants for Ornamental Purposes**

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

**Defines Natural Medicine** P. 63

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

**Defines Personal Use** P. 64

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

**OTHER**

**SECTION 32**

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

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

<b>SECTION 33 - 35</b>	<b>17-2-102. Division of Adult Parole (P. 66)</b> <b>17-2-201. State Board Parole (P. 67)</b> <b>18-1.3-204. Conditions of Probation (P. 67)</b>
	<ul style="list-style-type: none"> <li>➤ Exempts subsection (8.5)(d) from a parolee who possesses or uses NM as authorized</li> <li>➤ Possession or use authorized under this law cannot be considered a violation of parole conditions</li> </ul>
<b>SECTION 36</b>	<b>19-2.5-103. Juvenile Court Jurisdiction (P. 67)</b>
	Juvenile court exclusive original jurisdiction concerning a juvenile 10 yrs + involving natural medicine
<b>SECTION 37</b>	<b>19-3-103. Child Neglect (P. 68)</b>
	Actions lawful in Titles 12, 18, 44 do not constitute neglect and a court shall not restrict or prohibit family time or make similar determinations, <b>UNLESS</b> a court determines family time would endanger the child’s physical health or significantly impair the child’s emotional development.
<b>SECTION 38</b>	<b>24-72-706. Sealing of Criminal Conviction Records</b>
	<p>(1)(f.5) Can file a motion for the sealing of conviction records for an offense that is no longer unlawful. If a motion is filed, the defendant shall provide notice to the DA, who (within <b>42 days</b> from receipt of the motion) may object after considering specific factors.</p> <ul style="list-style-type: none"> <li>➤ If no DA objection, the court may grant with or without a hearing</li> <li>➤ If DA objection, shall set the matter for hearing</li> <li>➤ Burden is on the defendant - preponderance of evidence standard</li> <li>➤ The defendant’s motion is NOT required to include a verified copy of a criminal history</li> <li>➤ Must not be charged fees/costs for filing a motion pursuant to this section</li> </ul>
<b>SECTION 39</b>	<b>24-76.5-104. Public Assistance Considerations (P. 70)</b>
	Eligibility does not require consideration related to natural medicine unless required by federal law
<b>SECTION 40</b>	<b>25-56-104.5. Discrimination for Organ Transplants (P. 70)</b>
	<ul style="list-style-type: none"> <li>➤ Limitations and requirements for covered entities that provide coverage related to the organ transplant process. Requirements for covered entities include: (a) making reasonable modifications to policies, practices, and procedures; (b) take reasonable and necessary steps to ensure consumption is not the reason for denial of services, unless the entity demonstrates such steps would fundamentally alter the nature of services or result in undue burden for the entity.</li> <li>➤ Does not require the entity to make a referral or perform a medically inappropriate transplant.</li> </ul>
<b>SECTION 41</b>	<b>35-36-102. Rules - Definitions (P. 72)</b>
	Amends the definition of “Farm Products” to exclude NM as defined under Title 12 ( <i>similar to MJ</i> )
<b>SECTIONS 42-43</b>	<b>39-22-104 &amp; 304. Income Tax &amp; Net Income of Corporation (P. 72)</b>
	For tax years commencing on or after Jan. 1, 2024, a Title 44 licensee can subtract expenditures eligible to be claimed as a federal income tax deduction, but is disallowed by 280E of the IRS Code
<b>SECTIONS 44</b>	<b>Appropriation (P. 73)</b>

Appropriates funding to agencies for purposes of implementation

**SECTION 45**

**Effective Date and Safety Clause (P. 74)**

Effective July 1, 2023, applies to offenses committed on or after July 1, 2023

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**END**