

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Commissioners of St. Mary's County (CSMC) will hold a **Public Hearing on July 14, 2026 at 6:30 p.m.** in the CSMC Meeting Room in the Chesapeake Building, located at 41770 Baldrige Street in Leonardtown, Maryland to consider public input on the proposed Community Reinvestment and Repair Fund (CRRF) Ordinance.

Public hearing information and related documents can be viewed online at:
www.stmaryscountymd.gov/PublicHearings.

Residents are encouraged to attend and participate in the public hearing. Those wishing to address the Commissioners may participate in-person or provide their feedback via:

- Email to: csmc@stmaryscountymd.gov
- Mail to: PO Box 653 Leonardtown, Maryland 20650

All submissions must be received no later than 5 p.m. on July 21, 2026. Submissions will be considered by the Commissioners at the Public Hearing and/or up to seven days following the Public Hearing.

CSMC Public Hearings are televised live on St. Mary's County Government (SMCG) TV Channel 95 and streamed live on the SMCG YouTube Channel at:
<https://www.youtube.com/@StMarysCoGov>.

Please note Public Hearing Guidelines are subject to change. Appropriate accommodation for individuals with language or special needs will be provided upon request. To meet these requirements, we respectfully ask for one week's prior notice. Please contact the CMSC Office at (301) 475-4200, ext. 1340. Proceedings are televised live and/or recorded for later broadcast. All content of these proceedings is subject to disclosure under the Maryland Public Information Act. Photographic, electronic audio, visual broadcasting, and recording devices are used during CSMC meetings. These are public meetings and attendance at these meetings automatically grants St. Mary's County Government permission to broadcast your audio and visual image.

COMMISSIONERS OF ST. MARY'S COUNTY

By: John Sterling Houser, Deputy County Attorney
Publish on 6/19/26 and 6/26/26

ST. MARY'S COUNTY GOVERNMENT
OFFICE OF THE COUNTY ATTORNEY

Buffy Giddens, County Attorney
John Sterling Houser, Deputy County Attorney
Zach Tiblin, Assistant County Attorney



Commissioners of St. Mary's County
James R. Guy, President
Michael R. Alderson, Jr., Commissioner
Eric S. Colvin, Commissioner
Michael L. Hewitt, Commissioner
Scott R. Ostrow, Commissioner

MEMORANDUM

TO: Commissioners of St. Mary's County

CC: David A. Weiskopf, County Administrator
David Yingling, Deputy County Administrator
Buffy Giddens, County Attorney

FROM: John Sterling Houser, Deputy County Attorney

RE: Request for Public Hearing: St. Mary's County Community Reinvestment and Repair Fund

DATE: July 14, 2026

This is a request for a public hearing on an ordinance to establish, by law, the St. Mary's County Community Reinvestment and Repair Fund ("SMCCRF"), using funds allocated to the County from the state Community Reinvestment and Repair Fund ("CRRF").

The CRRF is a state fund created by the General Assembly by the Cannabis Reform Act of 2023. A portion of all statewide adult-use cannabis sales tax revenue is allocated to the CRRF, and allocations are made from the CRRF are made by the Comptroller to local jurisdictions in proportion to the total number of cannabis charges in a given county relative to the total number of cannabis possession charges brought in the State between July 1, 2002 and July 1, 2023. Local jurisdictions must then adopt, by local law, the purposes for which money received from the CRRF may be used, in conformity with state law.

The proposed ordinance formally establishes the SMCCRF as a separate, non-lapsing fund. It offers definitions and procedures that fill gaps in current state law, while preserving significant optionality for the exact mechanics of how and when the application cycle will be administered in a given year. This memorandum also summarizes existing state law, current funds available, and overviews how the application process is expected to work for Fiscal Year 2027.

Existing State Law

The CRRF's statutory framework is contained within Title I, Subtitle 3A of the Alcoholic Beverages and Cannabis Article, with the bulk of applicable laws contained within § 1-3A-03. These laws direct the following:

- 35% of statewide cannabis tax revenues and fees from the conversion of medical cannabis licenses to recreational cannabis licenses are distributed to a state Community Reinvestment and Repair Fund;

- Distributions to local jurisdictions are made from the state Community Reinvestment and Repair Fund in proportion to the total number of cannabis charges in the county compared to the total number of cannabis possession charges in the State between July 1, 2002 and July 1, 2023;
- CRRF distributions may be made by local jurisdictions to proposals to “community-based initiatives” that serve two types of geographic areas:
 - Community-based initiatives intended to benefit low-income communities, including:
 - Behavioral and health crisis responsive services;
 - Education and after-school programs;
 - Truancy and absenteeism intervention programs;
 - Housing and homelessness prevention initiatives;
 - Transportation improvements in high-density areas that have public transportation;
 - Job training and workforce development programs;
 - Community child care and recreational services;
 - Programs that benefit individuals and families impacted by incarceration.
 - Funding community-based initiatives that serve disproportionately impacted areas, defined to be geographic areas identified by the Office of Social Equity that had above 150% of the State’s 10-year average for cannabis possession charges
- CRRF funds may not be expended for law enforcement agencies or activities;
- CRRF funds must be supplemental to and not supplant funding that otherwise would be appropriated for preexisting local government programs;
- Each local jurisdiction must develop a plan for the distribution of CRRF funds, and that plan must be developed in consultation with stakeholders and made subject to a public hearing before finalization; and,
- By October 1, each county must submit a report to the Office of Social Equity reporting the amount of funds received, organizations that received funding from the local jurisdiction, the methods used to solicit, review, and select organizations eligible for funding, and any administrative expenses related to the local jurisdiction’s administration and distribution of the funds received.

Gaps in Existing State Law

Terms left undefined by the General Assembly leave noticeable gaps in the statutory framework. Notably, “low-income” and “community-based initiative,” as used above, are given no precise meaning.

The Office of Social Equity was charged to adopt, by October 1, 2025, regulations to further clarify the statutory framework. These regulations have still, as of June 4, 2026, not been adopted. Draft regulations have not been published in the Maryland Register.

In March of 2026, the Department of Social and Economic Mobility, which oversees the Office of Social Equity, provided the following draft regulations to MACo, which provided them to counties. These regulations have not been introduced or adopted, but are shared for the Commissioners' awareness as Attachment #3.

Regulations will be published in the Maryland Register. Once adopted, whatever county guidelines are in place must conform to new regulations.

Funding Levels

St. Mary's County's proportionate share of CRRF distributions is 1.42%. Since receipt of the first distribution to the account in January, 2024, all funds have been kept in a separate account apart from other revenues and general funds.

As of May 31, the County has received \$1,538,026.19 in distributions from the state CRRF. No funds have been expended. Accounting for interest, a total of \$1,542,136.62 is available.

A majority of the funding in the account - \$989,603.19 - was generated by conversion fees when medical cannabis business licensees converted to full cannabis business licenses after the approval of recreational adult-use cannabis. This revenue source will recur.

The only recurring revenue will be quarterly distributions of the county's proportionate share of the CRRF's 35% share of cannabis sales tax revenues. In the last year and a half, these quarterly distributions have averaged \$60,202.24.

The statutory allocation of 35% of statewide sales tax revenues expires after 2033. Unless renewed by the General Assembly or another funding source is designated, the CRRF will receive no further funding beyond that year.

Proposed Ordinance

Alcoholic Beverages and Cannabis Code § 1-3A-03 states that each county must adopt "a law" establishing the purposes for which funds received from the CRRF may be used.

The attached ordinance formally establishes a St. Mary's County Community Reinvestment and Repair Fund as a separate, non-lapsing fund of County government. It establishes a local definition of "low-income community" – areas wherein median household income is 70% of area median income – and a local definition of "community-based initiative." It preserves significant optionality for future Commissioners or the County Administrator to direct, administratively, the exact timing and mechanics of future application cycles.

FY 2027 Funding Cycle

Current contemplation is that the existing framework for nonprofit funding can be used as a template for SMCCRF funding applications. That application solicits an applying organization's information and financial status (including an annual budget, proposed project budget, and, if available, most recent IRS Form 990 filings and audits), a project description, narrative of expected benefits, and description of clients served. Staff review and score proposals according to a pre-established rubric, and recommendations are made to the Commissioners for funding in the annual budget.

With some modification, that process could be adapted for the CRRF. The application would be modified to include an opportunity for applicants to define the geographic area a proposal will serve, why the area is eligible (as either a disproportionately impacted area or low-income neighborhood), and which, if any, of the illustrative project examples in Alcoholic Beverages & Cannabis Article § 1-3A-03(a)(6)(i)1 the proposal encompasses.

The schedule below is an example of the earliest an application cycle could be implemented, according to the framework established in the proposed ordinance.

Timeline

A proposed timeline for both adoption of the local ordinance and FY 2027 SMCCRF Application Cycle are attached.

Action	Date*
ORDINANCE ADOPTION	
Commissioner Meeting: Request for Public Hearing	Tuesday, June 9, 2026
Deadline: Submit Public Notice to Southern Maryland News (before 3pm)	Tuesday, June 16, 2026
Publication: 1st Public Notice	Friday, June 19, 2026
Publication: 2nd Public Notice	Friday, June 26, 2026
Public Hearing	Tuesday, July 14, 2026
Close of Public Comment Period (5:00 p.m)	Tuesday, July 21, 2026
Commissioner Meeting: Decision on Ordinance	Tuesday, July 28, 2026
FY 2027 SMCCRF APPLICATION CYCLE	
Application Window Opens	Monday, August 3, 2026
Publication: 1st Public Notice	Friday, August 7, 2026
Publication: 2nd Public Notice	Friday, August 14, 2026
Application Window Closes	Friday, September 7, 2026
Decision by Commissioners of St. Mary's County	Tuesday, October 6, 2026

Suggested Motion

“I move to authorize a public hearing on the evening of July 14, 2026 on the proposed ordinance establishing the St. Mary’s County Community Reinvestment and Repair Fund.”

/s/John Sterling Houser
John Sterling Houser
Deputy County Attorney

Attachments:

- #1: Proposed Ordinance
- #2: Alcoholic Beverages & Cannabis Article Title 1, Subtitle 3A – Community Reinvestment and Repair Fund
- #3: Partial Draft Regulations Distributed by DoSEM to MACo, March 13, 2026
- #4: Draft Public Notice

Subject: ESTABLISHMENT OF THE ST. MARY’S COUNTY COMMUNITY REPAIR AND REINVESTMENT FUND

ORDINANCE

ESTABLISHING THE ST. MARY’S COUNTY COMMUNITY REINVESTMENT AND REPAIR FUND

WHEREAS, as part of the Cannabis Reform Act of 2023, the General Assembly of Maryland created a statewide Community Reinvestment and Repair Fund; and

WHEREAS, the General Assembly found that in establishing the CRRF the public interest would be served by “developing, among existing members of communities that have been disproportionately and negatively impacted, the capacity to ascertain and address the social and economic determinants that are fundamental to reducing the impact of longstanding inequities and improving economic, educational, and health outcomes,” and by “allocating a significant portion of tax revenue from the adult-use cannabis market to the Community Reinvestment and Repair Fund for distribution to local jurisdictions to be administered by local jurisdictions”; and

WHEREAS, § 1-3A-03 of the *Alcoholic Beverages and Cannabis Article* sets forth general eligibility requirements for recipients of funds distributed from the Community Reinvestment and Repair Fund; and

WHEREAS, § 1-3A-03(b)(2) of the *Alcoholic Beverages and Cannabis Article* requires each local jurisdiction adopt a local law establishing, more particularly, the purposes for which and the processes by which funds received from the CRRF shall be distributed by local jurisdictions, in accordance with state law; and

WHEREAS, the Commissioners of St. Mary’s County conducted a public hearing on _____, _____, on the proposed ordinance establishing the St. Mary’s County Reinvestment and Repair Fund and that notice of such hearing was advertised in _____, a newspaper of general circulation in St. Mary’s County, on _____, _____, and _____, _____; and

WHEREAS, upon due consideration of the testimony submitted by public and staff in relation to this matter, the Commissioners of St. Mary’s County have determined that the public interest will be furthered by establishing the SMC-CRRF as set forth in this ordinance,

NOW, THEREFORE, BE IT ORDAINED by the Commissioners of St. Mary’s County, pursuant to § 1-3A-03 of the *Alcoholic Beverages and Cannabis Article*, that:

SECTION I. Chapters 267-91 through [267-96] shall be added to the *Code of St. Mary’s County, Maryland* as follows:

Subject: ESTABLISHMENT OF THE ST. MARY'S COUNTY COMMUNITY REPAIR AND REINVESTMENT FUND

CHAPTER 267-91 through []

§ 267-91. Definitions.

The following words have the meanings indicated for the purposes of Chapter §§267-91 through 267- of the *Code of St. Mary's County* only:

- A. "Community-based initiative" shall mean a service or program meant to improve the economic, educational, or health outcomes of the residents of a given area or community through programs or capacity-building within the area or community, without a profit motive.
- B. "Community Repair and Reinvestment Fund" shall mean the statewide Community Repair and Reinvestment Fund established by the Cannabis Reform Act of 2023.
- C. "Disproportionately impacted area" shall have the same meaning as provided in § 36-101(r) of the *Alcoholic Beverages and Cannabis Article*, as may be amended from time to time.
- D. "Fund" shall mean the St. Mary's County Community Reinvestment and Repair Fund.
- E. "Low-income community" shall mean a neighborhood or place in which the median household income is 70 percent or less of the area median income.

§ 267-92. St. Mary's County Reinvestment and Repair Fund.

- A. In accordance with § 1-3A-03 of the *Alcoholic Beverages and Cannabis Article*, the St. Mary's County Community Reinvestment and Repair Fund is hereby established.
- B. The Fund shall be held separately from other revenue and general funds.
- C. The Fund shall be continuing and non-lapsing.
- D. The Fund shall consist solely of funds from the following sources:
 - 1. Distributions received from the statewide Community Reinvestment and Repair Fund;
 - 2. Money appropriated by the Commissioners of St. Mary's County to the Fund;
 - 3. Money from any other source accepted for the benefit of the Fund, in accordance with any conditions adopted by the Commissioners of St. Mary's County for the acceptance of donations or gifts to the Fund; and,
 - 4. Any repayment or return of distributions made from the Fund.

Subject: ESTABLISHMENT OF THE ST. MARY'S COUNTY COMMUNITY REPAIR AND REINVESTMENT FUND

§ 267-93. Distributions from Fund.

- A. Distributions from the Fund may be made to any individual or entity authorized to receive funding under Title I, Subtitle 3A *of the Alcoholic Beverages and Cannabis Article* and any other applicable state law or regulation, as may be amended from time to time.
- B. Distributions from the Fund may be used to individuals or entities who will use funds received for proposals which:
 - 1. Implement or support community-based initiatives intended to benefit low-income communities; and,
 - 2. Implement or support community-based initiatives that will serve disproportionately impacted areas.
- C. Distributions from the Fund may not supplant any preexisting funds planned or programmed to be expended by the Commissioners of St. Mary's County or any unit or agency of St. Mary's County.
- D. Distributions may not be made to entities for proposals that would expend funds for law enforcement agencies or activities.

§ 267-94. Administration.

- A. The County Administrator, or County Administrator's designee, shall each year publish an application for completion by any eligible entity seeking funding from the Fund for eligible community-based initiatives form.
- B. The County shall make reasonable efforts to spread awareness of the application and the availability of funds for eligible proposals.
 - 1. The application shall be posted to the County's website.
 - 2. Notice of the application shall be published in at least one newspaper of general circulation in St. Mary's County once each week for two successive weeks.
 - 3. The County may provide supplemental notice through means which include, but are not limited to, press releases, notices on social media accounts maintained by the Commissioners of St. Mary's County or any unit or agency of St. Mary's County, advertisements in local news media, direct outreach to past applicants, and direct outreach to eligible individuals or entities in eligible communities.

Subject: ESTABLISHMENT OF THE ST. MARY'S COUNTY COMMUNITY REPAIR AND REINVESTMENT FUND

- i. Methods of supplemental notice listed in Paragraph 3 are illustrative only.
- C. The application shall be made available to the public for at least forty-five (45) calendar days after the first public advertisement required by Section 267-94.B.2, after which the County Administrator, or County Administrator's designee, may decline to receive further applications until a future application cycle.
- D. Applications must conform to all requirements of the application established by the County Administrator, or County Administrator's designee, to be considered.
- E. Following staff review for technical sufficiency and any recommendations, the Commissioners shall have full discretion to approve, disapprove, or approve in part any applications for funding, in accordance with any requirements of state law.
- F. Approved funding requests shall be administered by the County Administrator, or County Administrator's designee. The County Administrator may adopt rules and regulations for the administration of these grants.
 - 1. The County Administrator is explicitly authorized to condition distribution of funds on a recipient's entry into a grant agreement with the County that establishes reasonable safeguards for the recipient's administration of the grant. Any such grant agreement may include reasonable requirements for the monitoring and reporting of expenditures made.
 - 2. The County Administrator shall create a simplified grant agreement and post-award monitoring and reporting process for any eligible recipient whose approved proposal or proposals, in aggregate, do not exceed \$20,000 in a given applications cycle.

§ 267-95. Reimbursement of Administrative Expenses.

- A. Any administrative expenses incurred by the County in administering the Fund may be reimbursed from the Fund, provided such reimbursement does not exceed 15% of the funds received from the Community Reinvestment and Repair Fund in the same fiscal year.

§ 267-96. Reporting.

- A. On or before October 1, the Commissioners shall provide a report to the Office of Social Equity, pursuant to § 1-3A-03 of the *Alcoholic Beverages and Cannabis Article*, with at least the following contents, and any other information deemed pertinent by the Commissioners:
 - 1. The amount of funds received from the Community Reinvestment and Repair Fund;

Subject: ESTABLISHMENT OF THE ST. MARY'S COUNTY COMMUNITY REPAIR AND REINVESTMENT FUND

- 2. The organizations that received funding from the St. Mary's County Reinvestment and Repair Fund;
- 3. The methods used by the County to solicit, review, and select organizations that may be eligible for funding from the St. Mary's County Reinvestment and Repair Fund; and,
- 4. Any administrative expenses related to the County's administration and distribution of the funds received from the Community Reinvestment and Repair Fund.

SECTION II. The sections, divisions, and provisions of this Ordinance may be renumbered or re-lettered as deemed appropriate by the Code codifier. Typographical, clerical, and scrivener's errors that do not affect the intent of this Ordinance, as determined by the County Attorney, may be corrected with the endorsement of the County Administrator or County Administrator's designee without the need for formal action by the Commissioners of St. Mary's County in an open session

SECTION III. In the event any portion of this Ordinance is found to be unconstitutional, illegal, null or void, it is the intent of the Commissioners of St. Mary's County to sever only the invalid portion of the provision, and that the remainder of the Ordinance shall be enforceable and valid.

SECTION IV. This Ordinance shall be effective upon the date written below.

Those voting Aye: _____

Those voting Nay: _____

Those Abstaining: _____

Date of Adoption: _____

Effective Date: _____

Subject: ESTABLISHMENT OF THE ST.
MARY'S COUNTY
COMMUNITY REPAIR AND
REINVESTMENT FUND

ATTEST:

COMMISSIONERS OF ST. MARY'S COUNTY

David A. Weiskopf
County Administrator

James R. Guy, Commissioner President

Michael R. Alderson, Jr., Commissioner

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

Eric S. Colvin, Commissioner

Buffy Giddens
County Attorney

Michael L. Hewitt, Commissioner

Scott R. Ostrow, Commissioner

[Md. Alcoholic Beverages and Cannabis Code Ann. § 1-3A-01](#)

*** Current through Acts 2026, ch. 3 of the 2026 Regular Session of the General Assembly. ***

Michie's™ Annotated Code of Maryland > Alcoholic Beverages and Cannabis (Divs. I — III) > Division I. General Provisions Affecting Multiple Jurisdictions. (Titles 1 — 8) > Title 1. Definitions; General Provisions. (Subts. 1 — 4) > Subtitle 3A. Community Reinvestment and Repair Fund. (§§ 1-3A-01 — 1-3A-03)

§ 1-3A-01. Definitions.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Executive Director” means the Executive Director of the Office of Social Equity.
- (c) “Fund” means the Community Reinvestment and Repair Fund.
- (d) “Office” means the Office of Social Equity.

History

[2025, ch. 195, § 1.](#)

Michie's™ Annotated Code of Maryland
Copyright © 2026 All rights reserved.

[Md. Alcoholic Beverages and Cannabis Code Ann. § 1-3A-02](#)

*** Current through Acts 2026, ch. 3 of the 2026 Regular Session of the General Assembly. ***

Michie's™ Annotated Code of Maryland > Alcoholic Beverages and Cannabis (Divs. I — III) > Division I. General Provisions Affecting Multiple Jurisdictions. (Titles 1 — 8) > Title 1. Definitions; General Provisions. (Subts. 1 — 4) > Subtitle 3A. Community Reinvestment and Repair Fund. (§§ 1-3A-01 — 1-3A-03)

§ 1-3A-02. General Assembly findings.

(a) The General Assembly finds that:

- (1) the goal of regulation and taxation of cannabis in the State is to create a safe and regulated industry that benefits the public interest;
- (2) the use of incarceration in enforcing prohibitions on the importation, manufacture, use, sale, and distribution of cannabis varied within the State by jurisdiction and racial classification;
- (3) analysis of geographic and demographic characteristics revealed disparities in arrests, prosecution, and imprisonment for cannabis use, with a negative and disproportionate impact on some communities and neighborhoods within the State; and
- (4) consequences of the disproportionate enforcement of cannabis-related offenses have contributed to the economic, public health, and social conditions of specific communities and have had significant and measurable effects on the social and financial resources available to the children, families, and local infrastructure of these communities.

(b) The General Assembly therefore finds that the public interest is served by:

- (1) acknowledging and repairing the causes and consequences of disparities in arrests and imprisonment in prosecutions of cannabis-related offenses among specific populations and geographic regions;
- (2) developing, among existing members of communities that have been disproportionately and negatively impacted, the capacity to ascertain and address the social and economic determinants that are fundamental to reducing the impact of longstanding inequities and improving economic, educational, and health outcomes; and
- (3) being consistent with social equity principles and governance by allocating a significant portion of tax revenue from the adult-use cannabis market to the Community Reinvestment and Repair Fund for distribution to local jurisdictions to be administered by the local jurisdictions.

History

[2025, ch. 195, § 1.](#)

Michie's™ Annotated Code of Maryland
Copyright © 2026 All rights reserved.

[Md. Alcoholic Beverages and Cannabis Code Ann. § 1-3A-03](#)

*** Current through Acts 2026, ch. 3 of the 2026 Regular Session of the General Assembly. ***

Michie's™ Annotated Code of Maryland > Alcoholic Beverages and Cannabis (Divs. I — III) > Division I. General Provisions Affecting Multiple Jurisdictions. (Titles 1 — 8) > Title 1. Definitions; General Provisions. (Subts. 1 — 4) > Subtitle 3A. Community Reinvestment and Repair Fund. (§§ 1-3A-01 — 1-3A-03)

§ 1-3A-03. Community Reinvestment and Repair Fund — Purpose — Administration — Funding — Uses — Investments — Reports on spending.

(a)

- (1) There is a Community Reinvestment and Repair Fund.
- (2) The purpose of the Fund is to provide funds to community-based organizations that serve communities determined by the Office, in consultation with the Office of the Attorney General, to have been the most impacted by disproportionate enforcement of the cannabis prohibition before July 1, 2022.
- (3) The Comptroller shall administer the Fund.
- (4)
 - (i) The Fund is a special, nonlapsing fund that is not subject to [§ 7-302 of the State Finance and Procurement Article](#).
 - (ii) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.
- (5) The Fund consists of:
 - (i) sales and use tax revenue distributed to the Fund under [§ 2-1302.2 of the Tax - General Article](#);
 - (ii) conversion fees paid by businesses under § 36-403 of this article; and
 - (iii) any other money from any other source accepted for the benefit of the Fund, in accordance with any conditions adopted by the Comptroller for the acceptance of donations or gifts to the Fund.
- (6)
 - (i) The Fund may be used only for:
 1. funding community-based initiatives intended to benefit low-income communities, including:
 - A. behavioral health crisis response services;
 - B. education and after-school programs;
 - C. truancy and absenteeism intervention programs;
 - D. housing and homelessness prevention initiatives;
 - E. transportation improvements in high-density areas that have public transportation;
 - F. job training and workforce development programs;
 - G. community child care and recreational services; and

§ 1-3A-03. Community Reinvestment and Repair Fund — Purpose — Administration — Funding — Uses — Investments — Reports on spending.

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

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

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

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

(iii) Money expended from the Fund is supplemental to and may not supplant funding that otherwise would be appropriated for preexisting local government programs.

(7)

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

(ii) Any interest earnings of the Fund shall be credited to the General Fund of the State.

(8) No part of the Fund may revert or be credited to:

(i) the General Fund of the State; or

(ii) any other special fund of the State.

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

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

(b)

(1) Based on the percentage allocable to each county determined by the Office, 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.

(2) For any distribution of funds to a county under paragraph (1) of this subsection, the county shall hold the funds separately from other revenue and general funds.

(3) 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.

(c)

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

(2) The plan developed by a county shall be:

(i) established before distributing funds under this section;

(ii) developed in consultation with stakeholders; and

(iii) the subject of a public hearing before finalizing the plan.

(3) On or before October 1, 2025, the Office shall adopt regulations to carry out this section.

(d) On or before October 1, 2026, and each October 1 thereafter, each county shall submit a report to the Office on:

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

(2) the organizations that received funding from the county under this section;

§ 1-3A-03. Community Reinvestment and Repair Fund — Purpose — Administration — Funding — Uses — Investments — Reports on spending.

- (3) the methods used by the county to solicit, review, and select organizations that may be eligible for funding under this section; and
- (4) administrative expenses related to the county's administration and distribution of the funds received under subsection (b)(1) of this section.

History

2022, *ch. 26*, §§ 6, 13; transferred from Md. Health-General Code Ann. § 13-4601 by [2023, chs. 254](#) and 255, § 3; *ch. 254*, § 5; *ch. 255*, § 5; [2024, ch. 241, § 1](#); renumbered from Md. Alcoholic Beverages and Cannabis Code Ann. § 1-322 by [2025, ch. 195, § 1](#).

Annotations

Notes

Effect of amendments. —

Acts 2023, *ch. 254*, § 5, effective May 3, 2023 and *ch. 255*, § 5, effective May 3, 2023, rewrote this section.

Acts 2024, *ch. 241*, § 1, effective April 25, 2024, reenacted (a)(1) without change; redesignated former (a)(7) as (a)(7)(i); added (a)(7)(ii); reenacted (a)(8) without change; redesignated former (b)(2)(i) as (b)(2); and deleted former (b)(2)(ii), which read: “(ii) 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.”

Acts 2025, *ch. 195*, § 1, effective June 1, 2025, deleted “of Social Equity” preceding “in consultation” in (a)(2); added “including” at the end of (a)(6)(i)1.; added (a)(6)(i)1.A. through (a)(6)(i)1.H.; rewrote (a)(6)(i)3., which formerly read: “any related administrative expenses”; deleted “of Social Equity and reported by the Office to the Comptroller on or before July 31 each year” preceding “the Comptroller” in (b)(1); added (b)(2); added the (b)(3) designation; and added (c) and (d).

Editor's note. —

Acts 2022, *ch. 26*, § 14 provides that “Sections 2, 3, 4, 5, 6, 7, and 8 of this Act are contingent on the passage of Chapter [45] (H.B. 1) of the Acts of the General Assembly of 2022, a constitutional amendment, and its ratification by the voters of the State.”

Acts 2022, *ch. 26*, § 17, provides that “subject to the provisions of Section 14 of this Act, Section 6 of this Act shall take effect July 1, 2023.”

Acts [2022, ch. 45](#), was ratified by the voters in the General Election held on November 8, 2022.

Research References & Practice Aids

Hierarchy Notes:

§ 1-3A-03. Community Reinvestment and Repair Fund — Purpose — Administration — Funding — Uses — Investments — Reports on spending.

[Md. Alcoholic Beverages Code Ann](#)

Michie's™ Annotated Code of Maryland
Copyright © 2026 All rights reserved.

End of Document

ATTACHMENT 3
PARTIAL DRAFT REGULATIONS DISTRIBUTED BY DoSEM TO MACo

Definitions

- (5) *“Low Income Communities” means areas where households:*
- (a) *Earn less than 60 percent of the area median income.*
- (6) *“Nonprofit” means a tax-exempt entity under the Internal Revenue Code, organized for charitable, educational, or socially beneficial purposes, and that is in good standing and qualified to do business in Maryland.*

Administrative Expenses

- (2) *In general, administrative expenses include the costs of overall program management, budgeting, monitoring, reporting, and evaluation. Eligible administrative expenses are limited to:*
- (a) *salary expenses for employees related to fund management;*
 - (b) *technology related to administration of the fund;*
 - (c) *fees for professional services related to the administration of the fund;*
 - (d) *employee training related to the administration of the fund;*
 - (e) *consulting or legal services related to the administration of the fund;*
 - (f) *technology systems used for fund tracking or reporting related to the administration of the fund; and*
 - (g) *community and stakeholder engagement, and public hearing expenses related to the administration of the fund*

Commissions

- A. *Political Subdivisions may establish a commission to support the decision-making authority of the Political Subdivision to utilize money expended from the Fund.*

Distribution Plan

- C. *The plan must:*
- (1) *Include assessment data to rank community needs*
 - (2) *Reflect community input; and*
 - (3) *Describe outreach efforts to historically excluded communities*

Reporting Requirements

(3) Reports shall include:

- (a) total funds received;*
- (b) any funds carried over from the prior year(s);*
- (c) total funds utilized;*
- (d) name and email of fund point of contact;*
- (e) name(s) of any entity receiving awards;*
- (f) award amount(s);*
- (g) description of the services or programs funded and population served;*
- (h) duration or term of the funding agreement;*
- (i) and administrative expenses*
- (i) Salary expenses for employees related to fund management;*
- (ii) fees for professional services related to the administration of the fund;*
- (iii) employee training related to the administration of the fund;*
- (iv) technology related to the administration of the fund;*
- (v) community and stakeholder engagement, and public hearing expenses related to the administration of the fund;*
- (j) The methods used by the county to solicit, review, and select entities that may be eligible to receive funds.*

The office may request information at any time related to the annual report.