

Office of the County Auditor

Auditor's Analysis

Council Bill No. 19-2024

Introduced: May 6, 2024

Auditor: Diane Zagorski-Kelly

Fiscal Impact:

The State of Maryland requires Counties with “disproportionately impacted areas”, identified by zip codes, to establish a Community Reinvestment and Repair Fund (CRRF) as a dedicated fund to receive annual appropriations from a portion of sales tax collected on adult-use recreational cannabis. The funds must be expended in accordance with State Law and will be used as grants for community-based initiatives intended to benefit low-income communities and serve disproportionately impacted areas. The fund will also support administrative expenses, including personnel costs, and will be managed under the Department of Community Resources and Services.

This fund is included in the Fiscal Year 2025 Proposed Operating Budget, with appropriations totaling \$2.1 million. Revenue received to date is \$1.1 million. The County will receive remittance from the State on a quarterly basis for cannabis taxes and biannually for conversion fees.

Purpose:

This legislation establishes a non-lapsing Community Reinvestment and Repair Fund to support the receipt, use, and accounting of proceeds the County will receive for its share of the sales tax collected on adult-use recreational cannabis. The bill also:

- Increases the number of members on the Adult-Use Cannabis Advisory Panel from between 12 and 20 members to between 16 and 24 members.
- Adds a requirement to include one member that resides in each of zip codes 21044 and 21045.
- Requires the Panel to advise the County Executive and County Council on the use of CRRF funds.

Other Comments:

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