

SENATE BILL 217

A3, P1

(PRE-FILED)

6lr1545

CF 6lr1863

By: Senator M. Washington

Requested: October 31, 2025

Introduced and read first time: January 14, 2026

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Community Reinvestment and Repair Fund – Alterations**

3 FOR the purpose of altering the purpose of the Community Reinvestment and Repair Fund;
4 requiring the Comptroller to administer the Fund at the direction of the Office of
5 Social Equity; altering requirements for a certain county plan for the distribution of
6 funds from the Fund; requiring a county to consult with the Office to make any
7 adjustments to the county plan; altering the requirements for a certain report on the
8 Fund; requiring the Comptroller, in consultation with the Office, to ensure
9 compliance with provisions of law governing the Fund; altering certain uses of the
10 money distributed from the Fund by a county; and generally relating to the
11 Community Reinvestment and Repair Fund.

12 BY repealing and reenacting, with amendments,
13 Article – Alcoholic Beverages and Cannabis
14 Section 1–3A–01 and 1–3A–03
15 Annotated Code of Maryland
16 (2024 Replacement Volume and 2025 Supplement)

17 BY repealing and reenacting, without amendments,
18 Article – Alcoholic Beverages and Cannabis
19 Section 1–3A–02(b)
20 Annotated Code of Maryland
21 (2024 Replacement Volume and 2025 Supplement)

22 BY adding to
23 Article – Alcoholic Beverages and Cannabis
24 Section 1–3A–04
25 Annotated Code of Maryland
26 (2024 Replacement Volume and 2025 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,
2 Article – State Government
3 Section 9–4108
4 Annotated Code of Maryland
5 (2021 Replacement Volume and 2025 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 1–3A–01.

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

11 (b) “Executive Director” means the Executive Director of the Office of Social
12 Equity.

13 (c) “Fund” means the Community Reinvestment and Repair Fund.

14 (d) “Office” means the Office of Social Equity **ESTABLISHED UNDER § 9–4108**
15 **OF THE STATE GOVERNMENT ARTICLE.**

16 1–3A–02.

17 (b) The General Assembly therefore finds that the public interest is served by:

18 (1) acknowledging and repairing the causes and consequences of
19 disparities in arrests and imprisonment in prosecutions of cannabis–related offenses
20 among specific populations and geographic regions;

21 (2) developing, among existing members of communities that have been
22 disproportionately and negatively impacted, the capacity to ascertain and address the
23 social and economic determinants that are fundamental to reducing the impact of
24 longstanding inequities and improving economic, educational, and health outcomes; and

25 (3) being consistent with social equity principles and governance by
26 allocating a significant portion of tax revenue from the adult–use cannabis market to the
27 Community Reinvestment and Repair Fund for distribution to local jurisdictions to be
28 administered by the local jurisdictions.

29 1–3A–03.

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

31 (2) The purpose of the Fund is:

5 (II) TO SERVE THE PUBLIC INTEREST STATED UNDER §
6 1-3A-02(B) OF THIS SUBTITLE.

(4) (i) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.

13 (5) The Fund consists of:

14 (i) sales and use tax revenue distributed to the Fund under §
15 2-1302.2 of the Tax – General Article;

16 (ii) conversion fees paid by businesses under § 36–403 of this article;
17 and

18 (iii) any other money from any other source accepted for the benefit
19 of the Fund, in accordance with any conditions adopted by the Comptroller for the
20 acceptance of donations or gifts to the Fund.

21 (6) (i) The Fund [may] SHALL be used only [for:

24 A. behavioral health crisis response services;

25 B. education and after-school programs;

26 C. truancy and absenteeism intervention programs;

27 D. housing and homelessness prevention initiatives;

28 E. transportation improvements in high-density areas that
29 have public transportation;

30 F. job training and workforce development programs;

G. community child care and recreational services; and

H. programs that benefit individuals and families impacted

by incarceration;

9 (ii) Money may not be expended from the Fund for law enforcement
10 agencies or activities.

16 (ii) Any interest earnings of the Fund shall be credited to the
17 General Fund of the State.

18 (8) No part of the Fund may revert or be credited to:

(i) the General Fund of the State; or

(ii) any other special fund of the State.

21 (9) The Comptroller shall pay out money from

(10) The Fund is subject to audit by the Office of Legal Affairs.

23 provided for in § 2-1220 of the State Government Article.

25 Office, the Comptroller shall distribute funds from the Fund to each county in an amount
26 that, for the period from July 1, 2002, to January 1, 2023, both inclusive, is proportionate
27 to the total number of cannabis possession charges in the county compared to the total
28 number of cannabis possession charges in the State.

29 (2) For any distribution of funds to a county under paragraph (1) of this
30 subsection, the county shall hold the funds separately from other revenue and general
31 funds.

4 (c) (1) IN THIS SUBSECTION, "STAKEHOLDER" MEANS:

5 (I) AN INDIVIDUAL WHO RESIDES IN OR REPRESENTS A
6 COMMUNITY IDENTIFIED BY THE OFFICE AS HAVING BEEN DISPROPORTIONATELY
7 IMPACTED BY CANNABIS ENFORCEMENT;

11 (III) ANY OTHER INDIVIDUAL OR COMMUNITY-BASED
12 ORGANIZATION THAT HAS A DEMONSTRATED EXPERIENCE OR EXPERTISE IN
13 ADDRESSING THE SOCIAL, ECONOMIC, OR HEALTH HARMS CAUSED BY CANNABIS
14 CRIMINALIZATION.

19 (i) established before distributing funds under this section;

20 (ii) developed in consultation with stakeholders; [and]

22 (IV) MADE PUBLICLY AVAILABLE.

(4) A COUNTY PLAN UNDER THIS SUBSECTION SHALL;

24 (I) IDENTIFY THE GEOGRAPHIC AREAS AND POPULATIONS
25 WITHIN THE COUNTY DETERMINED TO HAVE BEEN MOST IMPACTED BY THE
26 DISPROPORTIONATE ENFORCEMENT OF CANNABIS LAWS; AND

3 [(3)] (6) On or before October 1, 2025, the Office shall adopt regulations
4 to carry out this section.

5 (d) On or before October 1, 2026, and each October 1 thereafter, each county shall
6 submit a report to the Office [on] **THAT INCLUDES:**

(1) the amount of funds received from the Fund under subsection (b)(1) of this section;

11 (3) the methods used by the county to solicit, review, and select
12 [organizations] ENTITIES that may be eligible for funding under this section; [and]

13 (4) THE administrative expenses related to the county's administration
14 and distribution of the funds received under subsection (b)(1) of this section; AND

15 (5) DATA ON THE POPULATIONS SERVED AND SERVICES PROVIDED.

16 (E) THE COMPTROLLER, IN CONSULTATION WITH THE OFFICE, SHALL
17 ENSURE COMPLIANCE WITH THIS SUBTITLE.

18 1-3A-04.

19 **(A) MONEY DISTRIBUTED FROM THE FUND UNDER § 1-3A-03(B) OF THIS**
20 **SUBTITLE SHALL BE USED BY A COUNTY TO FUND:**

① BEHAVIORAL HEALTH CRISIS RESPONSE SERVICES:

27 (D) EDUCATION AND AFTER-SCHOOL PROGRAMS:

(III) TRUANCY AND ABSENTEEISM INTERVENTION PROGRAMS:

(iv) HOUSING AND HOMELESSNESS PREVENTION INITIATIVES;

2 (v) TRANSPORTATION IMPROVEMENTS IN HIGH-DENSITY
3 AREAS THAT HAVE PUBLIC TRANSPORTATION;

4 (VI) JOB TRAINING AND WORKFORCE DEVELOPMENT 5 PROGRAMS;

(vii) COMMUNITY CHILD CARE AND RECREATIONAL SERVICES;

7 AND

10 (3) COMMUNITY-BASED INITIATIVES THAT SERVE
11 DISPROPORTIONATELY IMPACTED AREAS, AS DEFINED IN § 36-101 OF THIS
12 ARTICLE; AND

16 (B) MONEY MAY NOT BE EXPENDED FROM THE FUND FOR LAW
17 ENFORCEMENT AGENCIES OR ACTIVITIES.

18 (C) MONEY EXPENDED FROM THE FUND SHALL BE SUPPLEMENTAL TO AND
19 MAY NOT SUPPLANT FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR
20 PREEXISTING LOCAL GOVERNMENT PROGRAMS.

Article – State Government

22 9-4108.

23 (a) There is an Office of Social Equity within the Department.

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

(d) The Office of Social Equity shall:

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

5 (2) [With the assistance of the Comptroller, oversee] **DIRECT THE**
6 **ADMINISTRATION OF** the Community Reinvestment and Repair Fund under § 1–3A–03 of
7 the Alcoholic Beverages and Cannabis Article;

14 (5) oversee the appropriation of funds and the training of recipients of
15 funds from the Community Reinvestment and Repair Fund under § 1-3A-03 of the
16 Alcoholic Beverages and Cannabis Article;

17 (6) provide recommendations to the Maryland Cannabis Administration on
18 regulations related to:

19 (i) diversity; and

20 (ii) social equity applications;

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

23 (8) produce reports and recommendations on diversity and equity in
24 ownership, management, and employment in the legal cannabis economy; and

25 (9) assist businesses with obtaining financing through the Capital Access
26 Program under Title 36, Subtitle 14 of the Alcoholic Beverages and Cannabis Article.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 2026.