

# SENATE BILL 699

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CF HB 1484

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By: **Senator M. Washington**

Introduced and read first time: January 29, 2024

Assigned to: Finance and Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 29, 2024

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Cannabis – Community Reinvestment and Repair Fund – Distribution and Use**  
3 **of Funds for Baltimore City**

4 FOR the purpose of altering the process for distributing the Community Reinvestment and  
5 Repair Fund to Baltimore City by allocating certain funds to the Baltimore City  
6 Comptroller under certain circumstances; establishing an Equitable Community  
7 Investment Council in each Baltimore City State legislative district; requiring each  
8 council to adopt ~~bylaws by a certain date~~ a governance structure within a certain  
9 time period and to develop certain plans to allocate certain funds ~~through certain~~  
10 ~~grants~~ to community-based organizations for certain services and programs;  
11 requiring the Baltimore City Comptroller to distribute certain funds in a certain  
12 manner; and generally relating to the Community Reinvestment and Repair Fund  
13 and the distribution and use of funds for Baltimore City.

14 BY repealing and reenacting, without amendments,  
15 Article – Alcoholic Beverages and Cannabis  
16 Section 1–322(a)(1)  
17 Annotated Code of Maryland  
18 (2016 Volume and 2023 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article – Alcoholic Beverages and Cannabis  
21 Section 1–322(b)  
22 Annotated Code of Maryland  
23 (2016 Volume and 2023 Supplement)

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### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY adding to  
 2 Article – Alcoholic Beverages and Cannabis  
 3 Section 1–324  
 4 Annotated Code of Maryland  
 5 (2016 Volume and 2023 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
 7 That the Laws of Maryland read as follows:

8 **Article – Alcoholic Beverages and Cannabis**

9 1–322.

10 (a) (1) There is a Community Reinvestment and Repair Fund.

11 (b) (1) **(I) [Based] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF**  
 12 **THIS PARAGRAPH, BASED** on the percentage allocable to each county determined by the  
 13 Office of Social Equity and reported by the Office to the Comptroller on or before July 31  
 14 each year, the Comptroller shall distribute funds from the Fund to each county in an  
 15 amount that, for the period from July 1, 2002, to January 1, 2023, both inclusive, is  
 16 proportionate to the total number of cannabis possession charges in the county compared  
 17 to the total number of cannabis possession charges in the State.

18 **(II) 1. FOR BALTIMORE CITY, THE COMPTROLLER SHALL**  
 19 **DISTRIBUTE FUNDS FROM THE FUND TO THE BALTIMORE CITY COMPTROLLER,**  
 20 **WHO SHALL DISTRIBUTE THE FUNDS IN ACCORDANCE WITH § 1–324 OF THIS**  
 21 **SUBTITLE.**

22 **2. THE BALTIMORE CITY COMPTROLLER MAY RETAIN**  
 23 **UP TO ~~2%~~ \$125,000 OF THE FUNDS RECEIVED UNDER SUBSUBPARAGRAPH 1 OF THIS**  
 24 **SUBPARAGRAPH TO COVER THE DIRECT AND INDIRECT COSTS ASSOCIATED WITH:**

25 **A. ADMINISTERING THE ~~DISTRIBUTING~~ DISTRIBUTION**  
 26 **OF THE FUNDS TO EACH COUNCIL; AND**

27 **B. THE FINANCIAL MANAGEMENT SUPPORT IT PROVIDES**  
 28 **TO EACH COUNCIL.**

29 (2) (i) **[Subject] EXCEPT FOR BALTIMORE CITY, SUBJECT** to the  
 30 limitations under subsection (a)(6) of this section, each county shall adopt a law  
 31 establishing the purpose for which money received from the Fund may be used.

32 (ii) **1. [On] SUBJECT TO SUBSUBPARAGRAPH 2 OF THIS**  
 33 **SUBPARAGRAPH, ON** or before December 1 every 2 years, beginning in 2024, each political  
 34 subdivision that receives funds from the Fund under paragraph (1) of this subsection shall

1 submit a report to the Governor and, in accordance with § 2–1257 of the State Government  
 2 Article, the Senate Budget and Taxation Committee and the House Appropriations  
 3 Committee on how funds received from the Fund were spent during the immediately  
 4 preceding 2 fiscal years.

5 **2. FOR BALTIMORE CITY, THE BALTIMORE CITY**  
 6 **COMPTROLLER SHALL SUBMIT THE REPORT REQUIRED UNDER SUBSUBPARAGRAPH**  
 7 **1 OF THIS SUBPARAGRAPH.**

8 **1–324.**

9 **(A) IN THIS SECTION, “COUNCIL” MEANS AN EQUITABLE COMMUNITY**  
 10 **INVESTMENT COUNCIL.**

11 **(B) (1) THERE IS AN EQUITABLE COMMUNITY INVESTMENT COUNCIL IN**  
 12 **EACH STATE LEGISLATIVE DISTRICT LOCATED WHOLLY, OR IN PART, IN BALTIMORE**  
 13 **CITY.**

14 **(2) ~~THE PURPOSE OF EACH COUNCIL IS TO~~ EACH COUNCIL IS THE**  
 15 **ACTING, PRINCIPAL LOCAL BODY, WHICH SHALL DISBURSE THROUGH GRANTS**  
 16 **COMMUNITY REINVESTMENT AND REPAIR FUNDS DISTRIBUTED UNDER § 1–322 OF**  
 17 **THIS SUBTITLE.**

18 **(C) (1) EACH COUNCIL CONSISTS OF ~~THE FOLLOWING MEMBERS:~~**

19 **(I) THE FOLLOWING NONVOTING MEMBERS:**

20 **1. ONE MEMBER OF THE SENATE THE SENATOR WHO**  
 21 **REPRESENTS THE DISTRICT, OR THE SENATOR’S DESIGNEE; AND**

22 **~~(H)~~ 2. ONE MEMBER OF THE HOUSE OF DELEGATES A**  
 23 **DELEGATE WHO REPRESENTS THE DISTRICT, APPOINTED BY THE SPEAKER OF THE**  
 24 **HOUSE; AND**

25 **~~(H)~~ (II) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS**  
 26 **SUBSECTION, THE FOLLOWING VOTING MEMBERS APPOINTED BY THE GOVERNOR,**  
 27 **IN CONSULTATION WITH THE OFFICE OF SOCIAL EQUITY:**

28 **1. AT LEAST THREE REPRESENTATIVES FROM**  
 29 **ORGANIZATIONS LED BY INDIVIDUALS FROM DISPROPORTIONATELY IMPACTED**  
 30 **AREAS AS DEFINED IN § 36–101 OF THIS ARTICLE;**

31 **2. AT LEAST TWO YOUNG ADULT MEMBERS BETWEEN**  
 32 **THE AGES OF 18 TO 24;**

1                   3.     AT LEAST TWO REPRESENTATIVES FROM NONPROFIT  
2 HUMAN SERVICES OR COMMUNITY DEVELOPMENT ORGANIZATIONS THAT BENEFIT  
3 TRADITIONALLY UNDERSERVED RESIDENTS; AND

4                   4.     UP TO SEVEN REPRESENTATIVES OF RECOGNIZED  
5 NEIGHBORHOOD-BASED COMMUNITY ASSOCIATIONS WITHIN THE DISTRICT.

6                   (2)    EACH COUNCIL SHALL HAVE AT LEAST 15 BUT NOT MORE THAN 17  
7 MEMBERS.

8                   (3)    (I)    FOLLOWING THE INITIAL APPOINTMENT OF THE MEMBERS  
9 OF A COUNCIL UNDER PARAGRAPH (1) OF THIS SUBSECTION, ~~THE COUNCIL SHALL~~  
10 ~~DETERMINE THE APPOINTMENT OF~~ MEMBERS OF THE COUNCIL UNDER PARAGRAPH  
11 ~~(1)(III)~~ (1)(II) OF THIS SUBSECTION SHALL BE SELECTED IN ACCORDANCE WITH THE  
12 GOVERNANCE PLAN UNDER SUBSECTION (D)(1)(II) OF THIS SECTION.

13                   (II)   THE GOVERNOR MAY NOT APPOINT THE MEMBERS OF THE  
14 COUNCIL UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION AFTER THE INITIAL  
15 APPOINTMENT OF MEMBERS.

16                   (4)    (I)    THE TERM OF A MEMBER:

17                   1.     APPOINTED BY THE GOVERNOR UNDER PARAGRAPH  
18 ~~(1)(III)~~ (1)(II) OF THIS SUBSECTION IS 2 YEARS IMMEDIATELY FOLLOWING THE  
19 FIRST MEETING OF THE COUNCIL; AND

20                   2.     ~~BEGINNING JULY 1, 2026, APPOINTED BY THE~~  
21 ~~COUNCIL~~ SELECTED UNDER PARAGRAPH (3) OF THIS SUBSECTION ~~MAY BE NOT~~  
22 ~~LONGER THAN IS~~ 3 YEARS.

23                   (II)    AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE  
24 UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

25                   (III)  A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN  
26 SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED  
27 AND QUALIFIES.

28                   (5)    A MEMBER OF A COUNCIL:

29                   (I)    MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE  
30 COUNCIL; BUT

1 (II) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER  
2 THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE  
3 BUDGET.

4 (D) (1) ~~EACH~~ AS STEWARDS OF THE DISTRIBUTION OF FUNDS FOR THE  
5 PURPOSE OF BENEFITTING INDIVIDUALS AND COMMUNITIES, EACH COUNCIL  
6 SHALL:

7 (I) ~~ADOPT BYLAWS NOT LATER THAN SEPTEMBER 1, 2024 A~~  
8 GOVERNANCE STRUCTURE WITHIN 45 DAYS AFTER THE FIRST MEETING; AND

9 (II) DEVELOP A SUSTAINABLE GOVERNANCE PLAN AND  
10 PROGRAM TO ALLOCATE FUNDS ~~THROUGH GRANTS~~ TO COMMUNITY-BASED  
11 ORGANIZATIONS FOR CAPITAL PROJECTS, SERVICES, AND PROGRAMS CONSISTENT  
12 WITH THE EQUITY PRINCIPLES FOR PARTICIPATION AND OUTCOMES UNDER § 1-322  
13 OF THIS SUBTITLE.

14 (2) THE GOVERNANCE PLAN AND PROGRAM UNDER PARAGRAPH  
15 (1)(II) OF THIS SUBSECTION:

16 (I) MUST BE ESTABLISHED BEFORE ANY ALLOCATION OR  
17 EXPENDITURE OF FUNDS UNDER THIS SUBSECTION;

18 (II) SHALL BE DEVELOPED IN CONSULTATION WITH IMPACTED  
19 STAKEHOLDERS; AND

20 (III) SHALL BE THE SUBJECT OF A PUBLIC HEARING ON ITS  
21 DEVELOPMENT.

22 ~~(2)~~ (3) ELIGIBLE EXPENDITURES FOR ~~GRANT~~ FUNDING UNDER  
23 THIS SUBSECTION INCLUDE:

24 (I) BEHAVIORAL HEALTH CRISIS RESPONSE SERVICES;

25 (II) EDUCATION AND AFTER-SCHOOL PROGRAMS;

26 (III) TRUANCY AND ABSENTEEISM INTERVENTION PROGRAMS;

27 (IV) HOUSING AND HOMELESSNESS PREVENTION;

28 (V) TRANSPORTATION IMPROVEMENTS IN HIGH-DENSITY  
29 TRANSIT CORRIDORS;

30 (VI) JOB TRAINING AND WORKFORCE DEVELOPMENT;

1 (VII) COMMUNITY SERVICES, INCLUDING CHILD CARE AND  
2 RECREATIONAL SERVICES; AND

3 (VIII) OTHER PROGRAMS THAT BENEFIT INDIVIDUALS AND  
4 FAMILIES IMPACTED BY INCARCERATION.

5 (E) THE FUNDS RECEIVED FROM THE COMPTROLLER UNDER § 1-322(B) OF  
6 THIS SUBTITLE SHALL BE DISTRIBUTED BY THE BALTIMORE CITY COMPTROLLER  
7 ~~AS FOLLOWS:~~

8 ~~(1) \$150,000 TO THE BALTIMORE CITY OFFICE OF EQUITY AND CIVIL  
9 RIGHTS; AND~~

10 ~~(2) THE REMAINING FUNDS FOR COMMUNITY INVESTMENT GRANTS  
11 DISTRIBUTED EQUALLY AMONG EACH COUNCIL.~~

12 (F) ON OR BEFORE OCTOBER 1, 2024, AND EACH OCTOBER 1 THEREAFTER,  
13 EACH COUNCIL SHALL SUBMIT A REPORT TO THE BALTIMORE CITY COMPTROLLER  
14 INCLUDING:

15 (1) THE AMOUNT OF FUNDS RECEIVED;

16 (2) THE PROGRAMS OR ACTIVITIES FUNDED;

17 (3) THE METHODS USED TO SOLICIT, REVIEW, AND SELECT ~~ALLOCATE~~  
18 ~~GRANTS TO~~ ELIGIBLE RECIPIENTS OF FUNDS; AND

19 (4) COUNCIL ADMINISTRATIVE, OUTREACH, AND TRAINING  
20 EXPENDITURES.

21 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General  
22 Assembly that all unspent funds allocated under § 1-322(b) of the Alcoholic Beverages and  
23 Cannabis Article to Baltimore City before the effective date of this Act shall be allocated in  
24 accordance with this Act.

25 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
26 June 1, 2024.