

# **Psychedelics, Housing & Wine: A Review of 2022's Propositions 122, 123, & 125**

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COLORADO  
MUNICIPAL  
LEAGUE

# Proposition 122

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

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

## ARTICLE 170

### NATURAL MEDICINE HEALTH ACT of 2022

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

**12-170-102. Legislative declaration.** (1) THE VOTERS OF THE STATE OF COLORADO FIND AND DECLARE THAT:

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



# Prop. 122: Natural Medicine



Services  
and  
personal  
use  
(not sale)

- Psilocybin
- Psilocyn

June  
2026,  
with  
DOR  
approval:

- Dimethyltryptamine
- Ibogaine
- Mescaline (but not peyote)



# Prop. 122: State Regulation

- Regulated Natural Medicine Access Program (C.R.S. 12-17-101 et seq.):
  - Licensing of healing centers, other healthcare facilities, facilitators
  - Administration of services
  - Testing
  - Advertising
  - “Oversight requirements” for healing centers
- Transfers



# Prop. 122: Healing Centers

- Administration of *services* by a *facilitator*:
  - Licensed *healing centers*
  - At other places not owned by a healing center including:
    - Any facility that provides health care!
    - Private residences
- Individual or group sessions
- Intended to provide statewide access



# Prop. 122: Personal Use

- Broadly permissive rights for ingestion, use, cultivation, and sharing
  - “within the context of counseling, spiritual guidance, beneficial community-based use and healing, supported use, or related services”
- No quantity limit for cultivation, but must be in private home and secured from access
- Prohibited: sale, transfer to persons under 21



# Prop. 122: Preemption

- Ban or prohibition on healing centers or services by licensed facility (CRS 12-170-107(2-3))
- Transportation on public roads by licensee or “as otherwise allowed” (CRS 12-170-107(4))
- Anything “unreasonable or in conflict” (CRS 12-170-107(5))



# Prop. 122: Local Authority

- Time, place and manner of operation of state licensed (CRS 12-170-107(1))
- Lesser criminal/civil penalties (CRS 12-170-107(5))
- Open questions:
  - Operational conflict with state rules
  - Building codes
  - Taxation





# Prop. 122: Police Limitations

- Permitted conduct cannot alone be basis for:
  - Detention, search, or arrest
  - Basis for reasonable suspicion
  - Child abuse or neglect (without actual threat)
- Not subject to seizure
- Cannot be harmed or destroyed



# Possible Local Actions

- Revise local ordinances prohibiting use
- Update police & code enforcement policies
- Update employee policies
- Zoning:
  - Remove provisions that would prohibit
  - Establish time, place & manner regulations for healing centers
  - Consider building code impacts



# What's next for Prop. 122?

- DOR rulemaking
  - Facilitator qualifications, education, and training (January 1, 2024)
  - Everything else (September 30, 2024)
- Pure speculation – 2023 legislation



# Proposition 125

*Be it enacted by the People of the State of Colorado:*

## **SECTION 1: Declaration**

The People of the State of Colorado hereby find and declare that Article 4 of Title 44, Colorado Revised Statutes, known as the “Colorado Beer Code”, shall be amended to allow, beginning March 1, 2023, the sale of wine in grocery and convenience stores that are licensed to sell beer.

**SECTION 2.** In Colorado Revised Statutes, 44-3-103, **add** (18.5), (32.5), and (60.5) as follows:  
**44-3-103. Definitions.**

As used in this article 3 and article 4 of this title 44, unless the context otherwise requires:

(18.5) “FERMENTED MALT BEVERAGE AND WINE RETAILER” MEANS A RETAILER LICENSED UNDER ARTICLE 4 OF THIS TITLE 44 TO SELL FERMENTED MALT BEVERAGES AND WINE. BUT NOT



# Proposition 125: Basics

- Automatically converts fermented malt beverage (FMB) off-premises retailer licenses to fermented malt beverage and wine retailer licenses
- Allows licensees to conduct tastings if they satisfy local and state standards
- Allows licensees to deliver malt and vinous products pursuant to the delivery requirements in C.R.S. § 44-4-107(6)



# Proposition 125: Local Licensing Authority Role

- Updating local licensing records
- Modification of premises (Rule 47-302)
  - physical changes
  - material or substantial alterations
- Issuing tasting permits if authorized by local ordinance (C.R.S. § 44-3-301(10))



# What's next for Prop. 125?

- LED is hosting four virtual training sessions (see LED Bulletin 22-04)
  - January 12 at 10am and 2:30pm
  - February 8 at 10am and 1pm
  
- LED Rulemaking



# Proposition 123

*Be it enacted by the People of the State of Colorado:*

**SECTION 1.** In Colorado Revised Statutes, **add** article 32 to title 29 as follows:

## **ARTICLE 32**

### **Statewide Affordable Housing Fund**

**29-32-101. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE CONTEXT

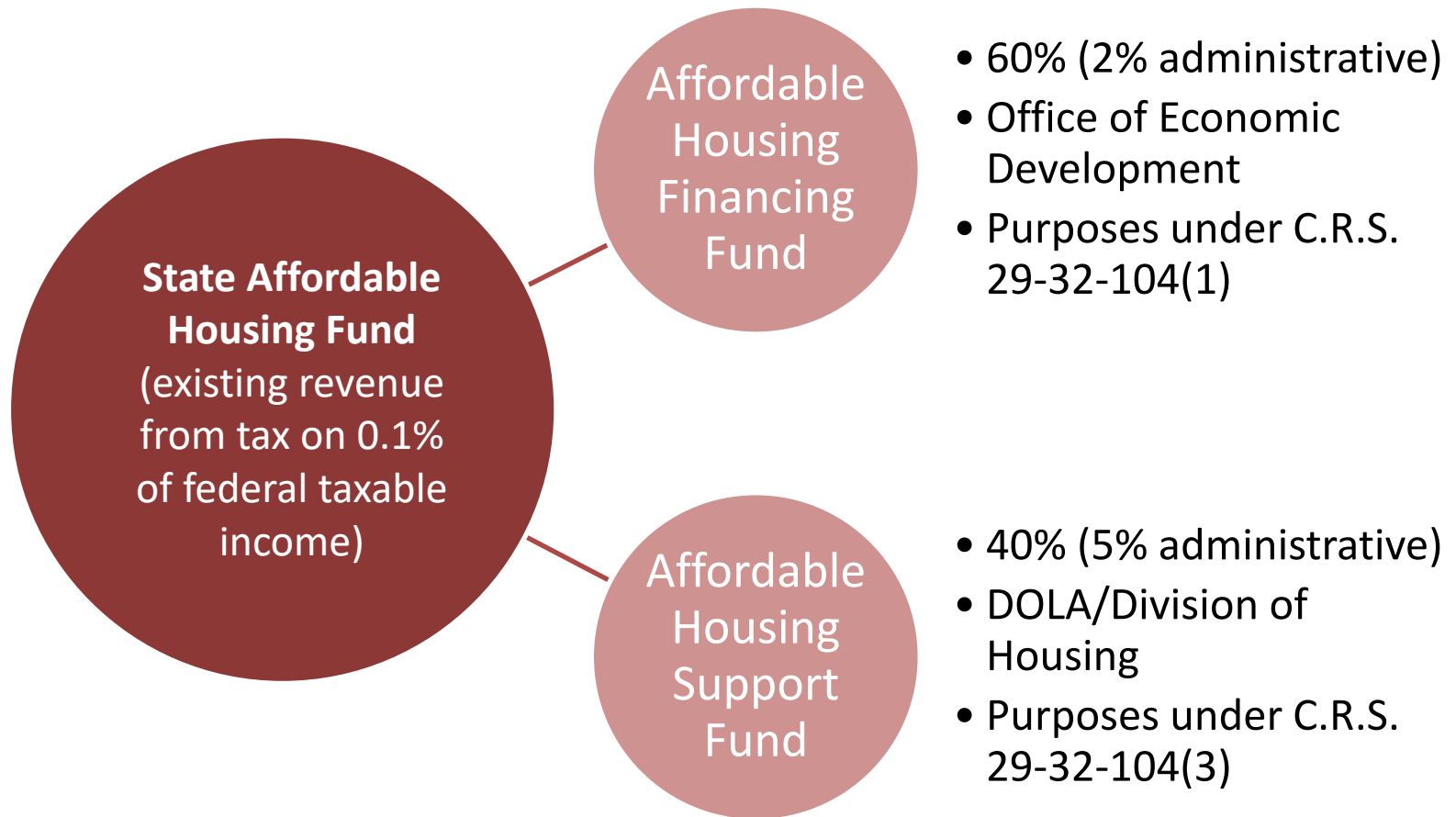
OTHERWISE REQUIRES:

(1) “ADMINISTRATOR” MEANS A POLITICAL SUBDIVISION OF THE STATE OF





# Prop. 123: Structure



# Prop. 123: Affordable Housing

$\leq 60\%$  AMI  
(rental) or  $\leq 100\%$   
AMI (for-sale)

rent or mortgage  
costing  $< 30\%$  of  
monthly income



# Prop. 123: Financing Fund

## Land Banking

(15%-25%)

- To acquire & preserve land for affordable housing
- Grants to local government & forgivable loans to non-profits

## Equity Program

(40%-70%)

- Investment in permanently affordable multi-family rental developments
- Tenant equity vehicle

## Debt Program

(15%-35%)

- Below-market financing for low- & middle-income multifamily rental developments



# Prop. 123: Support Fund

## Home Ownership

(up to 50%)

- Down-payment assistance to first-time homebuyers (<120% AMI)
- Grants for mobile home park purchases ( $\leq$  100% AMI)

## Homelessness

(up to 45%)

- Rental assistance, housing vouchers & eviction defense assistance
- Grants for supportive housing and other activities

## Planning Capacity

(up to 5%)

- Local government grants to increase planning capacity



# Prop. 123: 3-year Commitment

How affordable housing will increase by 3% in jurisdiction each year over baseline by end of 2026 (using newly-constructed and converted units)

**November 2026**



**November 2023**

Updated commitment and then by November whenever the baseline resets



# Prop. 123: Fast-Track Process

- Must establish process to *enable* a final decision within 90-days of “complete application”
  - All development permits (not subdivisions)
  - For development project with  $\geq 50\%$  affordable residential units
- Include extension opportunities (including for resubmittals, external reviews)



# What's next for Prop. 123?

- Rulemaking
  - Grant identification
  - Local government planning & coordination
- Local government actions by November 2023
  - Commitment
  - Fast-track process
- Pure speculation – 2023 legislation



# Additional Resources

- Prop. 122:
  - [Access to Natural Psychedelic Substances | Colorado General Assembly](#)
  - [Proposition 122 - YouTube](#)
- Prop. 123:
  - [Dedicate Revenue for Affordable Housing Programs | Colorado General Assembly](#)
  - [Proposition 123 - YouTube](#)
- Prop. 125:
  - [Allow Grocery and Convenience Stores to Sell Wine | Colorado General Assembly](#)
  - [Proposition 125 - YouTube](#)

