CHAPTER 381

REVENUE - ACTIVITIES REGULATION

SENATE BILL 25-297

BY SENATOR(S) Ball, Kipp, Wallace; also REPRESENTATIVE(S) Feret, Brown, Clifford, Duran, Lindsay, McCormick, Phillips.

AN ACT

CONCERNING THE IMPLEMENTATION OF COLORADO'S NATURAL MEDICINE INITIATIVE, AND, IN CONNECTION THEREWITH, REQUIRING THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT TO COLLECT DATA AND INFORMATION RELATED TO THE HEALTH EFFECTS AND OTHER IMPACTS OF THE USE OF NATURAL MEDICINE AND NATURAL MEDICINE PRODUCTS AND MAKING AND REDUCING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, add 25-1.5-120.5 as follows:

- **25-1.5-120.5.** Natural medicine health effects data collection pilot data collection study report rules definitions repeal. (1) **Definitions.** As used in this section, unless the context otherwise requires:
- (a) "Health-Care facility" has the meaning set forth in section 44-50-103 (7).
- (b) "Natural medicine" has the meaning set forth in section 44-50-103 (13).
- (c) "Natural medicine product" has the meaning set forth in section 44-50-103 (15).
- (d) "Regulated natural medicine" has the meaning set forth in section 44-50-103 (21).
- (e) "Regulated natural medicine product" has the meaning set forth in section 44-50-103 (22).

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

- (f) "State licensing authority" has the meaning set forth in section 44-50-103 (24).
- (2) Health effects of natural medicine data collection report. (a) The department, in coordination with other relevant state departments, including the department of revenue, created in section 24-1-117, and the department of regulatory agencies, created in section 24-1-122, shall request and collect readily available and relevant data and information related to the use of natural medicine and natural medicine products, including data and information concerning:
- (I) LAW ENFORCEMENT INCIDENTS INVOLVING THE USE OF NATURAL MEDICINE AND NATURAL MEDICINE PRODUCTS;
- (II) Adverse health events involving the use of natural medicine and natural medicine products;
- (III) IMPACTS ON HEALTH-CARE FACILITIES, HOSPITALS, AND HEALTH-CARE SYSTEMS ARISING FROM INCIDENTS RELATED TO THE USE OF NATURAL MEDICINE AND NATURAL MEDICINE PRODUCTS;
- (IV) CONSUMER PROTECTION CLAIMS RELATED TO NATURAL MEDICINE AND NATURAL MEDICINE PRODUCTS; AND
- (V) BEHAVIORAL HEALTH IMPACTS RELATED TO THE USE OF NATURAL MEDICINE AND NATURAL MEDICINE PRODUCTS.
- (b) The department, in coordination with other relevant state departments, shall request and collect available and relevant data and information related to the health effects of the use of natural medicine or natural medicine products from sources that may include:
 - (I) ALL-PAYER CLAIMS DATA;
 - (II) HOSPITAL DISCHARGE DATA;
 - (III) PEER-REVIEWED RESEARCH STUDIES; AND
 - (IV) OTHER SOURCES AS DETERMINED BY THE DEPARTMENT.
- (c) (I) The department shall provide relevant data and information collected pursuant subsections (2)(a) and (2)(b) of this section to the department of revenue for use in the department of revenue's annual report required pursuant to section 44-50-202 (1)(g).
- (II) THE DEPARTMENT SHALL ENSURE THAT THE DATA AND INFORMATION COLLECTED BY THE DEPARTMENT PURSUANT TO SUBSECTIONS (2)(a) AND (2)(b) OF THIS SECTION IS DE-IDENTIFIED AND DOES NOT INCLUDE AN INDIVIDUAL'S NAME, ADDRESS, CONTACT INFORMATION, OR OTHER PERSONAL IDENTIFYING INFORMATION.
 - (d) The collection of data and information related to the use of

NATURAL MEDICINE AND NATURAL MEDICINE PRODUCTS IN ACCORDANCE WITH THIS SUBSECTION (2) IS SUBJECT TO THE ACCEPTANCE OF GIFTS, GRANTS, OR DONATIONS BY THE DEPARTMENT PURSUANT TO SUBSECTION (5) OF THIS SECTION. IF THERE IS NOT SUFFICIENT FUNDING TO FINANCE THE COLLECTION OF DATA AND INFORMATION, THE DEPARTMENT IS NOT REQUIRED TO COLLECT THE DATA AND INFORMATION PURSUANT TO THIS SUBSECTION (2) UNTIL SUFFICIENT FUNDING BECOMES AVAILABLE TO THE DEPARTMENT.

- (3) **Pilot data collection program.** (a) The department shall create and maintain a database based on the data and information collected pursuant to sections 12-170-108 (5) and 44-50-401 (6) related to the use of regulated natural medicine and regulated natural medicine products.
- (b) (I) THE DEPARTMENT SHALL ENSURE THAT THE DATA AND INFORMATION COLLECTED BY THE DEPARTMENT AND MAINTAINED IN THE DATABASE IS DE-IDENTIFIED AND DOES NOT INCLUDE AN INDIVIDUAL'S NAME, ADDRESS, CONTACT INFORMATION, OR OTHER PERSONAL IDENTIFYING INFORMATION.
 - (II) The data and information maintained in the database is:
 - (A) PROPRIETARY AND CONTAINS TRADE SECRETS;
 - (B) CONFIDENTIAL;
- (C) Not subject to the "Colorado Open Records Act", part 2 of article 72 of title 24;
- (D) NOT SUBJECT TO SUBPOENA OR DISCOVERY AND IS NOT ADMISSIBLE AS EVIDENCE IN ANY PRIVATE CIVIL ACTION; AND
- (E) NOT TO BE RELEASED, DISCLOSED, OR MADE PUBLIC, EXCEPT AS PROVIDED BY SUBSECTION (3)(c) OF THIS SECTION.
- (c) THE DEPARTMENT MAY RELEASE OR DISCLOSE THE DATA AND INFORMATION CONTAINED IN THE DATABASE ONLY:
- (I) For research or other empirical studies, as approved by the department:
- (II) For conducting surveys or investigative activities as part of a public health program to track health effects of regulated natural medicine or regulated natural medicine products; or
- (III) FOR CONDUCTING REGULATORY DUTIES OF THE STATE LICENSING AUTHORITY OR ASSISTING OTHER STATE AGENCIES IN CONDUCTING THEIR REGULATORY DUTIES, INCLUDING REPORTING ON SERVICES, PARTICIPANT MOTIVATIONS, DEMOGRAPHICS, AND OUTCOMES RELATED TO THE NATURAL MEDICINE PROGRAM.
- (d) If the department releases the data and information in the database in accordance with subsection (3)(c) of this section, the department shall limit the release to the minimum amount of information

NECESSARY FOR THE PURPOSES OF THE RELEASE AND MUST NOT INCLUDE AN INDIVIDUAL'S NAME, ADDRESS, CONTACT INFORMATION, OR OTHER PERSONAL IDENTIFYING INFORMATION.

- (e) The creation and maintenance of the database in accordance with this subsection (3) is subject to the acceptance of gifts, grants, or donations by the department pursuant to subsection (5) of this section. If there is not sufficient funding to finance the operation or maintenance of the database, the department is not required to operate or maintain the database until sufficient funding becomes available to the department.
- (4) The department, in consultation with the department of revenue, created in section 24-1-117, and the department of regulatory agencies, created in section 24-1-122, shall determine the form, format, and timing of the collection and reporting of data and information in accordance with this section and sections 12-170-108 (5) and 44-50-401 (6).
- (5) (a) EXCEPT AS PROVIDED IN SUBSECTION (5)(b) OF THIS SECTION, THE DEPARTMENT MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF THIS SECTION.
- (b) The department shall not seek, accept, or expend any gifts, grants, or donations to be used for the purposes of this section from a public or private source that may improperly influence the collection or reporting of the data and information collected pursuant to this section.
 - (6) (a) This section is repealed, effective September 1, 2030.
- (b) Prior to the Repeal of this section, the department, in consultation with the Natural Medicine advisory board, created in Section 12-170-106; the department of Revenue, created in Section 24-1-117; and the department of Regulatory Agencies, created in Section 24-1-122, shall conduct a Review to Determine Whether appropriations or Gifts, grants, or donations are necessary and available to fulfill the purposes of this Section.
- (c) After conducting the review pursuant to subsection (6)(b) of this section, the department shall inform the general assembly of the decision made by the department regarding the continuation of and funding available for the purposes of this section.

SECTION 2. In Colorado Revised Statutes, 12-170-108, add (5) as follows:

12-170-108. License required - unauthorized practice - mandatory disclosure of information - data collection - rules. (5) (a) On and after July 1, 2026, a facilitator shall provide the department of public health and environment, created in section 25-1-102, with de-identified data and information related to the use of regulated natural medicine and regulated natural medicine products.

- (b) THE DIRECTOR, IN CONJUNCTION WITH THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, SHALL ADOPT RULES REGARDING THE DATA AND INFORMATION PROVIDED BY FACILITATORS IN ACCORDANCE WITH THIS SUBSECTION (5), WHICH DATA AND INFORMATION MUST INCLUDE:
 - (I) HEALTH OUTCOME DATA;
 - (II) DEMOGRAPHIC INFORMATION;
- (III) Individual-level data relating to the outcome of a participant's administration session;
 - (IV) INFORMATION ABOUT NATURAL MEDICINE SERVICES;
- (V) Information provided by a participant prior to and following the participant's administration session; and
 - (VI) OTHER DATA AND INFORMATION AS DETERMINED BY THE DIRECTOR.
- (c) A facilitator shall de-identify the data and information provided to the department of public health and environment, including the removal or redaction of all personal identifying information of an individual, including the individual's name, address, and contact information.
- (d) The department of public health and environment, in consultation with the director, shall determine the form, format, and timing for reporting the data and information collected by facilitators in accordance with this subsection (5).
- (e) The requirements of this subsection (5) are subject to the department of public health and environment receiving sufficient funding for the pilot data collection program established in section 25-1.5-120.5 (3). If there is not sufficient funding available to finance the pilot data collection program, a facilitator is not required to provide information to the department of public health and environment and the director is not required to adopt rules in accordance with this subsection (5).
- **SECTION 3.** In Colorado Revised Statutes, 44-50-202, **amend** (1)(g); and **repeal** (7) as follows:
- **44-50-202.** Powers and duties of state licensing authority report rules. (1) The state licensing authority shall:
- (g) In coordination with the division of professions and occupations within the department of regulatory agencies pursuant to section 12-170-105 (1)(j) AND THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT PURSUANT TO SECTION 25-1.5-120.5, annually publish a publicly available report concerning the implementation, OUTCOMES, and administration of this article 50, and article 170 of title 12, AND SECTION 25-1.5-120.5. The report must use relevant data, as

determined by the state licensing authority, and the director, AND THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, and must not disclose the identity of any participant or include any information that could disclose the identity of a participant.

- (7) The state licensing authority, in coordination with other relevant agencies, shall request available and relevant data concerning law enforcement incidences, adverse health events, impacts to health-care systems, consumer protection claims, and behavioral health impacts related to natural medicine, natural medicine product, and natural medicine businesses. The state licensing authority shall include the available and relevant data in the report required pursuant to subsection (1)(g) of this section.
- **SECTION 4.** In Colorado Revised Statutes, 44-50-203, **amend** (1) introductory portion, (1)(n), (2) introductory portion, (2)(d), (2)(q), (2)(r), and (4); and **add** (1)(o) and (2)(s) as follows:
- **44-50-203. State licensing authority rules.** (1) **Mandatory rule-making.** Rules promulgated ADOPTED pursuant to section 44-50-202 (1)(b) must include the following subjects:
- (n) Standards for qualification as a licensee, including environmental, social, and governance criteria directed to the findings and declarations set forth in section 12-170-102; AND
- (0) REQUIREMENTS FOR CLEAR AND EASILY UNDERSTANDABLE REGULATED NATURAL MEDICINE LABELS AND REGULATED NATURAL MEDICINE PRODUCT LABELS, WHICH LABELING REQUIREMENTS MUST INCLUDE:
- (I) A prohibition on labels that are attractive to individuals under twenty-one years of age;
- (II) A prohibition on the use of colors, pictures, and cartoon images on the label;
- (III) A PROHIBITION ON THE USE OF THE WORD "CANDY" OR "CANDIES" ON THE LABEL; AND
- (IV) A PROHIBITION ON A LABEL THAT IS LIKELY TO CAUSE CONFUSION AS TO WHETHER THE REGULATED NATURAL MEDICINE OR REGULATED NATURAL MEDICINE PRODUCT IS A TRADEMARKED FOOD PRODUCT.
- (2) **Permissive rule-making.** Rules promulgated ADOPTED pursuant to section 44-50-202 (1)(b) may include, but need not be limited to, the following subjects:
- (d) Requirements and restrictions on different types of regulated natural medicine or regulated natural medicine product, INCLUDING:
- (I) REQUIRING LICENSED NATURAL MEDICINE PRODUCT MANUFACTURERS TO SUBMIT A PRODUCT REGISTRATION FORM, WHICH INCLUDES A FULL LIST OF INGREDIENTS USED IN THE MANUFACTURER'S NATURAL MEDICINE PRODUCT;

- (II) Prohibiting a regulated natural medicine product that is likely to create confusion for consumers as to whether the product is a trademarked food product; and
- (III) PROHIBITING REGULATED NATURAL MEDICINE PRODUCTS THAT ARE ATTRACTIVE TO INDIVIDUALS UNDER TWENTY-ONE YEARS OF AGE;
 - (q) Prohibition of misrepresentation and unfair practices; and
- (r) Such other matters as are necessary for the fair, impartial, stringent, and comprehensive administration of this article 50; AND
- (s) Requirements that healing centers collect data and information related to regulated natural medicine services and provide the data and information to the department of public health and environment in accordance with section 44-50-401 (6), which data and information must include:
- (I) Demographic information of individuals who use regulated natural medicine services;
- (II) Outcome data related to an individual's participation in regulated natural medicine services; and
- (III) OTHER INFORMATION AS DETERMINED BY THE STATE LICENSING AUTHORITY IN CONSULTATION WITH THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT.
- (4) (a) The state licensing authority may, by rule, establish procedures for the INITIAL APPLICATION AND conditional issuance of an employee license identification card AND AN OWNER LICENSE at the time of application.
- (b) (I) The state licensing authority shall base its issuance of an employee license identification card OR AN OWNER LICENSE pursuant to this subsection (4) on the results of an initial investigation that demonstrates the applicant is qualified to hold a license. The employee license application OR THE OWNER LICENSE APPLICATION for which an employee license identification card OR AN OWNER LICENSE was issued pursuant to this subsection (4) remains subject to denial pending the complete results of the applicant's initial fingerprint-based criminal history NAME-BASED JUDICIAL record check.
- (II) Results of a fingerprint-based criminal history NAME-BASED JUDICIAL record check that demonstrate that an applicant possessing an employee license identification card OR AN OWNER LICENSE pursuant to this subsection (4) is not qualified to hold a license issued pursuant to this article 50 are grounds for denial of the employee license application OR THE OWNER LICENSE APPLICATION. If the employee license application OR THE OWNER LICENSE APPLICATION is denied, the applicant shall return the employee license identification card OR THE OWNER LICENSE to the state licensing authority within a time period that the state licensing authority establishes by rule.
 - (III) The state licensing authority shall require the applicant to have the

applicant's fingerprints taken by a local law enforcement agency or a third party approved by the Colorado bureau of investigation. If an approved third party takes the applicant's fingerprints, the fingerprints may be electronically captured using the Colorado bureau of investigation's approved livescan equipment. A third party shall not keep the applicant information for more than thirty days unless requested by the applicant. The state licensing authority shall send the applicant's fingerprints to the Colorado bureau of investigation for the purpose of fingerprint processing by utilizing the files and records of the Colorado bureau of investigation.

SECTION 5. In Colorado Revised Statutes, 44-50-401, **amend** (1); and **add** (6) as follows:

- **44-50-401.** Natural medicine healing center license data collection rules. (1) A natural medicine healing center license may be issued only to a person that employs or contracts MUST BE OWNED BY, EMPLOY, OR CONTRACT with a facilitator who provides natural medicine services pursuant to the terms and conditions of article 170 of title 12.
- (6) (a) In accordance with the rules adopted by the state licensing authority pursuant to section 44-50-203 (2)(s), on and after July 1, 2026, a healing center licensee shall provide the department of public health and environment, created in section 25-1-102, with de-identified data and information related to the use of regulated natural medicine services in accordance with section 44-50-203 (2)(s).
- (b) A HEALING CENTER LICENSEE SHALL DE-IDENTIFY THE DATA AND INFORMATION PROVIDED TO THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, INCLUDING THE REMOVAL OR REDACTION OF ALL PERSONAL IDENTIFYING INFORMATION OF AN INDIVIDUAL, INCLUDING THE INDIVIDUAL'S NAME, ADDRESS, AND CONTACT INFORMATION.
- (c) The department of public health and environment, in consultation with the state licensing authority, shall determine the form, format, and timing for reporting the data and information collected by healing centers in accordance with this subsection (6).
- (d) The requirements of this subsection (6) are subject to the department of public health and environment receiving sufficient funding for the pilot data collection program established in section 25-1.5-120.5 (3). If there is not sufficient funding available to finance the pilot data collection program, a healing center is not required to provide information to the department of public health and environment and the state licensing authority is not required to adopt rules in accordance with section 44-50-203 (2)(s) to facilitate the purposes of this section.

SECTION 6. In Colorado Revised Statutes, 44-50-601, **amend** (2) and (3)(c) as follows:

- **44-50-601. Regulated natural medicine cash fund created rules fees.** (2) The executive director STATE LICENSING AUTHORITY by rule or as otherwise provided by law may reduce the amount of one or more of the fees if necessary pursuant to section 24-75-402 (3) to reduce the uncommitted reserves of the fund to which all or any portion of one or more of the fees is credited. After the uncommitted reserves of the fund are sufficiently reduced, the executive director STATE LICENSING AUTHORITY by rule or as otherwise provided by law may increase the amount of one or more of the fees as provided in section 24-75-402 (4).
- (3) (c) The state licensing authority may charge applicants licensed pursuant to this article 50 a fee for the cost of each fingerprint analysis NAME-BASED JUDICIAL RECORD CHECK and background investigation undertaken to qualify new officers, directors, OWNERS, managers, or employees.
 - SECTION 7. In Colorado Revised Statutes, 16-17-102, amend (2) as follows:
- **16-17-102. Application character certificate pardons.** (2) The governor may grant pardons to a class of defendants who were convicted of the possession of up to two ounces of marijuana OR POSSESSION OF NATURAL MEDICINE AS DEFINED IN SECTION 44-50-103 (13). The requirements of subsection (1) of this section do not apply to defendants who were convicted of the possession of up to two ounces of marijuana OR POSSESSION OF NATURAL MEDICINE AS DEFINED IN SECTION 44-50-103 (13), but the governor may make any inquiry as deemed appropriate to seek any relevant information necessary from any person or agency to reach an informed decision.
- **SECTION 8. Appropriation adjustments to 2025 long bill.** (1) To implement this act, the cash funds appropriation from the regulated natural medicines division cash fund created in section 44-50-601 (1)(a), C.R.S., made in the annual general appropriation act for the 2025-26 state fiscal year to the department of revenue for natural medicine is decreased by \$78,287, and the related FTE is decreased by 1.0 FTE.
- (2) For the 2025-26 state fiscal year, \$208,240 is appropriated to the office of the governor for use by the office of information technology. This appropriation is from funds received from gifts, grants, and donations received by the department of public health and environment pursuant to section 25-1.5-120.5 (5)(a), C.R.S. To implement this act, the office may use this appropriation to provide information technology services for the department of public health and environment.
- **SECTION 9. Safety clause.** The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.

Approved: June 3, 2025