

PRESENTATION TO

Anne Arundel County Community Reinvestment and Repair Commission



August 21, 2024

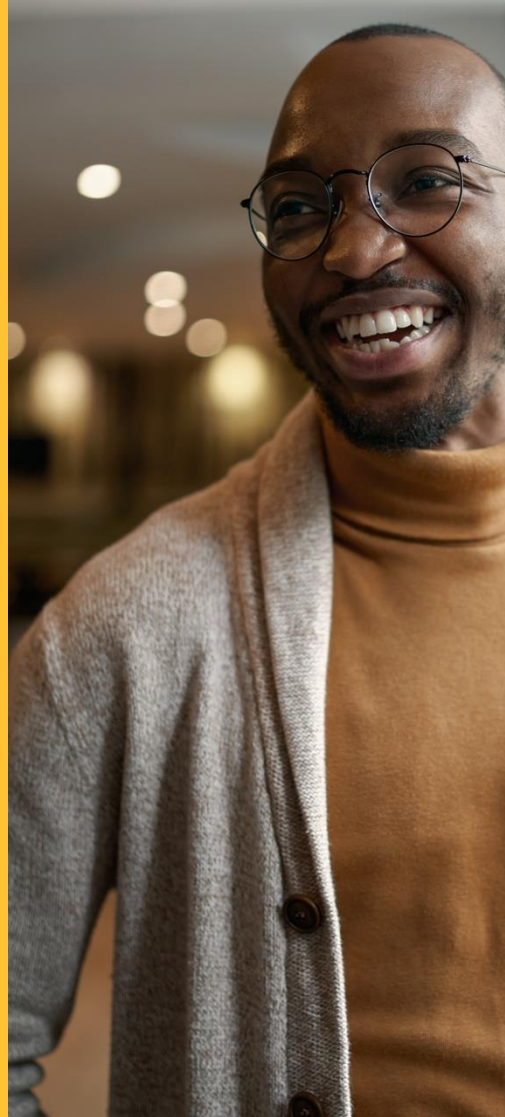


HELPING COMMUNITIES

Learn, Grow, Build & Heal



About The Office of Social Equity



Our Mission

- The Office of Social Equity (OSE) is an independent executive agency established by the *Cannabis Reform Act of 2023* that works in partnership with the Maryland Cannabis Administration (MCA).
- The mission of OSE is to **promote economic opportunity and equity in Maryland's adult-use cannabis market through programs, outreach, and advocacy.**
- The OSE exists to help Maryland communities learn, grow, build, and heal, especially as it relates to historically disadvantaged individuals and businesses seeking to enter the Maryland adult-use cannabis industry.



Our Focus

The **Key Objectives** of the Office Are:

- Ensuring diverse participation in the cannabis market
- Providing resources and support for social equity applicants and licensees
- Addressing the impact of past cannabis prohibition on communities

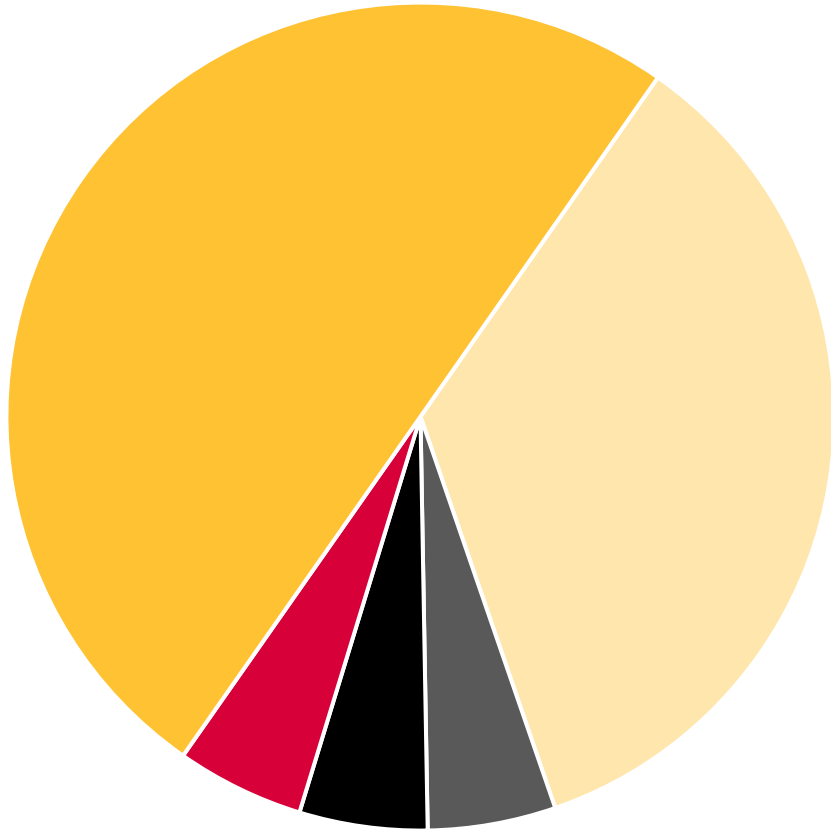
The **Responsibilities** of the Office Include:

- Implementing technical assistance programs for qualifying social equity applicants and licensees;
- Reviewing regulations and laws through an economic equity and social justice lens; and
- Supporting key programs, including the Community Reinvestment and Repair Fund

Investing Back in the Community



How Maryland Distributes Cannabis Tax Revenue



- 35% to the Community Reinvestment and Repair Fund
- 5% to Maryland Counties
- 5% to Cannabis Public Health Fund
- 5% to the Cannabis Business Assistance Fund
- Remaining balance to the state general Fund

**As established in statute*

COMMUNITY REPAIR & REINVESTMENT FUND (CRRF)

WHAT IS IT?

- Provides funding to local jurisdictions to support community-based initiatives that benefit low-income communities and communities that have been disproportionately impacted by the enforcement of cannabis prohibition.
- MD imposes a 9% sales tax. Per statute, 35% of the proceeds are allocated to the CRRF.
- Funds are disbursed by the Comptroller.

HOW IS IT DETERMINED?

- Percentages of the funding allocable were developed by the OSE.
- Allocation formula took into account the total number of cannabis possession charges in each county compared to the total number of cannabis possession charges in the State over a 20 year period.
- July 1, 2002 - December 31, 2009 and January 1, 2010 - January 1, 2023.

HOW IS IT ENFORCED?

- Reports will be published to maintain transparency and assess the overall impact of CRRF.
- Regular reviews are conducted to ensure equitable distribution as societal patterns change (surveys conducted every 2 years).

Community Reinvestment and Repair Fund Disbursements**

Jurisdiction	Percentage Allocable	Q1 Sales Tax Distribution	Q2 Sales Tax Distribution
Allegany	1.043%	\$44,378.33	\$81,614.27
Anne Arundel	6.998%	\$297,778.91	\$547,590.28
Baltimore City	30.631%	\$1,303,508.19	\$2,396,861.66
Baltimore	15.341%	\$652,822.34	\$1,200,426.19
Calvert	1.575%	\$67,021.70	\$123,243.03
Caroline	0.838%	\$35,680.98	\$65,573.11
Carroll	1.988%	\$84,618.26	\$155,560.09
Cecil	1.381%	\$58,761.75	\$108,062.62

Jurisdiction	Percentage Allocable	Q1 Sales Tax Distribution	Q2 Sales Tax Distribution
Charles	2.888%	\$122,889.94	\$225,984.67
Dorchester	1.174%	\$49,946.65	\$91,864.96
Frederick	2.818%	\$119,912.32	\$220,507.20
Garrett	0.421%	\$17,916.19	\$32,943.06
Harford	3.381%	\$143,884.69	\$264,561.70
Howard	2.689%	\$143,884.69	\$210,413.01
Kent	0.501%	\$21,314.38	\$39,203.02

**Percentages of the funding allocable were developed by OSE by analyzing cannabis charge data over a 20-year period.

Community Reinvestment and Repair Fund Disbursements**

Jurisdiction	Percentage Allocable	Q1 Sales Tax Distribution	Q2 Sales Tax Distribution
Montgomery	5.738%	\$244,181.73	\$448,995.86
Prince George's	11.425%	\$486,176.51	\$894,000.99
Queen Anne's	0.841%	\$35,798.74	\$65,807.86
Saint Mary's	0.551%	\$23,450.87	\$43,115.50
Somerset	1.415%	\$60,225.33	\$110,723.10
Talbot	0.760%	\$32,333.26	\$59,469.65
Washington	2.043%	\$86,956.62	\$159,863.81

Jurisdiction	Percentage Allocable	Q1 Sales Tax Distribution	Q2 Sales Tax Distribution
Wicomico	2.341%	\$99,640.95	\$183,182.17
Worcester	1.219%	\$51,864.44	\$95,386.19
Region		Q1 Sales Tax Collected By Region	Q2 Sales Tax Collected By Region
Western		\$2,035,554	\$3,871,696
Capital		\$3,710,720	\$3,202,851
Southern		\$618,218	\$873,597
Central		\$6,742,083	\$11,344,469
Eastern		\$1,564,534	\$3,064,398
TOTAL		\$14,671,110	\$22,357,011

**Percentages of the funding allocable were developed by OSE by analyzing cannabis charge data over a 20-year period.

CRRF - Guidelines

The Fund **CAN ONLY BE USED** For:

1. Funding community-based initiatives intended to benefit low-income communities;
2. Funding community-based initiatives that serve disproportionately impacted areas (as defined by statute)
3. Any related administrative expenses

The Fund **CANNOT**:

1. Be used for law enforcement agencies or activities
2. Supplant funding that otherwise would be appropriated for pre-existing local government programs.

- ▶ Each county must adopt a law establishing the purpose for which money received may be used.
- ▶ The *Cannabis Reform Act of 2023* requires OSE to solicit public input on the potential uses of CRRF funds. Survey insights showed:
 - 74% of respondents expressed strong support for the reinvestment of cannabis tax revenue into communities that have been disproportionately harmed by the war on drugs.
 - The top three investment areas identified:
 - **Mental health and substance abuse services**
 - **Education and after-school programs**
 - **Housing and homelessness prevention services**
- ▶ Counties are NOT limited to these three areas
- ▶ Funds are disbursed by the Comptroller.

Reporting Requirements

- ▶ *On or before December 15 every 2 years, beginning in 2024, the Office of Social Equity shall publish a review of the input received...
The Office shall include in the review information on how the funds received from the Fund were spent during the immediately preceding 2 calendar years.*
- ▶ New regulations providing additional guidance will move in September. More details to come!

DEC

15

EVERY

TWO

YEARS

2023 CRRF Survey

OSE sought survey participation through:

- Elected Official Engagement
- OSE's website
- Social Media
- Community Association Outreach
- Library Engagement
- Community Outreach Organizations
- Survey Monkey

The survey was open between November 1, 2023 and November 24, 2023. We then collaborated with MCA to analyze and prepare the data. The survey was published by OSE.

1285

RESPONSES

7.28%

Responses from Anne Arundel County

2024 CRRF Town Hall Series

1. **Eastern Shore:** Tue, Oct 15 – Harriet Tubman Museum, Cambridge
2. **Anne Arundel County:** Tue, Oct 22 – Wiley H. Bates Legacy Center, Annapolis
3. **Montgomery County:** Tue, Oct 29 – Montgomery College – Rockville Campus
4. **Baltimore:** Wed, Oct 30 – Baltimore Unity Hall
5. **Howard County:** Thu, Nov 7 – The Meeting House
6. **Southern Maryland:** Tue, November 12 – Waldorf West Library
7. **Prince George’s County:** Wed, Nov 13 – Location to be announced
8. **Western Maryland:** Thu, Nov 14 – University Systems of Maryland at Hagerstown



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