

Introduced 05.26.2024
Public Hearing 05.20.2024
Council Action 06.03.2024
Executive Action 06.05.2024
Effective Date 08.05.2024

County Council of Howard County, Maryland

2024 Legislative Session

Legislative Day No. 5

Bill No. 19-2024

Introduced by the Chairperson at the request of the County Executive

Short Title: Special Fund – Community Reinvestment and Repair Fund – Adult-Use Cannabis Advisory Panel

Title: AN Act establishing a special Community Reinvestment and Repair Fund; specifying the purpose and uses of money in the Fund; prohibiting certain uses of money in the Fund; adding members to the Adult-Use Cannabis Advisory Panel; adding certain duties to the Adult-Use Cannabis Advisory Panel related to use of monies in the Community Reinvestment and Repair Fund; requiring the Howard County Delegation to receive certain reports; and generally relating to the Community Reinvestment and Repair Fund.

Introduced and read first time May 6, 2024. Ordered posted and hearing scheduled.

By order Michelle Harrod
Michelle Harrod, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on May 20, 2024.

By order Michelle Harrod
Michelle Harrod, Administrator

This Bill was read the third time on June 3, 2024 and Passed , Passed with amendments _____, Failed _____.

By order Michelle Harrod
Michelle Harrod, Administrator

Sealed with the County Seal and presented to the County Executive for approval this 4 day of June, 2024 at 1⁰⁰ a.m./p.m.

By order Michelle Harrod
Michelle Harrod, Administrator

Approved/Vetoed by the County Executive June 5, 2024

Calvin Ball
Calvin Ball, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment

1 **Section 1. Be It Enacted** by the County Council of Howard County, Maryland that the Howard
2 County Code is amended as follows:

3 By adding:

4 Title 11. Finance.

5 Section 11.301 "Community Reinvestment and Repair Fund."

6
7 By amending:

8 Title 12. Health and Social Services.

9 Section 12.2400 "Adult-Use Cannabis Advisory Panel."

10
11 **Title 11. Finance**

12 **Subtitle 3. Special Funds.**

13 **SECTION 11.301. COMMUNITY REINVESTMENT AND REPAIR FUND.**

14 (A) "*FUND*" *DEFINED*. IN THIS SECTION, "FUND" MEANS THE COMMUNITY REINVESTMENT AND
15 REPAIR FUND.

16 (B) *ESTABLISHED*. IN ACCORDANCE WITH SECTION 1-322 OF THE ALCOHOLIC BEVERAGES AND
17 CANNABIS ARTICLE OF THE ANNOTATED CODE OF MARYLAND, THE COUNTY'S COMMUNITY
18 REINVESTMENT AND REPAIR FUND IS HEREBY ESTABLISHED AS A DEDICATED, SPECIAL FUND.

19 (C) *PURPOSE*. THE PURPOSE OF THE FUND IS TO PROVIDE FUNDS TO COMMUNITY-BASED
20 ORGANIZATIONS THAT SERVE COMMUNITIES DETERMINED BY THE OFFICE OF SOCIAL EQUITY, IN
21 CONSULTATION WITH THE OFFICE OF THE ATTORNEY GENERAL, TO HAVE BEEN THE MOST
22 IMPACTED BY DISPROPORTIONATE ENFORCEMENT OF THE CANNABIS PROHIBITION BEFORE JULY 1,
23 2022.

24 (D) *STATUS*.

25 (1) THE FUND IS A DEDICATED, SPECIAL FUND.

26 (2) THE DEPARTMENT OF FINANCE SHALL HOLD THE FUND SEPARATELY.

27 (3) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.

28 (E) *PERMISSIBLE USES*. THE FUND MAY ONLY BE USED FOR:

29 (1) FUNDING COMMUNITY-BASED INITIATIVES INTENDED TO BENEFIT LOW-INCOME
30 COMMUNITIES;

1 (2) FUNDING COMMUNITY-BASED INITIATIVES THAT SERVE DISPROPORTIONATELY
2 IMPACTED AREAS, AS DEFINED IN SECTION 36-101 OF THE ALCOHOLIC BEVERAGES AND
3 CANNABIS ARTICLE OF THE ANNOTATED CODE OF MARYLAND; OR

4 (3) ANY RELATED ADMINISTRATIVE EXPENSES

5 (F) *PROHIBITED USES*. MONEY IN THE FUND:

6 (1) MAY NOT BE EXPENDED FROM THE FUND FOR LAW ENFORCEMENT AGENCIES OR
7 ACTIVITIES.

8 (2) IS SUPPLEMENTAL TO AND MAY NOT SUPPLANT FUNDING THAT OTHERWISE WOULD BE
9 APPROPRIATED FOR PREEXISTING LOCAL GOVERNMENT PROGRAMS.

10
11 **Title 12. Health and Social Services.**

12 **Subtitle 24. Adult-Use Cannabis.**

13
14 **Section 12.2400. Adult-Use Cannabis Advisory Panel.**

15 (a) *General Provisions*. General provisions applicable to the Advisory Panel are set forth in
16 subtitle 3, "Boards and Commissions," of Title 6, "County Executive and the Executive Branch"
17 of this Code.

18 (b) *Purpose*. The purpose of the Advisory Panel is to study the implementation of adult-use
19 cannabis in the County and make recommendations on how the County can promote health,
20 public safety, business, and social and racial equity in the adult-use market.

21 (c) *Number of Members*. The Advisory Panel shall consist of a minimum of [[12]]16 members
22 and a maximum of [[20]]24 members.

23 (d) *Membership*. The Advisory Panel shall be comprised of:

24 (1) The following NON-VOTING ex officio members;

25 (i) The County Chief of Police, or the Chief's designee;

26 (ii) The State's Attorney, or the State's Attorney's designee;

27 (iii) The Executive Director of the Economic Development Authority, or the CEO's
28 designee;

29 (iv) The Director of the Department of Planning and Zoning, or the Director's designee;

1 [[and]]

2 (v) The Health Officer, or the Health Officer's designee[.]; AND

3 (vi) THE ADMINISTRATOR OF THE OFFICE OF HUMAN RIGHTS AND EQUITY OR THE
4 ADMINISTRATOR’S DESIGNEE.

5 (2) The following appointed members who live or are employed in Howard County:

6 (i) At least three members that have substantial experience in one or more of the
7 following:

8 1. Cannabis law, science, or policy;

9 2. Public health or health care;

10 3. Agriculture;

11 4. Local business;

12 5. Finance; or

13 6. Addiction treatment;

14 (ii) At least two members who have or have had State licenses to operate cannabis
15 dispensaries, processing facilities, growing facilities, or on-site consumption facilities
16 in Howard County;

17 (iii) At least one member who represents an organization that advocates on behalf of
18 patients who engage in the medical use of cannabis; [[and]]

19 (iv) At least one member who represents an organization that advocates on behalf of
20 consumers who engage in the adult use of cannabis[.];

21 (v) AT LEAST ONE MEMBER WHO RESIDES IN THE 21044 AREA CODE; AND

22 (vi) AT LEAST ONE MEMBER WHO RESIDES IN THE 21045 AREA CODE.

23 (e) *Method of Appointment.* Each appointed member shall be appointed by the County Executive
24 and confirmed by the Council.

25 (f) *Terms.* Appointed members of the board shall serve overlapping terms of three years or until
26 a successor is confirmed as provided in section 6.300 of this Code.

27 (g) *Staff.* The County Executive shall designate personnel to serve as staff support for the Board.

28 (h) *Meetings.* The Advisory Panel shall meet at least quarterly per year.

29 (i) *Duties.* The Advisory Panel shall:

- 1 (1) Review data and analyze the implementation of adult-use cannabis in Howard County,
2 including the effects on citizens of the County with respect to health, public safety, land
3 use, business, and social and racial equity in the adult-use market;
- 4 (2) Study best practices from other jurisdictions;
- 5 (3) Act as an advocate on behalf of the panel on issues related to adult-use cannabis;
- 6 (4) Undertake activities which will educate and increase public awareness of changes in State
7 law;
- 8 (5) Monitor the development of an equitable and safe adult-use cannabis market; [[and]]
- 9 (6) Propose actions the County Executive and County Council can take to best guide the
10 adult-use cannabis market[.]]AND;
- 11 (7) REGARDING THE COMMUNITY REINVESTMENT AND REPAIR FUND ESTABLISHED PURSUANT
12 TO SECTION 1-322 OF THE ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE OF THE
13 ANNOTATED CODE OF MARYLAND AND SECTION 11.301 OF THIS CODE, THE PANEL SHALL
14 ADVISE THE COUNTY EXECUTIVE AND COUNTY COUNCIL ON THE USE OF FUNDS IN THE
15 COMMUNITY REINVESTMENT AND REPAIR FUND FOR THE UPCOMING FISCAL YEAR.

16 (j) *Annual Report.* On or before [[July 1]] FEBRUARY 1 of each year, the Advisory Panel shall
17 submit an annual report which shall comply with the requirements of section 22.1000 of this
18 Code to the HOWARD COUNTY DELEGATION, THE County Council and the County Executive on
19 its activities during the previous calendar year. The report may include recommendations on any
20 matter related to the work of the Advisory Panel.

21
22 ***Section 2. And Be It Further Enacted*** by the County Council of Howard County, Maryland, that
23 *the first Report required by Section 12-2400(j) of the Howard County Code is due on or before*
24 *February 1, 2025.*

25
26 ***Section 3. And Be It Further Enacted*** by the County Council of Howard County, Maryland, that
27 *this Act shall become effective 61 days after its enactment.*

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.

BY THE COUNCIL

This Bill, having been approved by the Executive and returned to the Council, stands enacted on June 5, 2024.

Michelle R. Harrod
Michelle R. Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, having been passed by the yeas and nays of two-thirds of the members of the Council notwithstanding the objections of the Executive, stands enacted on _____, 2024.

Michelle R. Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, having received neither the approval nor the disapproval of the Executive within ten days of its presentation, stands enacted on _____, 2024.

Michelle R. Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, not having been considered on final reading within the time required by Charter, stands failed for want of consideration on _____, 2024.

Michelle R. Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, having been disapproved by the Executive and having failed on passage upon consideration by the Council stands failed on _____, 2024.

Michelle R. Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, the withdrawal of which received a vote of two-thirds (2/3) of the members of the Council, is withdrawn from further consideration on _____, 2024.

Michelle R. Harrod, Administrator to the County Council