

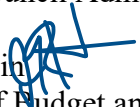


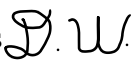
September 27, 2023

FISCAL AND POLICY NOTE

TO: Jennifer A. Jenkins
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: David Williams 
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CB-088-2023 Cannabis Reinvestment and Restoration Commission

CB-088-2023 (*Proposed and Presented by:* Council Member Oriadha)

Assigned to: Government Operations and Fiscal Policy (GOFP) Committee

AN ACT CONCERNING CANNABIS REINVESTMENT AND RESTORATION COMMISSION for the purpose of creating the Cannabis Reinvestment and Restoration Commission; providing for the purpose, membership, terms and compensation of members, appointment of a chair, meeting standards, and duties of Cannabis Reinvestment and Restoration Commission; establishing the Community Reinvestment and Repair Special Revenue Fund for the purpose of receiving funds from the State Community Reinvestment and Repair Fund; providing that the Fund shall be a special, non-lapsing fund; establishing the purpose of the Fund; and generally relating to the Cannabis Reinvestment and Reparations Commission.

Fiscal Summary

Direct Impact:

Expenditures: Additional administrative expenditures required, potentially offset by State funding.

Revenues: No anticipated impact.

Indirect Impact:

Likely favorable.

Legislative Summary:

CB-088-2023, proposed and presented by Council Member Oriadha was introduced on September 19, 2023, and referred to the Government Operations and Fiscal Policy (GOFP) Committee. This Bill establishes the Cannabis Reinvestment and Restoration Committee and the Community Reinvestment and Repair Special Revenue Fund with the purpose of receiving and distributing funds from the State's Community Reinvestment and Repair Fund to areas that have been heavily impacted by marijuana-related carceral practices. This Bill establishes the terms for membership, compensation, meeting standards, and duties for the commission and the purpose and operation of the special revenue fund.

Background/Current Law:

The state of Maryland established the Community Reinvestment and Repair Fund (CRRF) with House Bill 837¹ which was subsequently moved and amended by House Bill 556.² The was established on July 1, 2023, under the Code of Maryland Alcoholic Beverages and Cannabis Article, §1-322.³ This fund is going to serve as the primary funding source for the County's Community Reinvestment and Restoration Commission.

Resource Personnel:

- Joel Peebles, District 7
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¹ Maryland General Assembly-[HB837](#)

² Maryland General Assembly-[HB556](#)

³ Code of Maryland, Alcoholic Beverages and Cannabis -[Sec. 1-322](#)

Discussion/Policy Analysis:

CB-088-2023

CB-088-2023 would amend Subtitle 2. *Administration*, adding a new *Division 9*. §2-163 through 2-171 of the Prince George's County Code to outline the parameters for the Cannabis Reinvestment and Restoration Commission which includes the purpose, creation, member appointments, duties, compensation, reporting requirements, member removal, and applicable terms therein. All commission members are appointed by the County Council and the County Executive pursuant to Section 402 of the County Charter. The 12-member commission shall have one member from each Council district appointed by the Council. The County Executive shall appoint three other members, one ex-officio member from the Office of Management and Budget, one from a service provider to incarcerated individuals or one that has a criminal record, and one that works with a Community-Based Organization in a low-income community. Members will be compensated in accordance with Subtitle 2, Division 24, of this Code and are entitled to reimbursement of travel expenses under the Standard State Travel Regulations as provided by the County Budget.

Duties of the Commission are set forth in proposed §2-170.01 include:

- developing and administering a public grant application process for interested parties to apply for grant funding from the Fund. In doing so, the Commission shall prioritize applications from (1) Community-Based Organizations offering services and programs intended to benefit Low-Income Communities; (2) Community-Based organizations that have been historically underfunded; or (3) Community-based Organizations offering services in Disproportionately Impacted Areas;
- developing recommendations, with community input, for the use of the Fund for the upcoming fiscal year and delivering a summary of grant awards to the County Council for approval by Resolution prior to disbursing any monies from the Fund;
- making recommendations to the County Executive and County Council regarding repairing the damage done to communities most impacted by the disproportionate enforcement of the Cannabis prohibition determined by the Office of the Attorney General; and
- issuing reports as required by State law.

The bill would also amend Subtitle 10. *Finance and Taxation* to add a new *Division 33. Cannabis Reinvestment and Restoration Fund*, to add §10-348 and 10-305 to establish the Cannabis Reinvestment and Restoration Fund, its purpose and prohibited uses. The bill organizes these entities to utilize the state's Community Reinvestment and Repair Fund to provide grant-based awards to communities that have been disproportionately impacted by cannabis-related enforcement. The bill stipulates that qualifying areas are geographies within the County that have had cannabis-relation possession charges above 150% of Maryland's 10-year average. Community-based initiatives in areas with less than 80% of the Washington-Arlington-Alexandria

statistical metropolitan area median household income are also a priority to receive grant funds. The purpose of the fund is to support community-based initiatives intended to benefit low-income communities and/or areas that have been disproportionately impacted by cannabis-related incarceration. The fund is expressly prohibited from supporting law enforcement agencies/activities and from supplanting funding that would otherwise be appropriated for existing local government programs.

Relevant Legislation from Other Jurisdictions

Anne Arundel County passed Bill 57-23 establishing the Anne Arundel Commission Reinvestment and Repair Commission and the Community Reinvestment and Repair Special Revenue Fund.⁴ Much like the Prince George's County version it prioritizes low-income communities for grant awards, sets the standards for member appointment, and operation of the commission, and mandates reporting requirements on the commission. The City of Baltimore passed Ordinance 23-0353 establishing the Community Reinvestment and Reparations Commission to distribute grants from the state's Community Investment and Repair Fund.⁵ The parameters for membership and distribution are identical to those of Prince George's County with some variance in the reporting requirements and number of members to serve on the commission. Howard County passed Bill CB32-2023 creating the Adult-Use Cannabis Advisory Panel.⁶ This panel is meant to serve as the chief regulatory body for Howard County's cannabis policy and to control state funding available for any cannabis-related policy.

Fiscal Impact:

Direct Impact

The enactment of CB-88-2023 will have an adverse financial impact on the County due to the administrative costs of forming and maintaining this commission. As provided in the Bill, and pursuant to State law, funds received from the State CRRF may be used for related administrative expenses. Otherwise, funding received from the State will be used to provide grant funding for community-based initiatives in low-income areas and areas that have been heavily impacted by cannabis enforcement practices.

Indirect Impact

The enactment of CB-88-2023 is likely to have a favorable indirect impact through the provision of money generated from the sale of cannabis products in the form of grants to community organizations in resource-limited geographic areas. This should have a restorative effect in those

⁴ Anne Arundel County-[Bill 57-23](#)

⁵ Baltimore City Council-[Ordinance 23-0353](#)

⁶ Howard County-[CB32-2023](#)

communities, boosting property values and increasing economic activity, while reducing demand for law enforcement and social services.

Appropriated in the Current Fiscal Year Budget

No.

Effective Date of Proposed Legislation:

The proposed Act shall be effective forty-five (45) calendar days after it becomes law.

If you require additional information or have questions about this fiscal impact statement, please reach out to me via phone or email.