

MARY L. WASHINGTON, PH.D
Legislative District 43
Baltimore City and Baltimore County



Annapolis Office
James Senate Office Building
11 Bladen Street, Room 104
Annapolis, Maryland 21401
410-841-3145
800-492-7122 Ext. 3145
Mary.Washington@senate.state.md.us

Education, Energy, and the
Environment Committee

Subcommittees

Chair, Education

Environment

Joint Committees

Senate Chair, Administrative, Executive,
and Legislative Review

The Chesapeake and Atlantic Coastal
Bays Critical Areas

Chair, Baltimore City Senate Delegation

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Written Testimony of Senator Mary Washington
Finance Committee
February 5, 2026

SUPPORT - Senate Bill 217
Community Reinvestment and Repair Fund - Alterations

Distinguished Members of the Finance Committee,

I respectfully urge your support for Senate Bill 217. This bill makes targeted, corrective improvements to the accountability and transparency of the Community Reinvestment and Repair Fund (CRRF) to ensure the Fund operates as the General Assembly intended and delivers meaningful benefits to Maryland's most impacted communities.

Under the Cannabis Reform Act of 2023, sales and use tax revenue from adult-use cannabis is distributed quarterly pursuant to a statutory formula. Twenty-five percent is deposited directly into the State's General Fund. From the remaining revenue, funds are first used to defray the full cost of operations and administrative expenses of the Maryland Cannabis Administration and the Office of Social Equity.

After those required costs are covered, the statute directs fixed percentage distributions of the remaining revenue. Five percent is allocated to counties based on where cannabis sales occur, five percent to the Cannabis Public Health Fund, and five percent to the Cannabis Business Assistance Fund, which sunsets in 2028. Notably, 35% is allocated to the Community Reinvestment and Repair Fund, a significantly larger share than any other designated fund.

At the time of its creation, statutory requirements governing the CRRF were relatively limited. The Fund was authorized to support community-based initiatives that benefit low-income communities and communities disproportionately impacted by the enforcement of cannabis prohibition, as well as related administrative expenses. While this flexibility was intentional, it also meant that, unlike other funds, the CRRF lacked detailed guardrails to guide implementation.

Last year, through Chapter 195, the Committee and General Assembly took initial steps to establish an accountable framework for the Community Reinvestment and Repair Fund. The goal was to ensure CRRF dollars are supplemental, targeted, and responsive to communities significantly harmed by past cannabis enforcement by providing the General Assembly with the fund's legislative intent. Additionally, we clarified oversight roles for the Office of Social Equity, required county spending plans and reporting, established advisory bodies, and defined eligible uses.

It has always been the General Assembly's intent that the CRRF serve as a supplemental reinvestment tool, not a substitute for existing funding streams. However, some jurisdictions have proposed using CRRF funds to support programs traditionally funded through ongoing State or federal sources, including baseline social services. This approach risks turning the CRRF into a replacement funding stream rather than a true reinvestment mechanism.

In addition, allocations have at times been directed to government agencies that already receive public funding, rather than through community-driven reinvestment processes. In at least one instance, a significant share of CRRF funds was absorbed into existing government operations, blurring the line between reparative reinvestment and general budgeting.

Oversight and public engagement also vary widely across counties. Some jurisdictions have developed strong and transparent community engagement strategies, while others rely primarily on executive or budget offices with limited community input. Several counties have accumulated substantial CRRF balances but have spent little or none of the funds to date.

Taken together, these trends risk diluting legislative intent, weakening the Fund's impact on the communities most disproportionately harmed by cannabis enforcement, and undermining public confidence in the stewardship of these dollars. Without clearer statutory direction, CRRF funds could drift from targeted reinvestment toward general-purpose spending, depriving affected communities of the meaningful benefits the General Assembly intended.

Senate Bill 217 responds directly to these challenges by:

- Requiring consultation with the Office of Social Equity before counties amend their spending plans;
- Reinforcing that CRRF dollars must supplement, not supplant, existing funding streams; and
- Strengthening compliance and accountability to ensure expenditures align with statutory intent.

These provisions do not establish new policy goals. Rather, they are measured course corrections designed to ensure that the framework enacted by the General Assembly functions as intended.

Thank you for your consideration of this important legislation. I respectfully request a favorable report. Should you have any questions or seek additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mary Washington". The signature is fluid and cursive, with a large, stylized initial "M".

Senator Mary Washington
Maryland State Senate, District 43