

# SENATE BILL 217

A3, P1

(PRE-FILED)

6lr1545  
CF 6lr1863

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By: **Senator M. Washington**  
Requested: October 31, 2025  
Introduced and read first time: January 14, 2026  
Assigned to: Finance

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## 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)

2     **REPRINT OF SENATE BILL 217 as amended by SB0217/203427/1     02/05/26 at 8:45 AM**

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:

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1 (I) to provide funds to community-based organizations that serve  
2 communities determined by the Office, in consultation with the Office of the Attorney  
3 General, to have been the most impacted by disproportionate enforcement of the cannabis  
4 prohibition before July 1, 2022; AND

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

7 (3) The Comptroller shall administer the Fund AT THE DIRECTION OF  
8 THE OFFICE.

9 (4) (i) The Fund is a special, nonlapsing fund that is not subject to §  
10 7-302 of the State Finance and Procurement Article.

11 (ii) The State Treasurer shall hold the Fund separately, and the  
12 Comptroller shall account for the Fund.

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:

22 1. funding community-based initiatives intended to benefit  
23 low-income communities, including:

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;

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1 G. community child care and recreational services; and

2 H. programs that benefit individuals and families impacted  
3 by incarceration;

4 2. funding community-based initiatives that serve  
5 disproportionately impacted areas, as defined in § 36-101 of this article; and

6 3. any related administrative expenses incurred by a local  
7 government in administering the funds that do not exceed 15% of the funds received in the  
8 fiscal year.

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

11 (iii) Money expended from the Fund is supplemental to and may not  
12 supplant funding that otherwise would be appropriated for preexisting local government  
13 programs] **AS PROVIDED UNDER § 1-3A-04 OF THIS SUBTITLE.**

14 (7) (i) The State Treasurer shall invest the money of the Fund in the  
15 same manner as other State money may be invested.

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:

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

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

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

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

24 (b) (1) Based on the percentage allocable to each county determined by the  
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.

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1 (3) Subject to the limitations under [subsection (a)(6) of this section] §  
2 ~~1-3A-04~~ OF THIS SUBTITLE, each county shall adopt a law establishing the purpose for  
3 which money received from the Fund may be used.

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;

8 (II) A COMMUNITY-BASED ORGANIZATION THAT SERVES OR IS  
9 LED BY RESIDENTS OF A COMMUNITY IDENTIFIED BY THE OFFICE AS HAVING BEEN  
10 DISPROPORTIONATELY IMPACTED BY CANNABIS ENFORCEMENT; OR

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.

15 (2) The Office shall require each county to develop a plan for the  
16 distribution of funds [to community-based organizations for use] in accordance with this  
17 section.

18 [(2)] (3) The plan developed by a county shall be:

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

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

21 (iii) the subject of a public hearing before finalizing the plan; AND

22 (IV) MADE PUBLICLY AVAILABLE.

23 (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

27 (II) DESCRIBE HOW THE PROPOSED USES OF FUNDS ARE  
28 CONSISTENT WITH THE FUND USES ESTABLISHED UNDER § 1-3A-04 OF THIS  
29 SUBTITLE.

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1 (5) EACH COUNTY SHALL CONSULT WITH THE OFFICE TO MAKE ANY  
2 ADJUSTMENTS TO A PLAN DEVELOPED UNDER THIS SECTION.

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:

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

9 (2) the [organizations] ENTITIES that received funding from the county  
10 under 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:

21 (1) COMMUNITY-BASED INITIATIVES INTENDED TO BENEFIT  
22 LOW-INCOME COMMUNITIES IN GEOGRAPHIC AREAS MOST IMPACTED BY THE  
23 DISPROPORTIONATE ENFORCEMENT OF CANNABIS LAWS; AND

24 (2) PROGRAMS OR PROJECTS THAT ADVANCE THE STATED PURPOSES  
25 OF THE FUND UNDER § 1-3A-03(A)(2) OF THIS SUBTITLE, INCLUDING:

26 (I) BEHAVIORAL HEALTH CRISIS RESPONSE SERVICES;

27 (II) EDUCATION AND AFTER-SCHOOL PROGRAMS;

28 (III) TRUANCY AND ABSENTEEISM INTERVENTION PROGRAMS;

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1 (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;

6 (VII) COMMUNITY CHILD CARE AND RECREATIONAL SERVICES;  
7 AND

8 (VIII) PROGRAMS THAT BENEFIT INDIVIDUALS AND FAMILIES  
9 IMPACTED BY INCARCERATION;

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

13 (4) ANY RELATED ADMINISTRATIVE EXPENSES INCURRED BY A LOCAL  
14 GOVERNMENT IN ADMINISTERING THE FUNDS THAT DO NOT EXCEED 15% OF THE  
15 FUNDS RECEIVED IN THE FISCAL YEAR.

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.

21 Article – State Government

22 9-4108.

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

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

26 (2) The Executive Director of the Office of Social Equity shall have at least  
27 5 years of experience in civil rights advocacy, civil rights litigation, or another area of social  
28 justice.

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.

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1 (d) The Office of Social Equity shall:

2 (1) promote and encourage full participation in the regulated cannabis  
3 industry by people from communities that have previously been disproportionately  
4 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;

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

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

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;

21 (7) work with the Maryland Cannabis Administration to implement free  
22 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.