

# SENATE BILL 732

A3

6lr2065

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By: Senator M. Washington

Introduced and read first time: February 6, 2026

Assigned to: Finance

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## A BILL ENTITLED

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 requiring the Comptroller to distribute funds allocated to Baltimore  
5 City from the Community Reinvestment and Repair Fund to the Baltimore City  
6 Comptroller; requiring the Baltimore City Comptroller to administer and distribute  
7 the funds to a special fund established by the Baltimore City Comptroller, subject to  
8 certain requirements and limitations; providing that the special fund is subject to  
9 audit by the Office of Legislative Audits; and generally relating to the Community  
10 Reinvestment and Repair Fund and the distribution and use of funds for Baltimore  
11 City.

12 BY repealing and reenacting, without amendments,  
13 Article – Alcoholic Beverages and Cannabis  
14 Section 1–3A–01  
15 Annotated Code of Maryland  
16 (2024 Replacement Volume and 2025 Supplement)

17 BY repealing and reenacting, with amendments,  
18 Article – Alcoholic Beverages and Cannabis  
19 Section 1–3A–03  
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)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Alcoholic Beverages and Cannabis**

4 1–3A–01.

- 5 (a) In this subtitle the following words have the meanings indicated.
- 6 (b) “Executive Director” means the Executive Director of the Office of Social  
7 Equity.
- 8 (c) “Fund” means the Community Reinvestment and Repair Fund.
- 9 (d) “Office” means the Office of Social Equity.

10 1–3A–03.

- 11 (a) (1) There is a Community Reinvestment and Repair Fund.
  - 12 (2) The purpose of the Fund is to provide funds to community-based  
13 organizations that serve communities determined by the Office, in consultation with the  
14 Office of the Attorney General, to have been the most impacted by disproportionate  
15 enforcement of the cannabis prohibition before July 1, 2022.
  - 16 (3) The Comptroller shall administer the Fund.
  - 17 (4) (i) The Fund is a special, nonlapsing fund that is not subject to §  
18 7–302 of the State Finance and Procurement Article.
    - 19 (ii) The State Treasurer shall hold the Fund separately, and the  
20 Comptroller shall account for the Fund.
  - 21 (5) The Fund consists of:
    - 22 (i) sales and use tax revenue distributed to the Fund under §  
23 2–1302.2 of the Tax – General Article;
    - 24 (ii) conversion fees paid by businesses under § 36–403 of this article;  
25 and
    - 26 (iii) any other money from any other source accepted for the benefit  
27 of the Fund, in accordance with any conditions adopted by the Comptroller for the  
28 acceptance of donations or gifts to the Fund.
  - 29 (6) (i) The Fund may be used only for:

#### **B. education and after-school programs;**

### 5 C. truancy and absenteeism intervention programs;

#### 6 D. housing and homelessness prevention initiatives;

E. transportation improvements in high-density areas that

<sup>17</sup> Job training and workforce development programs,

11 H. programs that benefit individuals and families impacted

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

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

28 (i) the General Fund of the State; or

29 (ii) any other special fund of the State.

(9) The Comptroller shall pay out money from the Fund.

(10) The Fund is subject to audit by the Office of Legislative Audits as provided for in § 2-1220 of the State Government Article.

4 (b) (1) **(I) [Based] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF**  
5 **THIS PARAGRAPH, BASED** on the percentage allocable to each county determined by the  
6 Office, the Comptroller shall distribute funds from the Fund to each county in an amount  
7 that, for the period from July 1, 2002, to January 1, 2023, both inclusive, is proportionate  
8 to the total number of cannabis possession charges in the county compared to the total  
9 number of cannabis possession charges in the State.

14 (2) For any distribution of funds [to a county] under paragraph (1) of this  
15 subsection[.]:

24 (c) (1) The Office shall require each county, **OTHER THAN BALTIMORE CITY,**  
25 **AND THE BALTIMORE CITY COMPTROLLER** to develop a plan for the distribution of  
26 funds to community-based organizations for use in accordance with this section.

27 (2) The plan developed by a county AND THE BALTIMORE CITY  
28 COMPTROLLER shall be:

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

30 (ii) developed in consultation with stakeholders; and

31 (iii) the subject of a public hearing before finalizing the plan.

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

3 (d) On or before October 1, 2026, and each October 1 thereafter, each county,  
4 **OTHER THAN BALTIMORE CITY, AND THE BALTIMORE CITY COMPTROLLER** shall  
5 submit a report to the Office on:

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

(2) the organizations that received funding from the county **OR THE**  
**BALTIMORE CITY COMPTROLLER** under this section;

16 1-3A-04.

17 (A) IN ADDITION TO THE REQUIREMENTS UNDER § 1-3A-03 OF THIS  
18 SUBTITLE, THE BALTIMORE CITY COMPTROLLER SHALL:

25 (B) THE SPECIAL ACCOUNT ESTABLISHED UNDER SUBSECTION (A)(1) OF  
26 THIS SECTION IS SUBJECT TO AUDIT BY THE OFFICE OF LEGISLATIVE AUDITS AS  
27 PROVIDED FOR IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE

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