



Letter of Information

Senate Bill 894 – Office of Social Equity - Community Reinvestment and Repair Fund - Advisory Board and Modifications
Finance Committee
March 6, 2025

We thank Senator Mary Washington for introducing SB894 with the goal in mind to strengthen oversight of counties for the use of the Cannabis Reinvestment and Repair Fund (CRRF). With the passage of this bill and its sponsor amendments, the role of the Comptroller's Office in distributing the funds remains unchanged from current law. The Comptroller's role in the CRRF is limited to making distributions from the CRRF to the counties according to the percentages reported by OSE as per ABC § 1-322(b)(1).

This letter is to offer some clarifying amendments to ensure the Comptroller's role is aligned with the intent of the bill. The **funds distributed from the CRRF** (the Fund) to the counties are subject to the oversight of the new CRR Advisory Board, subject to the use to funds provisions in ABC 1-3A-04, etc. The only acceptable use of the funds remaining in the CRRF after following the distributions detailed in Subtitle 13 of the Tax-General Article is to distribute those remaining funds to the counties. We feel it is beneficial to distinguish references to the funds when they are the responsibility of the Comptroller's Office from instances where the funds are the responsibility of the counties. ***As such, there are a number of places in SB894 where the language currently referring to the Fund should be clarified to say "the funds distributed to the counties from the Fund."***

We attached the specific locations of these amendments to this testimony. Once again, we thank you for allowing us to provide input on this bill. If you have any questions, please do not hesitate to contact State Affairs Director Matthew Dudzic at MDudzic@marylandtaxes.gov.



Accordingly, The Comptroller's Office is recommending the following amendments:

Page 2, lines 23-25 This section describes what is required of the OSE. The OSE doesn't have any direct responsibility with regard to funds when they are in the CRRF. Their responsibility kicks in after the funds have been distributed to the counties. We recommend either striking (d)(2) altogether or replacing it with a more accurate description, such as their role in providing staffing and administrative support for the Advisory Board.

Page 3, line 2 change "from the Community Reinvestment and Repair Fund" to "distributed to the counties from the Fund."

(5) Oversee:

(i) the counties' use and appropriation of funds distributed by the Comptroller from the Community Reinvestment and Repair Fund under § 1-3A-04(6); and

(ii) the training of the recipients of funds appropriated by the counties from the counties under § 1-3A-04(6)(i).

Page 5, lines 19-20 change "the Community Reinvestment and Repair Fund" to "funds distributed to the counties from the Community Reinvestment and Repair Fund".

Page 5, line 21, change "Fund's expenditures..." with "Counties' expenditures of funds from the Fund..."

Page 7 line 5, Change this to reflect that the purpose of the Fund is **to provide funding to the counties** to provide funds to community-based...

Page 7, line 9 The Comptroller shall distribute amounts in the Fund in accordance with Tax-General Article § 2-1302.2 and Alcoholic Beverages and Cannabis Article § 1-3A-04(b)(1).

Page 7, line 22 change "The Fund" to "funds distributed to the counties from the Community Reinvestment and Repair Fund" may only be used for:

Page 8, delete lines 27 & 28. Stating that the Comptroller shall pay out money from the Fund is redundant; simply keep the language on page 9 lines 1-6 to explain that the Comptroller is distributing funds from the CRRF to the counties.

Page 9, line 3, we agree with the amendment to replace "Executive Director" with "Comptroller": "the Comptroller shall distribute funds from the Fund to each county..."