

**TOWN OF KEYSTONE
ORDINANCE NO. 2025-O-16**

**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF
KEYSTONE, COLORADO, AMENDING ORDINANCE NO. 2024-O-05,
TOWN OF KEYSTONE LAND USE CODE, ADOPTING REGULATIONS
RELATED TO NATURAL MEDICINE USES AND REPEALING THE
TEMPORARY MORATORIUM REGARDING THE SAME**

WHEREAS, the Town of Keystone ("Town") is a home rule municipal corporation created pursuant to Article XX of the Colorado Constitution; and

WHEREAS, on April 23, 2024, through Ordinance No. 2024-O-05, the Town adopted by reference the *Summit County Land Use and Development Code*, subject to such amendments and revisions deemed necessary to properly and appropriately apply the adopted code to property within the Town of Keystone and has labeled it the Town of Keystone Land Use Code; and

WHEREAS, in 2022, Colorado voters approved the Natural Medicine Health Act (the "NMHA") through a statewide ballot measure Proposition 122, which decriminalized the personal use, possession, and cultivation of certain natural medicines, such as psilocybin and psilocin, for individuals over 21 years of age; and

WHEREAS, the NMHA also established a framework for using these substances in therapeutic settings, including the creation of licensed Healing Centers where natural medicines may be administered under the supervision of trained facilitators; and

WHEREAS, in May 2023, the Governor signed Senate Bill 23-290, entitled "Natural Medicine Regulation and Legalization," into law, which sets the regulatory framework for natural medicine in Colorado; and

WHEREAS, Senate Bill 23-290 authorizes the Town to regulate the time, place, and manner of the operation of state-licensed natural medicine business and uses; and

WHEREAS, the Town imposed a temporary suspension on natural medicine use and operations by Ordinance No. 2024-O-15, which expires February 1, 2026; and

WHEREAS, during the temporary suspension, Town staff investigated, reviewed, analyzed, and suggested natural medicine regulations; and

WHEREAS, based on the recommendations of staff, the Town desires to create regulations pertaining to natural medicine in the Town as set forth in this Ordinance; and

WHEREAS, the Planning and Zoning Commission considered and recommended approval of this Ordinance; and

WHEREAS, the Town Council has determined that the adoption of this Ordinance is legislative in nature and will further the public health, safety, and welfare of the residents of the Town.

**THE TOWN COUNCIL OF THE TOWN OF KEYSTONE, COLORADO,
ORDAINS:**

Section 1. The foregoing recitals are hereby affirmed and incorporated herein by this reference as findings of the Town Council.

Section 2. Chapter 3 of the Town of Keystone Land Use Code, Ordinance 2024-O-05 adopting by Reference the *Summit County Land Use and Development Code*, as such code existed on May 1, 2024, is amended to include a new Section 3822 and to read as follows:

CHAPTER 3. ZONING REGULATIONS

A new section 3822 regarding Natural Medicine is added to read as follows:

3822: Natural Medicine

- A. **Purpose, Intent, and Definitions:** It is the purpose and intent of these regulations to govern the uses and activities associated with natural medicine and ensure that such uses and activities all operate in a safe manner that does not endanger the public welfare.
1. As used herein, the following terms are defined as follows:
 - a. *Natural Medicine* has the same meaning as in Section 44-50-103(13), C.R.S.
 - b. *Natural Medicine Business* means any of the following entities licensed under the Natural Medicine State Licensing Authority and includes a Natural Medicine Healing Center, a Natural Medicine Cultivation Facility, a Natural Medicine Products Manufacturer, a Natural Medicine Testing Facility, or another licensed entity created by the Natural Medicine State Licensing Authority.
 - c. *Natural Medicine Cultivation Facility* means a facility that is licensed by the Natural Medicine State Licensing Authority where regulated Natural Medicine is grown, harvested, and prepared in order to be transferred and distributed to either a Healing Center, Facilitator, a Natural Medicine Products Manufacturer, or to another Natural Medicine Cultivation Facility.
 - d. *Natural Medicine Healing Center* means a facility licensed by the Natural Medicine State Licensing Authority that permits a facilitator, as defined by the Natural Medicine Code, to provide and supervise

natural medicine services for a participant, as defined by the Natural Medicine Code.

- e. *Natural Medicine Products Manufacturer* means a facility that is licensed to manufacture regulated natural medicine products for transfer to a Healing Center, Facilitator, or to another Natural Medicine Products Manufacturer pursuant to the terms and conditions of the Natural Medicine State Licensing Authority.
- f. *Natural Medicine Testing Facility* means a facility that is licensed by the Natural Medicine State Licensing Authority to perform testing and research on Natural Medicine and Natural Medicine Product.

B. Adoption of State Statutory Provisions and State Administrative

Regulations: Except where the provisions set forth under Section 3822 et seq. are inconsistent with or differ from the Colorado Natural Medicine Code, C.R.S. Title 44, Article 50, and the state administrative regulations promulgated thereunder (including, without limitation, the Colorado Regulated Natural Medicine Rules, 1 CCR 213-1, and the Natural Medicine Licensure Rules and Regulations, 4 CCR 755-1), as each may be amended from time to time, all such statutes and regulations are adopted by reference and apply to all applications received and licenses issued by the local licensing authority. In the event of a conflict between this Section and the Colorado Natural Medicine Code or the applicable state administrative regulations, the provisions of this Section control to the fullest extent permitted by law.

3822.01: General Provisions

A. Zoning districts where Natural Medicine Businesses are permitted:

Natural Medicine Cultivation Facility, Natural Medicine Healing Center, Natural Medicine Products Manufacturer, and Natural Medicine Testing Facility are only permitted in the B1 Zoning District in accordance with all applicable provisions set forth in Section 3822 et al., state law, and all other applicable codes and regulations.

B. Natural Medicine Businesses Proximity to Other Land Uses: Distances shall be computed by direct measurement from the nearest property line of the land use listed below to the nearest portion of the building of the Natural Medicine Business. Distances shall be verified by the applicant via a method deemed acceptable by the Town. At a minimum, no Natural Medicine Business shall be located within the following distances from the specified land uses listed below:

1. fifty (50) feet of any property (a) used primarily for residential purposes, (b) located within a residential zoning district, or (c) containing a residential use within a Planned Unit Development (PUD); provided, however, that this restriction shall not apply where the residential use is located exclusively on an upper floor of a mixed-use building and is separated

- from the Natural Medicine Business by a nonresidential use; or
2. 1,000 feet of a licensed childcare facility or residential childcare facility, preschool, elementary, middle, junior, or senior high school;
- C. **Home occupations:** A Natural Medicine Business shall not be permitted as a home occupation.
- D. **Hours of operation:** A Natural Medicine Business may open no earlier than 8:00 a.m. and shall close no later than 7:00 p.m. on the same day, Monday through Sunday.
- E. **Security systems:** A Natural Medicine Business shall provide adequate security on the premises which meets the minimum security standards set forth in Colorado law and codes and regulations related to Natural Medicine Businesses.
- F. **Operations:** A Natural Medicine Business must occur within a fully enclosed, permitted principal building. All such uses shall not cause odors, smoke, heat, glare or light that is detectable to a person of normal senses beyond the property line of the property upon which the use is being conducted, or in an adjacent unit or public area. Outdoor operations, including cultivation or clinical sessions, are prohibited.
- G. **Personal cultivation:** Personal cultivation is permitted in compliance with state law. Personal cultivation must occur in enclosed, locked spaces and not be visible or detectable from outside the property.

Section 3. Figure 3-2, Land Use Matrix is amended to include a new *Natural Medicine Business* use listed under COMMERCIAL in alphabetical order to read as follows:

FIGURE 3-2 LAND USE MATRIX

FIGURE 3-2 LAND USE MATRIX(17)												
P - Permitted C - Conditional T - Temporary												
A - Accessory NA - Not Allowed												
	A1	B1	NR2 ₁	OS	PUD ₂	RE	R1	R2	R3	R4	R-25	NOTES
COMMERCIAL												
Natural Medicine Business	NA	P	NA	NA	NA	NA	NA	NA	NA	NA	NA	Permitted in accordance with Section 3822.

Section 4. Figure 3-3, Land Use Matrix is amended to include a new *Natural Medicine Business* use inserted in alphabetical order to read as follows:

FIGURE 3-3 LAND USE BY DISTRICT

FIGURE 3-3 LAND USE BY DISTRICT					
LAND USE	PERMITTED	CONDITIONAL	ACCESSORY	TEMPORARY	NOTES
Natural Medicine Business	X				See Section 3822

Section 5. Severability. Should any one or more sections or provisions of this Ordinance be judicially determined invalid or unenforceable, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance, the intention being that the various sections and provisions are severable.

Section 6. Minor Revision or Correction Authorized. The Town Manager, in consultation with the Town Attorney, is authorized to make minor revisions or corrections to the codified version of the provisions of this Ordinance provided that such revisions or corrections are grammatical, typographical, numerical, or non-substantive and do not alter or change the meaning and intent of this Ordinance.

Section 7. Repeal of Temporary Moratorium on Natural Medicine Uses. Ordinance No. 2024-O-15, which imposed a temporary moratorium on the establishment and operation of natural medicine uses within the Town of Keystone, is hereby repealed in its entirety. The repeal of Ordinance No. 2024-O-15 shall become effective concurrently with the effective date of this Ordinance. Upon repeal, no further restrictions shall be imposed under Ordinance No. No. 2024-O-15, and any applications or activities previously suspended under the moratorium may proceed subject to compliance with applicable state and local laws.

Section 8. Codification. This ordinance may be codified and numbered for purposes of codification without the need for further approval by the Town Council.

Section 9. Effective Date. After adoption by the Town Council, this ordinance shall take effect on _____.

INTRODUCED, READ AND PASSED AS AN ORDINANCE, ON FIRST READING, AND SCHEDULED FOR PUBLIC HEARING ON _____, AT A REGULAR MEETING OF THE TOWN COUNCIL OF THE TOWN OF KEYSTONE, COLORADO, THIS ____ DAY OF _____, 2025.

Kenneth D. Riley, Mayor

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney

READ, PASSED AND ADOPTED WITH A ROLL CALL VOTE OF ____ IN FAVOR AND ____ OPPOSED ON SECOND READING, AT A REGULAR MEETING OF THE TOWN COUNCIL OF THE TOWN OF KEYSTONE, COLORADO, THIS _____ DAY OF _____, 2025.

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Kenneth D. Riley, Mayor

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney