

**Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 24-0982.01 Yelana Love x2295

SENATE BILL 24-198

SENATE SPONSORSHIP

Fenberg and Michaelson Jenet,

HOUSE SPONSORSHIP

Brown and McCormick,

Senate Committees
Finance

House Committees

A BILL FOR AN ACT

101 **CONCERNING MEASURES TO SUPPORT THE IMPLEMENTATION OF THE**
102 **STATE'S REGULATED NATURAL MEDICINE PROGRAM.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill:

- Authorizes the director of the division of professions and occupations in the department of regulatory agencies to approve facilitator education and training programs;
- Exempts facilitator education and training programs from regulation as private educational schools;

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

SENATE
Amended 2nd Reading
April 16, 2024

- Updates rule-making by the department of public health and environment and the state licensing authority related to laboratory testing and certification of natural medicine products;
- Prohibits individuals, rather than all persons, from having a financial interest in more than 5 natural medicine business licenses;
- Clarifies that a person may operate a natural medicine testing facility at the same location as a regulated marijuana testing facility; and
- Specifies which transfers and distributions of regulated natural medicine and regulated natural medicine products are authorized between persons licensed as healing centers, facilitators, natural medicine cultivation facilities, and natural medicine manufacturers.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 10-16-162, **amend**
 3 (4)(b)(I)(E) as follows:

4 **10-16-162. Prohibition on discrimination for coverage based**
 5 **solely on natural medicine consumption - definitions.** (4) As used in
 6 this section, unless the context otherwise requires:

7 (b) (I) "Natural medicine" means the following substances:

8 (E) ~~Psilocyn~~ PSILOCIN.

9 **SECTION 2.** In Colorado Revised Statutes, 12-170-104, **amend**
 10 (8) and (12)(a)(II) as follows:

11 **12-170-104. Definitions.** As used in this article 170, unless the
 12 context otherwise requires:

13 (8) "Healing center" means a facility ~~where an entity is licensed~~
 14 by the state licensing authority pursuant to article 50 of title 44 that
 15 permits a facilitator to provide and supervise natural medicine services for
 16 a participant.

17 (12) (a) "Natural medicine" means the following substances:

1 (II) ~~Psilocyn~~ PSILOCIN.

2 **SECTION 3.** In Colorado Revised Statutes, 12-170-105, **amend**
3 (1)(e); **repeal** (1)(h)(I); and **add** (1)(a)(II)(L), (1)(a)(II)(M), (5), (6), (7),
4 and (8) as follows:

5 **12-170-105. Director powers and duties - prohibition - rules.**

6 (1) In addition to any other powers and duties granted or imposed on the
7 director pursuant to this article 170 or by any other law, the director has
8 the following powers and duties:

9 (a) To promulgate rules pursuant to section 12-20-204 concerning
10 the following subjects:

11 (II) Requirements for the licensing of facilitators, practice of
12 facilitation, and professional conduct of facilitators, including:

13 (L) THE APPROVAL OF EDUCATIONAL PROGRAMS IN THE STATE
14 INTENDED TO PREPARE INDIVIDUALS FOR LICENSURE UNDER THIS ARTICLE
15 170, INCLUDING APPROVING CURRICULA, CONDUCTING SURVEYS, AND
16 ESTABLISHING STANDARDS FOR THE EDUCATIONAL PROGRAMS; DENIAL OF,
17 APPROVAL OF, AND WITHDRAWAL OF APPROVAL FROM AN EDUCATIONAL
18 PROGRAM FOR FAILURE TO MEET REQUIRED STANDARDS ESTABLISHED BY
19 THIS ARTICLE 170 OR RULES ADOPTED BY THE DIRECTOR; ESTABLISHMENT
20 OF STANDARDS TO DETERMINE WHETHER INSTITUTIONS OUTSIDE THIS
21 STATE ARE DEEMED TO HAVE ACCEPTABLE EDUCATIONAL PROGRAMS AND
22 WHETHER GRADUATES OF INSTITUTIONS OUTSIDE THIS STATE ARE DEEMED
23 TO BE GRADUATES OF APPROVED EDUCATIONAL PROGRAMS FOR THE
24 PURPOSE OF LICENSURE UNDER THIS ARTICLE 170; AND DETERMINATION
25 OF WHEN ACCREDITATION OF AN EDUCATION PROGRAM BY ANOTHER
26 STATE MAY SERVE AS A BASIS FOR APPROVAL OF LICENSURE;

27 (M) THE APPROVAL OF FACILITATOR EDUCATION AND TRAINING

1 PROGRAMS PURSUANT TO SUBSECTION (5)(a) OF THIS SECTION;

2 (e) To conduct investigations and hearings, gather evidence, and
3 pursue disciplinary actions pursuant to sections 12-20-403, 12-20-404,
4 and 24-4-105, and this article 170, with respect to licenses, registrations,
5 permits, or certificates when the director has reasonable cause to believe
6 that ~~an individual or entity~~ A PERSON is violating this article 170 or a rule
7 promulgated pursuant to this article 170, IN ALL MATTERS RELATING TO
8 THE EXERCISE AND PERFORMANCE OF THE POWERS AND DUTIES VESTED IN
9 THE DIRECTOR;

10 (h) (I) ~~To petition a district court for an investigative subpoena~~
11 ~~applicable to a person who is not licensed, registered, permitted, or~~
12 ~~certified pursuant to this article 170 to obtain documents or information~~
13 ~~necessary to enforce a provision of this article 170 or a rule promulgated~~
14 ~~pursuant to this article 170 after reasonable efforts have been made to~~
15 ~~obtain requested documents or information without a subpoena;~~

16 (5) (a) THE DIRECTOR MAY APPROVE A FACILITATOR EDUCATION
17 AND TRAINING PROGRAM AND ADOPT RULES PURSUANT TO SUBSECTION
18 (1)(a) OF THIS SECTION.

19 (b) A PERSON SEEKING APPROVAL OF AN EDUCATION AND
20 TRAINING PROGRAM TO PREPARE INDIVIDUALS FOR LICENSURE AS A
21 FACILITATOR SHALL APPLY TO THE DIRECTOR AND SUBMIT EVIDENCE THAT
22 THE PROPOSED EDUCATION AND TRAINING PROGRAM COMPLIES WITH THIS
23 ARTICLE 170 AND RULES ADOPTED BY THE DIRECTOR PURSUANT TO
24 SUBSECTION (1)(a) OF THIS SECTION.

25 (c) TO BE APPROVED PURSUANT TO THIS SUBSECTION (5), AN
26 EDUCATION AND TRAINING PROGRAM MUST INCLUDE ALL ITEMS REQUIRED
27 BY SUBSECTION (1)(a)(II)(B) OF THIS SECTION, INCLUDING A CURRICULUM

1 AND MATERIALS THAT WILL PROVIDE A BASIC LEVEL OF BOTH KNOWLEDGE
2 AND DEMONSTRABLE SKILLS FOR EACH INDIVIDUAL COMPLETING THE
3 PROGRAM AND ANY ADDITIONAL CONTENT REQUIRED PURSUANT TO RULES
4 ADOPTED BY THE DIRECTOR PURSUANT TO SUBSECTION (1)(a) OF THIS
5 SECTION.

6 (6) THE DIRECTOR OR THE DIRECTOR'S DESIGNEE MAY INSPECT AND
7 SURVEY EACH APPROVED FACILITATOR EDUCATION AND TRAINING
8 PROGRAM AT THE DIRECTOR'S DISCRETION.

9 (7) (a) THE DIVISION SHALL CREATE A PROCESS TO REVIEW THE
10 DIRECTOR'S DENIAL OF AN EDUCATION AND TRAINING PROGRAM. THE
11 PROCESS ESTABLISHED PURSUANT TO THIS SUBSECTION (7) MUST REQUIRE
12 THE DIRECTOR OR THE DIRECTOR'S DESIGNEE, DIVISION COUNSEL, AND THE
13 CHAIR OF THE NATURAL MEDICINE ADVISORY BOARD OR THE CHAIR'S
14 DESIGNEE TO REVIEW APPLICATIONS PRIOR TO A DENIAL BEING ISSUED BY
15 THE DIRECTOR.

16 (b) IF THE APPLICANT IS DENIED APPROVAL AFTER THE REVIEW
17 PROCESS CREATED PURSUANT TO SUBSECTION (7)(a) OF THIS SECTION, THE
18 DIRECTOR SHALL DOCUMENT THE GROUNDS FOR DENIAL AND SUBMIT THAT
19 DOCUMENTATION TO THE APPLICANT.

20 (8) THE DIVISION SHALL REGULARLY REVIEW THE NATURAL
21 MEDICINE PROGRAM, INCLUDING THE APPROVAL PROCESS FOR
22 FACILITATOR EDUCATION AND TRAINING PROGRAMS. THE DIVISION SHALL
23 INCLUDE THE REVIEW IN THE ANNUAL REPORTING REQUIRED IN
24 SUBSECTION (1)(j) OF THIS SECTION.

25 **SECTION 4.** In Colorado Revised Statutes, 18-18-434, **amend**
26 (12)(b)(I)(E) as follows:

27 **18-18-434. Offenses relating to natural medicine and natural**

1 **medicine product - definitions.** (12) As used in this section, unless the
2 context otherwise requires:

3 (b) (I) "Natural medicine" means the following substances:

4 (E) ~~Psilocyn~~ PSilocIN.

5 **SECTION 5.** In Colorado Revised Statutes, 23-64-104, **amend**
6 (1)(p) and (1)(q); and **add** (1)(r) as follows:

7 **23-64-104. Exemptions.** (1) The following educational
8 institutions and educational services are exempt from this article 64:

9 (p) Yoga teacher training courses, programs, and schools; ~~and~~

10 (q) Training of guides, trip leaders, and guide instructors by river
11 outfitters licensed pursuant to section 33-32-104; AND

12 (r) EDUCATION AND TRAINING PROGRAMS APPROVED BY THE
13 DIRECTOR OF THE DIVISION OF PROFESSIONS AND OCCUPATIONS IN THE
14 DEPARTMENT OF REGULATORY AGENCIES UNDER ARTICLE 170 OF TITLE 12.

15 **SECTION 6.** In Colorado Revised Statutes, 25-1.5-120, **amend**
16 (1), (2)(a), (2)(b), and (2)(c) as follows:

17 **25-1.5-120. Natural medicine testing and standards - rules.**

18 (1) The department of public health and environment, in coordination
19 with the department of revenue, to ensure consistency between rules, shall
20 promulgate rules concerning testing standards and LABORATORY
21 certification requirements of natural medicine and natural medicine
22 product regulated by the department of revenue pursuant to article 50 of
23 title 44.

24 (2) At a minimum, the rules must:

25 (a) Establish natural medicine and natural medicine product
26 LABORATORY testing standards and ~~certification~~ requirements;

27 (b) Establish a natural medicine independent LABORATORY testing

1 and certification program for licensees pursuant to article 50 of title 44,
2 within an implementation time frame established by the department of
3 revenue, requiring licensees to test natural medicine and natural medicine
4 product to ensure, at a minimum, that products transferred for human
5 consumption by ~~natural persons or entities~~ licensed pursuant to article 50
6 of title 44 do not contain contaminants that are injurious to health and to
7 ensure correct labeling;

8 (c) Establish procedures that ~~ensure natural medicine and natural~~
9 ~~medicine product are quarantined and~~ REQUIRE notification procedures TO
10 THE STATE LICENSING AUTHORITY if test results indicate the presence of
11 quantities of any substance determined to be injurious to health;

12 **SECTION 7.** In Colorado Revised Statutes, 25-56-104.5, **add** (6)
13 as follows:

14 **25-56-104.5. Prohibition on discrimination for organ**
15 **transplants based solely on natural medicine consumption -**
16 **applicability - definitions.** (6) AS USED IN THIS SECTION:

17 (a) "NATURAL MEDICINE" HAS THE SAME MEANING AS SET FORTH
18 IN SECTION 44-50-103 (13).

19 (b) "NATURAL MEDICINE PRODUCT" HAS THE SAME MEANING AS
20 SET FORTH IN SECTION 44-50-103 (15).

21 **SECTION 8.** In Colorado Revised Statutes, 44-50-103, **amend**
22 (3), (4), (5), (6), and (13)(a)(II) as follows:

23 **44-50-103. Definitions.** As used in this article 50, unless the
24 context otherwise requires:

25 (3) "Director" means the director of the NATURAL MEDICINE
26 division of ~~professions and occupations~~ or the director's designee.

27 (4) "Division" means the NATURAL MEDICINE division of

1 professions and occupations created in the department. pursuant to section
2 12-20-103.

3 (5) "Facilitator" means a natural person who is twenty-one years
4 of age or older, has the necessary qualifications, training, experience, and
5 knowledge to perform and supervise natural medicine services for a
6 participant, and is licensed TO ENGAGE IN THE PRACTICE OF FACILITATION
7 by the director to engage in the practice of facilitation OF THE DIVISION OF
8 PROFESSIONS AND OCCUPATIONS IN THE DEPARTMENT OF REGULATORY
9 AGENCIES PURSUANT TO ARTICLE 170 OF TITLE 12.

10 (6) "Healing center" means a facility where an entity is licensed
11 by the state licensing authority PURSUANT TO THIS ARTICLE 50 that permits
12 a facilitator to provide and supervise natural medicine services for a
13 participant.

14 (13) (a) "Natural medicine" means the following substances:

15 (II) Psilocyn PSILOCIN.

16 **SECTION 9.** In Colorado Revised Statutes, 44-50-203, **amend**
17 (1)(e), (1)(f)(I)(B), and (2)(p) as follows:

18 **44-50-203. State licensing authority - rules. (1) Mandatory**
19 **rule-making.** Rules promulgated pursuant to section 44-50-202 (1)(b)
20 must include the following subjects:

21 (e) Permissible and prohibited financial interests in a license
22 issued pursuant to this article 50 or a license issued pursuant to article 170
23 of title 12; except that a person may AN INDIVIDUAL SHALL not have a
24 financial interest in more than five natural medicine business licenses;

25 (f) (I) Establishment of a natural medicine independent testing and
26 certification program for licensees within an implementation time frame
27 established by the division, requiring licensees to test regulated natural

1 medicine and regulated natural medicine product to ensure, at a
2 minimum, that regulated natural medicine and regulated natural medicine
3 product transferred for human consumption by persons licensed pursuant
4 to this article 50 do not contain contaminants that are injurious to health
5 and to ensure correct labeling, as well as:

6 (B) Testing ~~procedures and frequency of~~ REQUIREMENTS FOR
7 regulated natural medicine and regulated natural medicine product by
8 licensees;

9 (2) Permissive rule-making. Rules promulgated pursuant to
10 section 44-50-202 (1)(b) may include, but need not be limited to, the
11 following subjects:

12 (p) Requirements for inspections, investigations, searches,
13 seizures, forfeitures, embargoes, quarantines, recalls, DESTRUCTION, and
14 such additional activities as may become necessary;

15 **SECTION 10.** In Colorado Revised Statutes, 44-50-301, **amend**
16 (4) as follows:

17 **44-50-301. Classes of licenses.** (4) (a) EXCEPT AS PROVIDED IN
18 SUBSECTION (4)(b) OF THIS SECTION, a person ~~may~~ SHALL not operate a
19 license issued pursuant to this article 50 at the same location as a license
20 or permit issued pursuant to article 3, 4, 5, or 10 of this title 44.

21 (b) A PERSON MAY OPERATE A NATURAL MEDICINE TESTING
22 FACILITY LICENSE ISSUED PURSUANT TO SECTION 44-50-404 AT THE SAME
23 LOCATION AS A REGULATED MARIJUANA TESTING FACILITY LICENSE ISSUED
24 PURSUANT TO ARTICLE 10 OF THIS TITLE 44.

25 **SECTION 11.** In Colorado Revised Statutes, 44-50-401, **amend**
26 (2) as follows:

27 **44-50-401. Natural medicine healing center license - rules.**

1 (2) A natural medicine healing center licensee may transfer regulated
2 natural medicine or regulated natural medicine product to another natural
3 medicine healing center licensee OR A FACILITATOR pursuant to rules
4 promulgated by the state licensing authority.

5 **SECTION 12.** In Colorado Revised Statutes, 44-50-402, **amend**
6 (1) as follows:

7 **44-50-402. Natural medicine cultivation facility license.** (1) A
8 natural medicine cultivation facility license may be issued PURSUANT TO
9 STATE LICENSING AUTHORITY RULES AND only to a person who cultivates
10 regulated natural medicine for transfer and distribution to natural
11 medicine healing center licensees, natural medicine product manufacturer
12 licensees, ~~or~~ other natural medicine cultivation facility licensees, OR
13 OTHER PERSONS LICENSED UNDER ARTICLE 170 OF TITLE 12 OR THIS
14 ARTICLE 50.

15 **SECTION 13.** In Colorado Revised Statutes, 44-50-403, **add** (3)
16 as follows:

17 **44-50-403. Natural medicine product manufacturer license.**
18 (3) PURSUANT TO RULES PROMULGATED BY THE STATE LICENSING
19 AUTHORITY, A NATURAL MEDICINE PRODUCT MANUFACTURER LICENSEE
20 MAY TRANSFER AND DISTRIBUTE REGULATED NATURAL MEDICINE AND A
21 REGULATED NATURAL MEDICINE PRODUCT TO ANOTHER PERSON LICENSED
22 UNDER ARTICLE 170 OF TITLE 12 OR ANOTHER PERSON LICENSED UNDER
23 THIS ARTICLE 50.

24 **SECTION 14. Safety clause.** The general assembly finds,
25 determines, and declares that this act is necessary for the immediate
26 preservation of the public peace, health, or safety or for appropriations for

- 1 the support and maintenance of the departments of the state and state
- 2 institutions.