

SB0622 Testimony.pdf

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Position: FAV



THE SENATE OF MARYLAND
Annapolis, Maryland 21401

Testimony of Senator Jill P. Carter
In Favor of SB0622 – Community Reinvestment and Repair Fund -
Funding (Maryland Reparations Act of 2024)
Before the Budget and Taxation Committee
On February 14th 2024

Mr. Chairman, Vice Chair, and Members of the Committee:

Senate Bill 0622 requires that a certain amount of revenue be used from the State individual income tax and Maryland estate tax to be distributed to the Community Reinvestment and Repair Fund. The Community Reinvestment and Repair Fund is a new fund to support communities of color that have been disproportionately affected by prior cannabis prohibition enforcement. The bill would increase the sales and use tax for cannabis from 9% to 14%.

Currently in Maryland the state charges 9% sales tax on recreational cannabis. By law, 35% of the proceeds are allocated to the Community Reinvestment and Repair Fund. In states like New York and Oregon, the sales tax on cannabis is between 13% and 17% to help support local services. Due to Maryland's small sales tax in comparison to other states, only 5% of state cannabis tax goes to local governments. This equates to only 45 cents for a single purchase of 100 dollars worth of cannabis which is the smallest amount in the nation.

This bill would open up more revenue specifically from income and estate tax, to increase the Community Reinvestment and Repair Fund. Out of all the counties in Maryland, Baltimore City has the highest proportion of cannabis charges in the last two decades. Since the 1970's, black individuals have been disproportionately targeted and arrested for drug possession, and the story still remains the same today. Back in 2019 a report found that 94% of 675 citations made were given to black people and in predominantly black neighborhoods.

Increasing cannabis sales tax and revenue from state income and estate tax, will ensure the restoration of communities like Baltimore city that have been harmed by the war on drugs. Thousands of communities need direct compensation to help bring more resources and opportunities.

As such I urge this committee to issue a favorable report on SB0622. Thank you for your time.

Sincerely,

Senator Jill P. Carter

SB 622 - Maryland Reparations Act of 2024.pdf

Uploaded by: Ken Phelps Jr

Position: FAV



TESTIMONY IN SUPPORT OF SB 622

**Community Reinvestment and Repair Fund - Funding (Maryland Reparations
Act of 2024)**

****FAVORABLE****

TO: Sen. Guy Guzzone, Chair; Sen. Jim Rosapepe, Vice Chair; and the members
of the Senate Budget and Taxation Committee

FROM: Rev. Kenneth Phelps, Jr., Co-Director, Maryland Episcopal Public Policy
Network; Episcopal Diocese of Maryland

DATE: February 14, 2024

The Right Reverend James Kemp, Second Bishop of Maryland (1816 – 1827) once said: “When any country, and particularly a young one, finds that men whose principles are unfriendly to their peace and happiness are flooding in upon them, they may with much propriety declare that such men shall be placed under certain limitations and restrictions. But to do this and then to suffer their own citizens to steal said men from their own country cannot be defended on any principle. Further to extend slavery to unborn children is a thing for which I do not know even the shadow of reason.”

And, to quote our current Bishop, Eugene Taylor Sutton: “People in the United States, in the Episcopal Church and in the Diocese of Maryland have inherited our share of breaches and broken places, especially with our legacy of slavery. For generations the bodies of black and brown people did not belong to themselves, but were bred, used, and sold for the purpose of attaining wealth. Not only did our nation prosper under this evil institution, but our Episcopal Church profited as well.”

However, as Jesus teaches us, a structure with a broken foundation cannot hope to stand. The subject of reparations is mired in emotion; it is often mischaracterized and certainly largely misunderstood. It is a complex issue that involves economic, political, and sociological dimensions that are difficult to grasp without a willingness to engage more deeply than having a quick emotional response to the word. The issue highlights the racial divide among us, creates varying levels of resentment and suspicion, and accentuates a pain that has long plagued our country since its founding.



Reparations, at its base, means to repair that which has been broken. It is not just about monetary compensation. An act of reparation is the attempt to make whole again, and/or to restore; to offer atonement; to make amends; to reconcile for a wrong or injury.

And isn't that our collective work in this broken world?

And our own to this vision will require honest reflection and a holy devotion to reconciliation. Forgiveness alone is but one step in the long journey to reconcile our past with the present. We need to repair the broken places and wounds that we have all inherited from centuries of the degrading treatment of our fellow human beings.

While the history of slavery is widely understood in the U.S., the continuing impact of its legacy is less understood. The symptoms and wounds of that old sin continue to poison our society and threaten the health of the Body of Christ of which we are all a part. After the hard-fought abolition of slavery, there was a fateful denial in our nation of reparations for freed African American people for their centuries of undeserved bondage, even though in many instances white plantation owners received reparations in the form of compensation for the losses they incurred from the Civil War and the end of slavery. Racism and greed fueled that basic injustice, and those attitudes have poisoned race relations ever since. From the implementation of Jim Crow laws, lynching, segregation, redlining, job discrimination and unequal funding for majority African American school districts, to our own segregated church demographics, we see that we have not fully reckoned with our past. We are not yet fully a community or a nation of love.

It is time for all of us to understand how power gained by force and wielded unevenly impacts African Americans in this country. We can all celebrate the tremendous strides that have been made in racial attitudes in our nation, and we are very proud of the accomplishments of many individuals who have overcome great odds to achieve success. But for the millions of descendants of American slaves who are trapped in a pernicious cycle of hopelessness, poverty and rage due to their real experience of racial segregation, redlining, inferior schools and the like, the widespread assumption that everyone can pull themselves up by their own bootstraps is a long way from being accurate.

They know that the odds are against them on so many fronts: they cannot change their environment, and they cannot change the color of their dark skin. All of these



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factors have played into creating a lack of power for brown and black people. This lack is a social problem: it goes beyond an individual's character and will. It is time for all of us to move towards a place of acceptance of humans who want the same things we do, but who have not been found to be worthy of those desires by the dominant society.

The time to act is now. It will take courage and vision. But we firmly believe that true reconciliation and peace can only be achieved by repairing what has been broken.

The Diocese of Maryland requests a Favorable report

SB0622 -- Community Reinvestment and Repair Fund -

Uploaded by: Brian Levine

Position: UNF



SB 622 -- *Community Reinvestment and Repair Fund - Funding (Maryland Reparations Act of 2024)*
Senate Budget and Taxation Committee
February 14, 2024
Oppose

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, opposes Senate Bill 622 -- *Community Reinvestment and Repair Fund - Funding (Maryland Reparations Act of 2024)*.

Senate Bill 622 increases income taxes, the estate tax, and imposes a tax on capital gains. The proceeds of these higher taxes would benefit the Community Reinvestment and Repair Fund, which is a fund that supports communities disproportionately affected by prior cannabis prohibition enforcement. The Fund is currently funded by a 9 percent state sales tax on adult-use cannabis.

While MCCC appreciates the disproportionate impact on communities affected by cannabis enforcement prior to the legalization of adult use cannabis, we are concerned about the overwhelming nature of tax increases proposed in Senate Bill 622. This bill proposes an uncompetitive capital gains tax on Marylanders even though other states do not levy such a tax. Additionally, this bill proposes to increase income taxes dramatically despite Maryland already being a high income tax state. Significant tax increases such as those proposed in Senate Bill 622 will harm Maryland's competitiveness and make it more expensive for small businesses to be in the State.

For these reasons, the Montgomery County Chamber of Commerce opposes Senate Bill 622 and respectfully requests an unfavorable report.

The Montgomery County Chamber of Commerce, on behalf of our nearly 500 members, advocates for growth in business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and a proud Montgomery County Green Certified Business.

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SB 622 - MD Reparations Act of 2024 -UNF- REALTORS

Uploaded by: Christa McGee

Position: UNF



Senate Bill 622 – Community Reinvestment and Repair Fund – Funding (Maryland Reparations Act of 2024)

Position: Oppose

Maryland REALTORS® opposes SB 622, which lowers the estate tax exemption limit from \$5,000,000 to \$1,000,000 and would increase the amount of state income tax imposed on Maryland residents at a time when many are considering leaving the state due to its unaffordability.

Many aging seniors and individuals with families view the equity associated with the value of their home as their sole investment to pass onto future generations within their family. Maryland's \$5,000,000 current estate tax exemption is already lower than the amount exempted by the federal government. Additionally, as property values have increased while the limits have remained the same, more Marylanders have become subjected to the estate tax each year. SB 622 would significantly lower this threshold even further and subject even more Marylanders to the estate tax. As more Maryland residents approach the threshold that would trigger the imposition of the Maryland estate tax the more it is likely that these individuals would relocate to another state. Maryland REALTORS® are concerned with the unintended consequences that would result from a shrinking tax base due to higher earning residents leaving Maryland.

Rather than lowering the thresholds associated with the estate tax exemption and increasing income taxes among residents as proposed in SB 622, Maryland should prioritize sources of funding and tax incentives that make Maryland more competitive with surrounding states.

For these reasons, Maryland REALTORS® recommend an unfavorable report.

**For more information contact lisa.may@mdrealtor.org or
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