

**TOWN OF HUGO
ORDINANCE NO. 294**

**AN ORDINANCE AMENDING SECTIONS 104, 205 AND 206 OF THE
HUGO LAND DEVELOPMENT CODE AND ENACTING A NEW
SECTION 309 OF THE HUGO LAND DEVELOPMENT CODE,
REGARDING THE REGULATION OF NATURAL MEDICINE
BUSINESSES WITHIN THE TOWN OF HUGO, COLORADO**

WHEREAS, the Natural Medicine Health Act of 2022 (the "Act"), a citizen-initiated measure intended to decriminalize the personal possession, growing, sharing, and use, but not the sale, of natural psychedelic mushrooms and plant-based psychedelic substances, was approved by Colorado voters in November 2022;

WHEREAS, the Act allows the supervised use of psychedelic mushrooms by individuals aged 21 and over at licensed facilities and assigned the Department of Regulatory Agencies (DORA) to create a regulatory structure for the operation of these licensed facilities, including establishment of the Natural Medicine Advisory Board;

WHEREAS, in May 2023, the State Legislature enacted Senate Bill 23-290, entitled, "Natural Medicine Regulation and Legalization", creating the regulatory structure for the operation of these licensed facilities, which includes the licensing and registration of facilities and related businesses that provide for the use, cultivation, manufacturing and testing of these substances;

WHEREAS, Senate Bill 23-290 prohibits local jurisdictions from banning licensed facilities, services, and use of natural psychedelic substances permitted through the Act, while allowing local jurisdictions to regulate the time, place and manner of the operation of natural medicine businesses within their jurisdiction; to limit the areas where the cultivation, manufacturing, testing, storage, distribution, transfer and dispensation of natural medicine and natural medicine product may be permitted in the local jurisdictions; and to establish the distance restrictions for buildings where natural medicine services are provided within the vicinity of a child care center, preschool, elementary, middle, junior or high school, or residential child care facility; and

WHEREAS, to promote the public health, safety and welfare of the citizens of the Town, the Board of Trustees now desires to regulate the time, place and manner of the operation of natural medicine businesses within the Town.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Town of Hugo as follows:

Section 1. Section 104 of the Hugo Land Development Code is amended by the addition of the following definitions to be inserted alphabetically:

Natural medicine means psilocybin or psilocyn and other substances described in the CNMC as natural medicine.

Natural medicine business means any of the following entities licensed under the CNMC: a natural medicine healing center, a natural medicine cultivation facility, a natural medicine products manufacturer, or a natural medicine testing facility, or another licensed entity created by the state licensing authority.

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

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

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

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

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

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

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

Section 2. Section 205.2.2 of the Hugo Land Development Code is amended to read as follows:

Section 205. – Restricted Commercial (C-1) Zone District

* * *

2. Permitted Uses (use by right)

* * *

2.2 *Business and Commercial Uses.*

- a. Business and professional services
- b. Post office, banks, newspaper, and printing businesses
- c. Service establishments such as barber shops, beauty parlors, tavern lounges, and restaurants
- d. New and used automobile dealerships
- e. Hotels and motels
- f. Restaurants, drive-ins, and other food service establishments,

including coffee shops

- g. Retail stores, including without limitation:
 - 1. Liquor stores
 - 2. Pharmacies
 - 3. Sundries/miscellaneous
 - 4. Clothing stores
 - 5. Hardware / software stores
 - 6. Large and small appliance stores
 - 7. Fuel and repair service stations
 - 8. Antique stores
 - 9. Jewelry stores
 - 10. Sporting goods stores
 - 11. Book stores
 - 12. Grocery stores
 - 13. Candy stores
 - 14. Natural medicine healing centers
- h. Light manufacturing. A business shall not emit frequent offensive odors, create excessive noise, require excessive truck traffic, or provide potential for a major hazardous materials incident.
- i. Any activity approved after a special use review as allowed in this Code.

Section 3. Section 206.2.1 of the Hugo Land Development Code is amended to read as follows:

Section 206. – Industrial/Commercial (C-2) Zone District

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- 2. Permitted Uses (use by right)
- 2.1 *Business and Commercial Uses.*
 - a. Retail sales
 - b. Grain elevators
 - c. Manufacturing
 - d. Warehouses
 - e. Lumberyards
 - f. Wholesale businesses
 - g. Auto wrecking and salvage yards
 - e. Natural medicine businesses
 - f. Other related activities of any kind not heretofore listed, when specifically approved by the Town Board of Trustees as outlined in this Code.

Section 4. A new Section 309 of the Hugo Land Development Code is enacted to read as follows:

Section 309. – Natural Medicine Businesses

1. Distances from Schools, Preschools, And Day Care Centers

1.1 No natural medicine business that provides natural medicine services shall operate out of a building that is within five hundred (500) feet from a property used for a school, preschool, or a child day care center.

1.2 The distances referred to in this section shall be computed by direct measurement from the nearest property line of the land used as a school, preschool or day care center to the nearest portion of the building in which natural medicine services are provided.

2. Distance Between Natural Medicine Healing Centers. There shall be a distance of at least five hundred feet between natural medicine healing centers.

3. Limit on the Number of Natural Medicine Healing Centers. There shall be a limit or a cap of no more than three (3) natural healing medicine centers permitted to operate within the town limits of the Town of Hugo, Colorado.

4. Natural Medicine Healing Centers Hours of Operation. Natural medicine healing centers that provide natural medicine services, particularly administration sessions, shall only operate between the hours of 8:00 a.m. to 9:00 p.m., Monday through Saturday and 2:00 p.m. to 9:00 p.m. on Sunday.

5. Public View of Natural Medicine Businesses

5.1 All doorways, windows and other openings of natural medicine healing centers and natural medicine businesses shall be located, covered or screened in such a manner as to prevent a view into the interior of said businesses.

5.2 All activities associated with natural medicine businesses shall occur indoors.

6. Lighting of Natural Medicine Businesses. Primary entrances, parking lots and exterior walkways shall be clearly illuminated with downward facing security lights to provide for after-dark visibility for all patrons, employees, and passersby of natural medicine businesses, subject to other provisions of the Town of Hugo Land Development Code.

7. Storage of Natural Medicine Businesses Product and Equipment

7.1 All product and equipment for natural medicine businesses shall be kept and located within a secured area within a permanent building and may not be located in a trailer, tent, or motor vehicle.

7.2 Such product and equipment must be stored inside a secured area within a permanent building immediately after transporting and receipt of such product.

8. Odor From Natural Medicine Businesses. Natural medicine businesses shall use an air filtration and ventilation system to ensure that the odors from a

natural medicine business are confined to the premises and are not detectable or discernible beyond the property boundaries from which the business is situated.

9. Natural Medicine Business Waste Product, Remnants or Byproduct; Secure Disposal

9.1 Natural medicine businesses shall provide for secure disposal of natural medicine waste product, remnants, or byproduct.

9.2 Natural medicine waste, remnants and byproducts shall not be placed in the facility's exterior waste container, nor shall it be in any way accessible to the public.

10. Unlawful Conduct

10.1 It is unlawful for any natural medicine business to violate any portion of this Section.

10.2 It is unlawful for any natural medicine business to administer natural medicine to a minor, a visibly intoxicated person, or anyone who is not otherwise eligible or appropriate for administration of natural medicine per the Regulatory Act, the Enabling Act or this Code.

Section 5. Severability. If any article, section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity or constitutionality of the remaining portions of this Ordinance. The Board of Trustees hereby declares that it would have passed this Ordinance and each part or parts hereof irrespective of the fact that anyone, or part, or parts be declared unconstitutional or invalid.

Section 6. Safety. The Board of Trustees finds that the adoption of this Ordinance is necessary for the protection of the public health, safety, and welfare.

Section 7. Effective Date. This Ordinance shall become effective thirty (30) days after publication.

Adopted and ordered published this 8 day of September, 2025.

(Seal)

Kara Emmerling, Mayor

Attest:

Sara Lancaster, Town Clerk Administrator