

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

**SECTION 1.** In the constitution of the state of Colorado, section 33 of article V, **amend** section 33 as follows:

No moneys in the state treasury, NOR CUSTODIAL MONEYS, shall be disbursed therefrom by the treasurer except upon appropriations made by law, ~~or otherwise authorized by law,~~ and any amount disbursed shall be substantiated by vouchers signed and approved in the manner prescribed by law.

**SECTION 2.** In Colorado Revised Statutes, 24-31-108, **amend** (5) as follows:

(5) If all or a portion of any money received by the attorney general and paid to the department of the treasury pursuant to subsection (2) of this section is custodial money, the attorney general shall direct the state treasurer in writing to place such custodial money in a separate account. ~~Any custodial money placed in a separate account pursuant to this subsection (5) is not subject to annual appropriation by the general assembly. A copy of the written direction to the state treasurer must be delivered to the joint budget committee. Such written direction must set forth the basis for the attorney general's determination that the money is custodial money and must specify the manner in which the money will be expended. Such written direction must be given to the state treasurer within thirty days after the date the money is paid to the department of the treasury. Any custodial money placed in a separate account pursuant to this subsection (5) must be expended only for the purposes for which the money has been provided. The department shall provide with its annual budget request an accounting of how custodial money has been or will be expended. For informational purposes, the expenditure of such money may be indicated in the annual general appropriation act.~~

**SECTION 3.** In Colorado Revised Statutes, 24-75-201, **amend** (3) as follows:

(3)(D) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES, “CUSTODIAL MONEY” MEANS MONEY RECEIVED BY THE STATE:

- (I) THAT ORIGINATED FROM A SOURCE OTHER THAN THE STATE OF COLORADO;
- (II) THAT IS AWARDED OR OTHERWISE PROVIDED TO THE STATE FOR A PARTICULAR PURPOSE;
- (III) FOR WHICH THE STATE IS ACTING AS A CUSTODIAN OR TRUSTEE TO CARRY OUT THE PARTICULAR PURPOSE FOR WHICH THE MONEY HAS BEEN PROVIDED.

(E) CUSTODIAL FUND TRANSPARENCY ACCOUNT CREATED.

(I) THERE IS HEREBY CREATED IN THE DEPARTMENT OF TREASURY A CUSTODIAL FUNDS TRANSPARENCY ACCOUNT. THE CUSTODIAL FUNDS TRANSPARENCY ACCOUNT SHALL RECEIVE ALL REVENUE COLLECTED BY THE STATE AS CUSTODIAL MONEYS. MONEY REMAINING IN THE FUND AT THE END OF THE FISCAL YEAR SHALL REMAIN IN THE FUND AND SHALL NOT REVERT TO THE GENERAL FUND.

(II) IN STATE FISCAL YEAR 2022-2023, AND EACH FISCAL YEAR THEREAFTER, THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE THE CUSTODIAL FUNDS TRANSPARENCY ACCOUNT FOR SUCH PURPOSES AS SPECIFIED BY LAW ON AN EQUITABLE BASIS FOR THE BENEFIT OF THE STATE.

(III) MONEYS FROM THE CUSTODIAL FUNDS TRANSPARENCY ACCOUNT SHALL BE APPROPRIATED IN A PUBLIC HEARING WITH OPPORTUNITY FOR PUBLIC COMMENT.

(F) REVENUE COLLECTED AS CUSTODIAL FUNDS, AS AUTHORIZED BY THE VOTERS AT THE STATEWIDE ELECTION IN THE NOVEMBER 2021, TOGETHER WITH EARNINGS AND REVENUE, SHALL BE RETAINED AND SPENT BY THE STATE AS A VOTER-APPROVED REVENUE CHANGE AND SHALL BE EXEMPT FROM ALL REVENUE, SPENDING, AND OTHER LIMITATIONS UNDER SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION OR ANY OTHER LAW.

(G) EFFECTIVE DATE. SUBSECTION 3(D) THROUGH (F) OF THIS SUBSECTION (3) SHALL GO INTO EFFECT ON JULY 1, 2022.