

HOUSE BILL 1253

P1, D5

5lr1887

By: **The Speaker**

Introduced and read first time: February 7, 2025

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 7, 2025

CHAPTER _____

1 AN ACT concerning

2 ~~Maryland~~ **Department of Social ~~Equity~~ and Economic Mobility – Established**

3 FOR the purpose of establishing the ~~Maryland~~ Department of Social ~~Equity~~ and Economic
4 Mobility; providing for the Secretary of Social ~~Equity~~ and Economic Mobility;
5 providing for the administration, staffing, purpose, and duties of the Department;
6 requiring a unit of State government other than the Department to refer a certain
7 person to the Department; establishing the Department of Social and Economic
8 Mobility Special Fund as a special, nonlapsing fund; requiring interest earnings of
9 the Fund to be credited to the Fund; providing that the Department is the successor
10 of certain units in regard to the operation of social equity programs; authorizing the
11 Governor to transfer certain positions, associated funds, and unexpended
12 appropriations; and generally relating to the ~~Maryland~~ Department of Social ~~Equity~~
13 and Economic Mobility.

14 BY repealing and reenacting, with amendments, and transferring

15 Article – Alcoholic Beverages and Cannabis

16 Section 1–309.1

17 Annotated Code of Maryland

18 (2024 Replacement Volume)

19 to be

20 Article – State Government

21 Section 9–4108

22 Annotated Code of Maryland

23 (2021 Replacement Volume and 2024 Supplement)

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 renumbering
2 Article – Alcoholic Beverages and Cannabis
3 Section 1–309.2
4 to be Section 1–309.1
5 Annotated Code of Maryland
6 (2024 Replacement Volume)
- 7 BY renumbering
8 Article – State Government
9 Section 9–301 through 9–303, 9–303.1, 9–303.2, 9–303.3, 9–304, 9–304.1, and 9–305
10 through 9–308 and the subtitle “Subtitle 3. Office of Small, Minority, and
11 Women Business Affairs”
12 to be Section 9–4111 through 9–4122, respectively, and the part “Part III. Office of
13 Small, Minority, and Women Business Affairs”
14 Annotated Code of Maryland
15 (2021 Replacement Volume and 2024 Supplement)
- 16 BY repealing and reenacting, without amendments,
17 Article – Alcoholic Beverages and Cannabis
18 Section 36–1401(a), (c), and (e)
19 Annotated Code of Maryland
20 (2024 Replacement Volume)
- 21 BY repealing and reenacting, with amendments,
22 Article – Alcoholic Beverages and Cannabis
23 Section 36–1406(d)
24 Annotated Code of Maryland
25 (2024 Replacement Volume)
- 26 BY repealing and reenacting, without amendments,
27 Article – State Finance and Procurement
28 Section 6–226(a)(2)(i)
29 Annotated Code of Maryland
30 (2021 Replacement Volume and 2024 Supplement)
- 31 BY repealing and reenacting, with amendments,
32 Article – State Finance and Procurement
33 Section 6–226(a)(2)(ii)204, and 205, and 14–305(b)
34 Annotated Code of Maryland
35 (2021 Replacement Volume and 2024 Supplement)
- 36 BY adding to
37 Article – State Finance and Procurement
38 Section 6–226(a)(2)(ii)206.
39 Annotated Code of Maryland
40 (2021 Replacement Volume and 2024 Supplement)

1 BY repealing and reenacting, with amendments,
2 Article – State Government
3 Section 8–201
4 Annotated Code of Maryland
5 (2021 Replacement Volume and 2024 Supplement)

6 BY adding to
7 Article – State Government
8 Section 9–4101 through ~~9–4106~~ 9–4107 to be under the new subtitle “Subtitle 41.
9 Maryland Department of Social Equity and Economic Mobility”
10 Annotated Code of Maryland
11 (2021 Replacement Volume and 2024 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article – State Government
14 Section 9–4111, 9–4112, and 9–4114
15 Annotated Code of Maryland
16 (2021 Replacement Volume and 2024 Supplement)
17 (As enacted by Section 3 of this Act)

18 BY repealing and reenacting, with amendments,
19 Article – Tax – General
20 Section 2–1302.2
21 Annotated Code of Maryland
22 (2022 Replacement Volume and 2024 Supplement)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
24 That Section(s) 1–309.1 of Article – Alcoholic Beverages and Cannabis of the Annotated
25 Code of Maryland be transferred to be Section(s) 9–4108 of Article – State Government of
26 the Annotated Code of Maryland.

27 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 1–309.2 of Article
28 – Alcoholic Beverages and Cannabis of the Annotated Code of Maryland be renumbered to
29 be Section(s) 1–309.1.

30 SECTION 3. AND BE IT FURTHER ENACTED, That Section(s) 9–301 through
31 9–303, 9–303.1, 9–303.2, 9–303.3, 9–304, 9–304.1, and 9–305 through 9–308 and the
32 subtitle “Subtitle 3. Office of Small, Minority, and Women Business Affairs” of Article –
33 State Government of the Annotated Code of Maryland be renumbered to be Section(s)
34 9–4111 through 9–4122, respectively, and the part “Part III. Office of Small, Minority, and
35 Women Business Affairs”.

36 SECTION 4. AND BE IT FURTHER ENACTED BY THE GENERAL ASSEMBLY
37 OF MARYLAND, That the Laws of Maryland read as follows:

38 Article – Alcoholic Beverages and Cannabis

1 36-1401.

2 (a) In this subtitle the following words have the meanings indicated.

3 (c) “Department” means the Department of Commerce.

4 (e) “Program” means the Capital Access Program established under this subtitle.

5 36-1406.

6 (d) The Department shall collaborate with the Office of Social Equity established
 7 under [§ 1-309.1 of this article] § 9-4108 OF THE STATE GOVERNMENT ARTICLE to
 8 identify and assist businesses with obtaining financing from the Program.

9 **Article – State Finance and Procurement**

10 6-226.

11 (a) (2) (i) 1. This subparagraph does not apply in fiscal years 2024
 12 through 2028.

13 2. Notwithstanding any other provision of law, and unless
 14 inconsistent with a federal law, grant agreement, or other federal requirement or with the
 15 terms of a gift or settlement agreement, net interest on all State money allocated by the
 16 State Treasurer under this section to special funds or accounts, and otherwise entitled to
 17 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
 18 Fund of the State.

19 (ii) The provisions of subparagraph (i) of this paragraph do not apply
 20 to the following funds:

21 204. the Victims of Domestic Violence Program Grant Fund;
 22 **[and]**

23 205. the Proposed Programs Collaborative Grant Fund; AND

24 **206. THE DEPARTMENT OF SOCIAL AND ECONOMIC**
 25 **MOBILITY SPECIAL FUND.**

26 14-305.

27 (b) (1) On or before December 31 of each year, the Governor’s Office of Small,
 28 Minority, and Women Business Affairs shall submit to the Board of Public Works and,
 29 subject to § 2-1257 of the State Government Article, to the Legislative Policy Committee
 30 and the Joint Committee on Fair Practices and State Personnel Oversight a report
 31 summarizing the information the Office receives under subsection (a) of this section.

- 1 (10) Housing and Community Development;
- 2 (11) Human Services;
- 3 (12) Information Technology;
- 4 (13) Juvenile Services;
- 5 (14) Labor;
- 6 (15) Natural Resources;
- 7 (16) Planning;
- 8 (17) Public Safety and Correctional Services;
- 9 (18) Service and Civic Innovation;
- 10 (19) **SOCIAL EQUITY AND ECONOMIC MOBILITY;**
- 11 **(20)** State Police;
- 12 **[(20)] (21)** Transportation; and
- 13 **[(21)] (22)** Veterans and Military Families.

14 **SUBTITLE 41. ~~MARYLAND~~ DEPARTMENT OF SOCIAL ~~EQUITY~~ AND ECONOMIC**
 15 **MOBILITY.**

16 **PART I. DEFINITIONS.**

17 **9-4101.**

18 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
 19 INDICATED.

20 (B) “DEPARTMENT” MEANS THE ~~MARYLAND~~ DEPARTMENT OF SOCIAL
 21 **EQUITY AND ECONOMIC MOBILITY.**

22 (C) “SECRETARY” MEANS THE SECRETARY OF SOCIAL ~~EQUITY~~ AND
 23 **ECONOMIC MOBILITY.**

24 (D) “UNIT OF STATE GOVERNMENT” OR “UNIT” MEANS AN AGENCY OR UNIT
 25 OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT.

26 **9-4101.1. RESERVED.**

1 **9-4101.2. RESERVED.**

2 **PART II. GENERAL PROVISIONS.**

3 **9-4102.**

4 (A) THERE IS A ~~MARYLAND~~ DEPARTMENT OF SOCIAL ~~EQUITY~~ AND
5 ECONOMIC MOBILITY, ESTABLISHED AS A PRINCIPAL DEPARTMENT OF THE STATE
6 GOVERNMENT.

7 (B) (1) THE HEAD OF THE DEPARTMENT IS THE SECRETARY OF SOCIAL
8 ~~EQUITY~~ AND ECONOMIC MOBILITY, WHO SHALL BE APPOINTED BY THE GOVERNOR
9 WITH THE ADVICE AND CONSENT OF THE SENATE.

10 (2) THE SECRETARY SERVES AT THE PLEASURE OF THE GOVERNOR.

11 (C) THE FOLLOWING UNITS ARE IN THE DEPARTMENT:

12 (1) THE OFFICE OF MINORITY BUSINESS ENTERPRISES;

13 (2) THE OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS
14 AFFAIRS; AND

15 (3) THE OFFICE OF SOCIAL EQUITY.

16 (D) THE DEPARTMENT SHALL EMPLOY STAFF TO CARRY OUT ITS DUTIES AS
17 PROVIDED IN THE STATE BUDGET.

18 **9-4103.**

19 (A) THE PURPOSE OF THE DEPARTMENT IS TO:

20 (1) PROVIDE SUPPORT FOR UNITS OF STATE GOVERNMENT,
21 INDIVIDUALS, AND BUSINESSES FOR THE MAINTENANCE OF SOCIAL EQUITY
22 POLICIES IN THE STATE;

23 (2) MONITOR TRENDS IN SOCIAL EQUITY PROGRAMS AND POLICIES
24 ACROSS THE NATION;

25 (3) PROPOSE NEW AND INNOVATIVE APPROACHES TO SOCIAL EQUITY
26 PROGRAMS;

27 (4) COMPILE AND PRODUCE REPORTS AND RECOMMENDATIONS
28 RELATED TO SOCIAL EQUITY; ~~AND~~

1 **(5) ENSURE THE FULFILLMENT OF THE ROLES AND**
2 **RESPONSIBILITIES OF THE ENTITIES AND SOCIAL EQUITY PROGRAMS IN THE STATE**
3 **FOR WHICH IT IS THE SUCCESSOR;**

4 **(6) TRACK THE PERFORMANCE OF SOCIAL EQUITY PROGRAMS AND**
5 **SMALL OR DISADVANTAGED BUSINESS ASSISTANCE PROGRAMS;**

6 **(7) PROMOTE AND ENCOURAGE FULL PARTICIPATION IN THE**
7 **REGULATED CANNABIS INDUSTRY BY INDIVIDUALS FROM COMMUNITIES THAT HAVE**
8 **PREVIOUSLY BEEN DISPROPORTIONATELY IMPACTED BY THE WAR ON DRUGS IN**
9 **ORDER TO POSITIVELY IMPACT THOSE COMMUNITIES AND OTHER DUTIES ASSIGNED**
10 **TO THE OFFICE OF SOCIAL EQUITY ESTABLISHED UNDER THIS SUBTITLE;**

11 **(8) SUPPORT SMALL OR DISADVANTAGED BUSINESSES IN THE STATE**
12 **THROUGH ALL DUTIES ASSIGNED TO THE GOVERNOR'S OFFICE OF SMALL,**
13 **MINORITY, AND WOMEN BUSINESS AFFAIRS; AND**

14 **(9) CARRY OUT THE DUTIES OF THE OFFICE OF MINORITY BUSINESS**
15 **ENTERPRISES WITHIN THE MARYLAND DEPARTMENT OF TRANSPORTATION,**
16 **INCLUDING DUTIES ASSIGNED TO SUPPORT SMALL OR DISADVANTAGED**
17 **BUSINESSES.**

18 **(B) THE DEPARTMENT SHALL:**

19 **(1) CONNECT A PERSON WITH PROGRAMS IN STATE, FEDERAL, AND**
20 **LOCAL GOVERNMENT THAT SERVE DESIGNATED POPULATIONS TO ENSURE THE**
21 **PERSON IS CONNECTED TO PROGRAMS AND OTHER OPPORTUNITIES THE PERSON IS**
22 **ELIGIBLE FOR;**

23 **(2) PROVIDE UNITS OF STATE GOVERNMENT WITH ASSISTANCE**
24 **RELATED TO THE PURPOSE OF THE DEPARTMENT BY:**

25 **(I) FACILITATING INFORMATION SHARING BETWEEN UNITS;**

26 **(II) MAINTAINING AN INVENTORY OF SOCIAL EQUITY WORK**
27 **PERFORMED BY EACH UNIT AND RELEVANT REPORTS FROM THOSE UNITS;**

28 **(III) CONDUCTING POLICY ANALYSES ON SOCIAL EQUITY AND**
29 **THE EFFECTIVENESS OF SOCIAL EQUITY PROGRAMS;**

30 **(IV) ADOPTING STANDARDS FOR UNITS TO PROMOTE SOCIAL**
31 **EQUITY; AND**

1 (V) PROVIDING TECHNICAL ASSISTANCE TO UNITS; AND

2 (3) ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE.

3 **9-4104.**

4 A UNIT OF STATE GOVERNMENT OTHER THAN THE DEPARTMENT SHALL:

5 (1) ENSURE THAT A PERSON THAT INTERACTS WITH THE UNIT'S
6 PROGRAM FOR DESIGNATED POPULATIONS IS CONNECTED WITH ALL STATE
7 PROGRAMS FOR WHICH THE PERSON MAY BE ELIGIBLE BY REFERRING THE PERSON
8 TO THE DEPARTMENT; AND

9 (2) UTILIZE STANDARDS SET BY THE DEPARTMENT RELATED TO
10 SOCIAL EQUITY.

11 **9-4105.**

12 ON OR BEFORE DECEMBER 1, 2026, AND EACH YEAR THEREAFTER, THE
13 DEPARTMENT SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH §
14 2-1257 OF THIS ARTICLE, THE GENERAL ASSEMBLY ON:

15 (1) THE WORK OF THE DEPARTMENT IN THE IMMEDIATELY
16 PRECEDING YEAR; AND

17 (2) RECOMMENDED CHANGES TO LAWS OR POLICIES TO PROMOTE
18 SOCIAL EQUITY.

19 **9-4106.**

20 (A) THE ATTORNEY GENERAL IS LEGAL ADVISER TO THE DEPARTMENT.

21 (B) THE ATTORNEY GENERAL SHALL ASSIGN TO THE DEPARTMENT THE
22 NUMBER OF ASSISTANT ATTORNEYS GENERAL AUTHORIZED BY LAW TO BE ASSIGNED
23 TO THE DEPARTMENT AND ANY ADDITIONAL ASSISTANT ATTORNEYS GENERAL
24 NECESSARY TO GIVE EFFECTIVE LEGAL ADVICE AND COUNSEL.

25 (C) THE ATTORNEY GENERAL ALSO SHALL DESIGNATE AN ASSISTANT
26 ATTORNEY GENERAL AS COUNSEL TO THE DEPARTMENT.

27 **9-4107.**

28 (A) IN THIS SECTION, "FUND" MEANS THE DEPARTMENT OF SOCIAL AND
29 ECONOMIC MOBILITY SPECIAL FUND.

1 (B) THERE IS A DEPARTMENT OF SOCIAL AND ECONOMIC MOBILITY
2 SPECIAL FUND.

3 (C) THE PURPOSE OF THE FUND IS TO PAY THE COSTS OF THE OPERATION
4 OF:

5 (1) THE OFFICE OF SOCIAL EQUITY; AND

6 (2) THE OFFICE OF MINORITY BUSINESS ENTERPRISES.

7 (D) THE DEPARTMENT SHALL ADMINISTER THE FUND.

8 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
9 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

10 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,
11 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

12 (F) (1) THE FUND CONSISTS OF:

13 (I) REVENUE DISTRIBUTED TO THE FUND UNDER § 2-1302.2 OF
14 THE TAX – GENERAL ARTICLE;

15 (II) MONEY APPROPRIATED IN THE STATE BUDGET TO THE
16 FUND;

17 (III) INTEREST EARNINGS OF THE FUND; AND

18 (IV) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED
19 FOR THE BENEFIT OF THE FUND.

20 (2) THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL
21 AN APPROPRIATION FROM THE TRANSPORTATION TRUST FUND TO THE FUND
22 EQUAL TO THE AMOUNT NECESSARY TO DEFRAY THE OPERATIONS AND
23 ADMINISTRATIVE EXPENSES OF THE OFFICE OF MINORITY BUSINESS
24 ENTERPRISES.

25 (G) THE FUND MAY BE USED ONLY FOR PAYING THE COSTS OF THE
26 OPERATION AND ADMINISTRATIVE EXPENSES OF:

27 (1) THE OFFICE OF SOCIAL EQUITY; AND

28 (2) THE OFFICE OF MINORITY BUSINESS ENTERPRISES.

1 **(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**
2 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

3 **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**
4 **THE FUND.**

5 **(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**
6 **WITH THE STATE BUDGET.**

7 **(J) MONEY EXPENDED FROM THE FUND FOR THE OFFICE OF SOCIAL**
8 **EQUITY OR THE OFFICE OF MINORITY BUSINESS ENTERPRISES IS SUPPLEMENTAL**
9 **TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE**
10 **WOULD BE APPROPRIATED FOR THE OFFICE OF SOCIAL EQUITY OR THE OFFICE OF**
11 **MINORITY BUSINESS ENTERPRISES.**

12 9-4108.

13 (a) [(1) There is an Office of Social Equity].

14 (2) The Office is an independent office that functions] within the
15 **[Maryland Cannabis Administration] DEPARTMENT.**

16 (b) (1) The Governor shall appoint an Executive Director of the Office of Social
17 Equity.

18 (2) The Executive Director of the Office of Social Equity shall have at least
19 5 years of experience in civil rights advocacy, civil rights litigation, or another area of social
20 justice.

21 (c) The Office of Social Equity may employ staff and retain contractors as may be
22 required to carry out the functions of the Office.

23 (d) The Office of Social Equity shall:

24 (1) promote and encourage full participation in the regulated cannabis
25 industry by people from communities that have previously been disproportionately
26 impacted by the war on drugs in order to positively impact those communities;

27 (2) consult with and assist the Comptroller in the administration of the
28 Community Reinvestment and Repair Fund under § 1-322 of [this subtitle] THE
29 **ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE;**

30 (3) consult with and assist the Department of Commerce in the
31 administration of the Cannabis Business Assistance Fund under § 5-1901 of the Economic
32 Development Article;

1 (4) identify and oppose regulations that unnecessarily burden or
2 undermine the legislative intent of the Office, including regulations that impose undue
3 restrictions or financial requirements;

4 (5) provide recommendations to the Maryland Cannabis Administration on
5 regulations related to:

6 (i) diversity; and

7 (ii) social equity applications;

8 (6) work with the Maryland Cannabis Administration to implement free
9 technical assistance for social equity and minority cannabis business applicants;

10 (7) produce reports and recommendations on diversity and equity in
11 ownership, management, and employment in the legal cannabis economy; and

12 (8) assist businesses with obtaining financing through the Capital Access
13 Program under Title 36, Subtitle 14 of [this article] **THE ALCOHOLIC BEVERAGES AND**
14 **CANNABIS ARTICLE.**

15 (e) (1) On or before March 1 each year, the Office of Social Equity shall produce
16 and make publicly available a report on how the funds in the Community Reinvestment
17 and Repair Fund under § 1–322 of [this subtitle] **THE ALCOHOLIC BEVERAGES AND**
18 **CANNABIS ARTICLE** were allocated during the immediately preceding calendar year.

19 (2) The report shall also be submitted to the General Assembly in
20 accordance with § 2–1257 of [the State Government Article] **THIS ARTICLE.**

21 (3) The Office may request information from political subdivisions and
22 entities receiving distributions from the Fund to assist with the completion of the report.

23 (f) (1) On or before November 1 every 2 years, beginning in 2024, the Office of
24 Social Equity shall solicit public input on the uses of the funds in the Community
25 Reinvestment and Repair Fund under § 1–322 of [this subtitle] **THE ALCOHOLIC**
26 **BEVERAGES AND CANNABIS ARTICLE.**

27 (2) On or before December 15 every 2 years, beginning in 2024, the Office
28 of Social Equity shall publish a review of the input received under paragraph (1) of this
29 subsection on a publicly accessible part of the Office’s website.

30 (3) The Office shall include in the review information on how the funds
31 received from the Fund were spent during the immediately preceding 2 calendar years.

32 **9–4109. RESERVED.**

1 9-4110. **RESERVED.**

2 Part III. Office of Small, Minority, and Women Business Affairs.

3 9-4111.

4 (a) In this [subtitle] PART the following words have the meanings indicated.

5 (b) “Interdepartmental Committee” means the Interdepartmental Advisory
6 Committee on Small, Minority, and Women Business Affairs.

7 (c) (1) “Minority person” means:

8 (i) an individual who has been deprived of the opportunity to
9 develop and keep a competitive position in the economy because of a social or economic
10 disadvantage that arises from cultural, racial, or other similar causes; or

11 (ii) a sheltered workshop for individuals with disabilities.

12 (2) “Minority person” includes:

13 (i) an Aleut;

14 (ii) an American Indian;

15 (iii) a Black;

16 (iv) an Eskimo;

17 (v) a Hispanic;

18 (vi) an Oriental;

19 (vii) a Puerto Rican; or

20 (viii) a woman.

21 (d) “Office” means the Office of Small, Minority, and Women Business Affairs.

22 (e) “Special Secretary” means the Special Secretary for the Office of Small,
23 Minority, and Women Business Affairs.

24 9-4112.

25 There is an Office of Small, Minority, and Women Business Affairs in the [Executive]
26 Department.

1 9-4114.

2 (a) There is an Interdepartmental Advisory Committee on Small, Minority, and
3 Women Business Affairs.

4 (b) The Interdepartmental Committee is composed of:

5 (1) the secretary of each principal department of the Executive Branch of
6 government, or the secretary's designee;

7 (2) the State Superintendent of Schools, or the Superintendent's designee;

8 (3) the Secretary of Higher Education, or the Secretary's designee; and

9 (4) the Special Secretary.

10 (c) The Interdepartmental Committee shall:

11 (1) advise the Special Secretary on proposals to implement and enhance
12 the duties of the Office, including the promotion of employment of minority persons in the
13 State, and the promotion of the growth and participation of minority business enterprises
14 in the State;

15 (2) gather such information the Committee deems necessary to promote
16 the goals of the Office;

17 (3) provide such other assistance as may be required to further the
18 purposes of [§§ 9-304 and 9-305] §§ 9-4117 AND 9-4119 of this subtitle; and

19 (4) meet at the call of the Special Secretary.

20 Article - Tax - General

21 2-1302.2.

22 After making the distributions required under §§ 2-1301 through 2-1302.1 of this
23 subtitle, of the sales and use tax collected under § 11-104(k) of this article from the sale of
24 cannabis, as defined in § 1-101 of the Alcoholic Beverages and Cannabis Article, the
25 Comptroller quarterly shall distribute:

26 (1) to the Cannabis Regulation and Enforcement Fund, established under
27 § 36-206 of the Alcoholic Beverages and Cannabis Article, an amount necessary to defray
28 the entire cost of the operations and administrative expenses of the Maryland Cannabis
29 Administration established under Title 36 of the Alcoholic Beverages and Cannabis Article;

30 (2) TO THE DEPARTMENT OF SOCIAL AND ECONOMIC MOBILITY
31 SPECIAL FUND, ESTABLISHED UNDER § 9-4107 OF THE STATE GOVERNMENT

ARTICLE, AN AMOUNT NECESSARY TO DEFRAY THE OPERATIONS AND ADMINISTRATIVE EXPENSES OF THE OFFICE OF SOCIAL EQUITY WITHIN THE DEPARTMENT OF SOCIAL AND ECONOMIC MOBILITY;

(3) after making the distribution required under [item (1)] ITEMS (1) AND (2) of this section:

(i) 35% to the Community Reinvestment and Repair Fund under § 1–322 of the Alcoholic Beverages and Cannabis Article for fiscal years 2024 through 2033;

(ii) 5% to counties, which shall be allocated to each county based on the percentage of revenue collected from that county, except that a county shall distribute to a municipality located in the county 50% of the allocation received under this item that is attributable to the sales and use tax revenue generated by a dispensary located in that municipality;

(iii) 5% to the Cannabis Public Health Fund established under § 13–4505 of the Health – General Article; and

(iv) for fiscal years 2024 through 2028, 5% to the Cannabis Business Assistance Fund established under § 5–1901 of the Economic Development Article; and

[(3)] (4) any balance remaining after the distributions required under items (1) [and], (2), AND (3) of this section to the General Fund of the State.

SECTION ~~2~~ 5. AND BE IT FURTHER ENACTED, That:

(a) In regard to the operation of social equity programs by the State, the ~~Maryland~~ Department of Social ~~Equity~~ and Economic Mobility is the successor of:

(1) the Governor’s Office of Small, Minority, and ~~Women-Owned~~ Women Business Affairs;

(2) the Office of Social Equity in the Maryland Cannabis Administration;
and

(3) the Office of Minority Business Enterprises in the Maryland Department of Transportation.

(b) When determining how and when to transfer personnel from the Governor’s Office of Small, Minority, and ~~Women-Owned~~ Women Business Affairs, the Office of Social Equity in the Maryland Cannabis Administration, and the Office of Minority Business Enterprises in the Maryland Department of Transportation to the Maryland Department of Social Equity, the Governor and the Department of Budget and Management shall minimize costs to the State and maximize the efficient operation of social equity programs.

1 (c) In every law, executive order, rule, regulation, policy, or document created by
2 an official, an employee, or a unit of this State, the names and titles of those agencies and
3 officials mean the names and titles of the successor agency or official for matters regarding
4 the operation of social equity programs by the State.

5 SECTION ~~2~~ 6. AND BE IT FURTHER ENACTED, That, as of the effective date of
6 this Act, an individual who is a merit employee or contract staff in a budgeted position of
7 the Governor's Office of Small, Minority, and ~~Women-Owned Women~~ Women Business Affairs, the
8 Office of Social Equity in the Maryland Cannabis Administration, or the Office of Minority
9 Business Enterprises in the Maryland Department of Transportation and whose position
10 is transferred to the ~~Maryland~~ Department of Social ~~Equity~~ Equity and Economic Mobility ~~to~~
11 ~~oversee the regulation of cannabis~~ shall be transferred without any change to, or loss of,
12 the individual's rights, pay, working conditions, benefits, or status, and shall retain the
13 individual's merit system status and retirement system status.

14 SECTION ~~4~~ 7. AND BE IT FURTHER ENACTED, That, notwithstanding any other
15 provision of law, the Governor may transfer to the ~~Maryland~~ Department of Social ~~Equity~~
16 and Economic Mobility positions, associated funds, and unexpended appropriations under
17 applicable budget codes that were included in the fiscal year 2026 State budget as enacted
18 by Chapter ____ (S.B. 319) (H.B. 350) of the Acts of the General Assembly of 2025.

19 SECTION ~~5~~ 8. AND BE IT FURTHER ENACTED, That, on or before July 1, 2026,
20 the ~~Maryland~~ Department of Social ~~Equity~~ Equity and Economic Mobility shall submit a report to
21 the Governor and, in accordance with § 2-1257 of the State Government Article, the
22 General Assembly that:

23 (1) identifies all State programs and units dedicated to social equity or that
24 have a social equity component; and

25 (2) makes recommendations regarding how State programs and units can
26 be reorganized, coordinated, or otherwise made more effective and more efficient to promote
27 social equity.

28 SECTION 9. AND BE IT FURTHER ENACTED, That the publisher of the
29 Annotated Code of Maryland, in consultation with and subject to the approval of the
30 Department of Legislative Services, shall correct, with no further action required by the
31 General Assembly, cross-references and terminology rendered incorrect by this Act. The
32 publisher shall adequately describe any correction that is made in an editor's note following
33 the section affected.

34 SECTION ~~6~~ 10. AND BE IT FURTHER ENACTED, That this Act shall take effect
35 October 1, 2025.