

SENATE BILL 699

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4lr3175
CF HB 1484

By: **Senator M. Washington**

Introduced and read first time: January 29, 2024

Assigned to: Finance and Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 29, 2024

CHAPTER _____

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 altering the process for distributing the Community Reinvestment and
5 Repair Fund to Baltimore City by allocating certain funds to the Baltimore City
6 Comptroller under certain circumstances; establishing an Equitable Community
7 Investment Council in each Baltimore City State legislative district; requiring each
8 council to adopt ~~bylaws by a certain date~~ a governance structure within a certain
9 time period and to develop certain plans to allocate certain funds ~~through certain~~
10 ~~grants~~ to community-based organizations for certain services and programs;
11 requiring the Baltimore City Comptroller to distribute certain funds in a certain
12 manner; and generally relating to the Community Reinvestment and Repair Fund
13 and the distribution and use of funds for Baltimore City.

14 BY repealing and reenacting, without amendments,
15 Article – Alcoholic Beverages and Cannabis
16 Section 1–322(a)(1)
17 Annotated Code of Maryland
18 (2016 Volume and 2023 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article – Alcoholic Beverages and Cannabis
21 Section 1–322(b)
22 Annotated Code of Maryland
23 (2016 Volume and 2023 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



BY adding to
Article – Alcoholic Beverages and Cannabis
Section 1–324
Annotated Code of Maryland
(2016 Volume and 2023 Supplement)

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

Article – Alcoholic Beverages and Cannabis

1–322.

(a) (1) There is a Community Reinvestment and Repair Fund.

(b) (1) **(I) [Based] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, BASED** on the percentage allocable to each county determined by the Office of Social Equity and reported by the Office to the Comptroller on or before July 31 each year, the Comptroller shall distribute funds from the Fund to each county in an amount that, for the period from July 1, 2002, to January 1, 2023, both inclusive, is proportionate to the total number of cannabis possession charges in the county compared to the total number of cannabis possession charges in the State.

(II) 1. FOR BALTIMORE CITY, THE COMPTROLLER SHALL DISTRIBUTE FUNDS FROM THE FUND TO THE BALTIMORE CITY COMPTROLLER, WHO SHALL DISTRIBUTE THE FUNDS IN ACCORDANCE WITH § 1–324 OF THIS SUBTITLE.

2. THE BALTIMORE CITY COMPTROLLER MAY RETAIN UP TO ~~2%~~ \$125,000 OF THE FUNDS RECEIVED UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH TO COVER THE DIRECT AND INDIRECT COSTS ASSOCIATED WITH:

A. ADMINISTERING THE ~~DISTRIBUTING~~ DISTRIBUTION OF THE FUNDS TO EACH COUNCIL; AND

B. THE FINANCIAL MANAGEMENT SUPPORT IT PROVIDES TO EACH COUNCIL.

(2) (i) **[Subject] EXCEPT FOR BALTIMORE CITY, SUBJECT** to the limitations under subsection (a)(6) of this section, each county shall adopt a law establishing the purpose for which money received from the Fund may be used.

(ii) **1. [On] SUBJECT TO SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, ON** or before December 1 every 2 years, beginning in 2024, each political subdivision that receives funds from the Fund under paragraph (1) of this subsection shall

submit a report to the Governor and, in accordance with § 2–1257 of the State Government Article, the Senate Budget and Taxation Committee and the House Appropriations Committee on how funds received from the Fund were spent during the immediately preceding 2 fiscal years.

2. FOR BALTIMORE CITY, THE BALTIMORE CITY COMPTROLLER SHALL SUBMIT THE REPORT REQUIRED UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH.

1–324.

(A) IN THIS SECTION, “COUNCIL” MEANS AN EQUITABLE COMMUNITY INVESTMENT COUNCIL.

(B) (1) THERE IS AN EQUITABLE COMMUNITY INVESTMENT COUNCIL IN EACH STATE LEGISLATIVE DISTRICT LOCATED WHOLLY, OR IN PART, IN BALTIMORE CITY.

(2) ~~THE PURPOSE OF EACH COUNCIL IS TO~~ EACH COUNCIL IS THE ACTING, PRINCIPAL LOCAL BODY, WHICH SHALL DISBURSE THROUGH GRANTS COMMUNITY REINVESTMENT AND REPAIR FUNDS DISTRIBUTED UNDER § 1–322 OF THIS SUBTITLE.

(C) (1) EACH COUNCIL CONSISTS OF ~~THE FOLLOWING MEMBERS:~~

(I) THE FOLLOWING NONVOTING MEMBERS:

1. ONE MEMBER OF THE SENATE THE SENATOR WHO REPRESENTS THE DISTRICT, OR THE SENATOR’S DESIGNEE; AND

~~(II)~~ 2. ONE MEMBER OF THE HOUSE OF DELEGATES A DELEGATE WHO REPRESENTS THE DISTRICT, APPOINTED BY THE SPEAKER OF THE HOUSE; AND

~~(II)~~ (II) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE FOLLOWING VOTING MEMBERS APPOINTED BY THE GOVERNOR, IN CONSULTATION WITH THE OFFICE OF SOCIAL EQUITY:

1. AT LEAST THREE REPRESENTATIVES FROM ORGANIZATIONS LED BY INDIVIDUALS FROM DISPROPORTIONATELY IMPACTED AREAS AS DEFINED IN § 36–101 OF THIS ARTICLE;

2. AT LEAST TWO YOUNG ADULT MEMBERS BETWEEN THE AGES OF 18 TO 24;

3. AT LEAST TWO REPRESENTATIVES FROM NONPROFIT HUMAN SERVICES OR COMMUNITY DEVELOPMENT ORGANIZATIONS THAT BENEFIT TRADITIONALLY UNDERSERVED RESIDENTS; AND

4. UP TO SEVEN REPRESENTATIVES OF RECOGNIZED NEIGHBORHOOD-BASED COMMUNITY ASSOCIATIONS WITHIN THE DISTRICT.

(2) EACH COUNCIL SHALL HAVE AT LEAST 15 BUT NOT MORE THAN 17 MEMBERS.

(3) (I) FOLLOWING THE INITIAL APPOINTMENT OF THE MEMBERS OF A COUNCIL UNDER PARAGRAPH (1) OF THIS SUBSECTION, ~~THE COUNCIL SHALL DETERMINE THE APPOINTMENT OF~~ MEMBERS OF THE COUNCIL UNDER PARAGRAPH ~~(1)(III)~~ (1)(II) OF THIS SUBSECTION SHALL BE SELECTED IN ACCORDANCE WITH THE GOVERNANCE PLAN UNDER SUBSECTION (D)(1)(II) OF THIS SECTION.

(II) THE GOVERNOR MAY NOT APPOINT THE MEMBERS OF THE COUNCIL UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION AFTER THE INITIAL APPOINTMENT OF MEMBERS.

(4) (I) THE TERM OF A MEMBER:

1. APPOINTED BY THE GOVERNOR UNDER PARAGRAPH ~~(1)(III)~~ (1)(II) OF THIS SUBSECTION IS 2 YEARS IMMEDIATELY FOLLOWING THE FIRST MEETING OF THE COUNCIL; AND

2. ~~BEGINNING JULY 1, 2026, APPOINTED BY THE COUNCIL SELECTED UNDER PARAGRAPH (3) OF THIS SUBSECTION MAY BE NOT LONGER THAN IS~~ 3 YEARS.

(II) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(III) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(5) A MEMBER OF A COUNCIL:

(I) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE COUNCIL; BUT

(II) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

(D) (1) ~~EACH~~ AS STEWARDS OF THE DISTRIBUTION OF FUNDS FOR THE PURPOSE OF BENEFITTING INDIVIDUALS AND COMMUNITIES, EACH COUNCIL SHALL:

(I) ~~ADOPT BYLAWS NOT LATER THAN SEPTEMBER 1, 2024 A~~ GOVERNANCE STRUCTURE WITHIN 45 DAYS AFTER THE FIRST MEETING; AND

(II) DEVELOP A SUSTAINABLE GOVERNANCE PLAN AND PROGRAM TO ALLOCATE FUNDS ~~THROUGH GRANTS~~ TO COMMUNITY-BASED ORGANIZATIONS FOR CAPITAL PROJECTS, SERVICES, AND PROGRAMS CONSISTENT WITH THE EQUITY PRINCIPLES FOR PARTICIPATION AND OUTCOMES UNDER § 1-322 OF THIS SUBTITLE.

(2) THE GOVERNANCE PLAN AND PROGRAM UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION:

(I) MUST BE ESTABLISHED BEFORE ANY ALLOCATION OR EXPENDITURE OF FUNDS UNDER THIS SUBSECTION;

(II) SHALL BE DEVELOPED IN CONSULTATION WITH IMPACTED STAKEHOLDERS; AND

(III) SHALL BE THE SUBJECT OF A PUBLIC HEARING ON ITS DEVELOPMENT.

~~(2)~~ (3) ELIGIBLE EXPENDITURES FOR ~~GRANT~~ FUNDING UNDER THIS SUBSECTION INCLUDE:

(I) BEHAVIORAL HEALTH CRISIS RESPONSE SERVICES;

(II) EDUCATION AND AFTER-SCHOOL PROGRAMS;

(III) TRUANCY AND ABSENTEEISM INTERVENTION PROGRAMS;

(IV) HOUSING AND HOMELESSNESS PREVENTION;

(V) TRANSPORTATION IMPROVEMENTS IN HIGH-DENSITY TRANSIT CORRIDORS;

(VI) JOB TRAINING AND WORKFORCE DEVELOPMENT;

(VII) COMMUNITY SERVICES, INCLUDING CHILD CARE AND RECREATIONAL SERVICES; AND

(VIII) OTHER PROGRAMS THAT BENEFIT INDIVIDUALS AND FAMILIES IMPACTED BY INCARCERATION.

(E) THE FUNDS RECEIVED FROM THE COMPTROLLER UNDER § 1-322(B) OF THIS SUBTITLE SHALL BE DISTRIBUTED BY THE BALTIMORE CITY COMPTROLLER ~~AS FOLLOWS:~~

~~(1) \$150,000 TO THE BALTIMORE CITY OFFICE OF EQUITY AND CIVIL RIGHTS; AND~~

~~(2) THE REMAINING FUNDS FOR COMMUNITY INVESTMENT GRANTS DISTRIBUTED EQUALLY AMONG EACH COUNCIL.~~

(F) ON OR BEFORE OCTOBER 1, 2024, AND EACH OCTOBER 1 THEREAFTER, EACH COUNCIL SHALL SUBMIT A REPORT TO THE BALTIMORE CITY COMPTROLLER INCLUDING:

(1) THE AMOUNT OF FUNDS RECEIVED;

(2) THE PROGRAMS OR ACTIVITIES FUNDED;

(3) THE METHODS USED TO SOLICIT, REVIEW, AND SELECT ~~ALLOCATE~~ ~~GRANTS TO~~ ELIGIBLE RECIPIENTS OF FUNDS; AND

(4) COUNCIL ADMINISTRATIVE, OUTREACH, AND TRAINING EXPENDITURES.

SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that all unspent funds allocated under § 1-322(b) of the Alcoholic Beverages and Cannabis Article to Baltimore City before the effective date of this Act shall be allocated in accordance with this Act.

~~SECTION 2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2024.