

Anne Arundel County Community Reinvestment and Repair Fund/Commission

Legislative and Financial Summary
September 2024



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Statewide Cannabis Reform

- Constitutional Amendment
 - At the November 2022 general election, voters approved a constitutional amendment, authorizing individuals at least 21 years of age to use and possess cannabis in the State beginning July 1, 2023
- Chapters 254/255 of 2023– Cannabis Reform
 - Establishes a licensing framework for the regulated growing, processing, and retail sale of cannabis in the State

Local Government Authority

A county or municipality:

- MAY establish reasonable zoning requirements for cannabis businesses
- MAY reduce, below State minimums, the distance that a dispensary may be located from a school, child care center, playground, recreation center, library, public park or other dispensary
- MAY restrict or prohibit the location/operation of on-site consumption businesses
- MAY decide how to distribute its share of the sales and use revenue
- SHALL adopt a law establishing the purpose for which money received from the Community Reinvestment and Repair Fund will be used

Local Bill 57-23

Establishes the County Community Reinvestment and Repair Special Revenue Fund

- Mirrors uses established in state law

Establishes the Community Reinvestment and Repair Commission

- No more than 13 voting members with a diversity of experience and expertise in workforce and economic development; reentry services; health; education; justice, equity and diversity; community organizing; and social work
- Meet at least 4 times per year
- Charged with developing and administering a public grant application process for interested parties to apply for grant funding from the Community Reinvestment and Repair Special Revenue Fund
- Deliver recommendations by March 1 of each year

Cannabis Sales and Use Tax

- A 9% tax imposed on the retail price of non-medical cannabis
- Estimated to generate (Statewide) \$36 million in FY 24 rising to \$146.6 million in FY27
- Distributed as follows:
 - Administrative costs to the Cannabis Regulation and Enforcement Fund
 - 35% to the Community Reinvestment and Repair Fund
 - 5% to counties based on revenue collected within the county
 - 5% to the Cannabis Public Health Fund
 - 5% to the Cannabis Business Assistance Fund
 - Remaining balance to the State General Fund

State Community Reinvestment and Repair Fund (CRRF)

- Administered by the Office of Social Equity (OSE) and used for community-based initiatives intended to benefit low-income communities and community-based initiatives that serve disproportionately impacted areas
- OSE will determine which communities have been most impacted by the disproportionate enforcement of the cannabis prohibition
- The Comptroller must distribute funds to each county in an amount that for the period from July 1, 2002, to January 1, 2023, is proportionate to the total number of cannabis possession charges in the county compared to the total number in the State

CRRF - Funding Distribution by County

Proportion of cannabis charges by county from July 1, 2002 to January 1, 2023

County	Number of charges	Proportion
Allegany	2,638	1.04%
Anne Arundel	17,701	7.00%
Baltimore City	77,485	30.63%
Baltimore	38,806	15.34%
Calvert	3,984	1.57%
Caroline	2,121	0.84%
Carroll	5,030	1.99%
Cecil	3,493	1.38%
Charles	7,305	2.89%
Dorchester	2,969	1.17%
Frederick	7,128	2.82%
Garrett	1,065	0.42%
Harford	8,553	3.38%
Howard	6,802	2.69%
Kent	1,267	0.50%
Montgomery	14,515	5.74%
Prince George's	28,900	11.42%
Queen Anne's	2,128	0.84%
Somerset	1,394	0.55%
St. Mary's	3,580	1.42%
Talbot	1,922	0.76%
Washington	5,169	2.04%
Wicomico	5,923	2.34%
Worcester	3,083	1.22%
Total	252,961	100.00%

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CRRF - Use of Funds

Funds may not be used for law enforcement agencies or activities, or to supplant funding for pre-existing local government programs.

Funds may be distributed to community-based organizations with or without non-profit designation.

As counties begin to craft their grant application process, OSE suggests taking the following into consideration:

- Should organizations with an annual organizational budget of over \$1,000,000 be considered, they should be encouraged to subcontract with smaller, local-based organizations.
- Aligned with the CRRF survey results, counties should prioritize organizations working to uplift communities and that work with topics including but not limited to:
 - Mental Health and Harm Reduction
 - Education and afterschool programs
 - Housing and Unhoused prevention services
 - Reentry and Reintegration
 - Adult Professional Development
 - Entrepreneurship and Economic Development
 - Non-profit training and management to support BIPOC community leaders
 - Workforce development and training
- Funds should be prioritized for organizations with a commitment to inclusive and diverse leadership.

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County CRRF - Financial Summary

FY24 Revenue

License Conversions (one-time)

- \$2,121,329 (Feb 24)

Sales and Use Tax

- \$297,779 (Q1 FY24, Jan 24)
- \$356,991 (Q2 FY24, March 24)
- \$290,879 (Q3 FY24, May 24)
- \$547,553 (Q4 FY24, Aug 24)

Total Revenue (9/1/24): \$3,614,531

FY25 Budget

ACDS Administrative Expenses

- \$143,600

FY25 Grants (To Be Decided)

- \$1,000,000

Total FY25 Budget: \$1,143,600



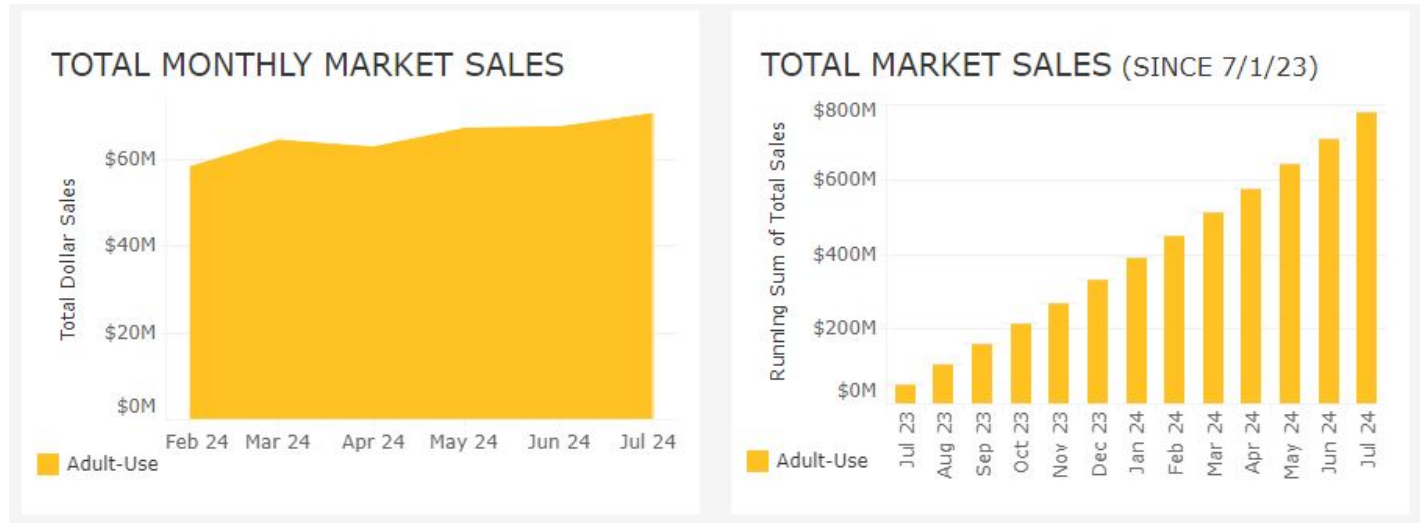
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Adult Use Cannabis Sales Data

Data from MD Cannabis Administration Data Dashboard:

<https://cannabis.maryland.gov/Pages/Data-Dashboard.aspx>



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