



Committee: GO
Committee Review: At a future date
Staff: Christine Wellons, Senior Legislative Attorney
Purpose: To introduce agenda item – no vote expected
Keywords: #CommunityReinvestment

AGENDA ITEM #12B
February 13, 2024
Introduction

SUBJECT

Bill 4-24, Community Reinvestment and Repair Fund Commission – Established

Lead Sponsors: Councilmembers Mink, Sayles, and Jawando

Co-Sponsor: Council President Friedson, Councilmembers Katz, Fani-González, and Albornoz, and Council Vice-President Stewart

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- N/A

DESCRIPTION/ISSUE

Bill 4-24 would:

- (1) establish a Montgomery County Community Reinvestment and Repair Fund Commission;
- (2) prescribe the membership and duties of the Commission;
- (3) provide for the staffing of the Commission;
- (4) specify the purposes for which funds received from the State Community Reinvestment and Repair Fund may be used; and
- (5) generally amend the law regarding the distribution and use of funds disbursed to the County from the State Community Reinvestment and Repair Fund.

SUMMARY OF KEY DISCUSSION POINTS

- N/A

This report contains:

Staff Report	Pages 1-2
Bill 4-24	© 1
Md. Code Ann., Alcoholic Beverages and Cannabis Article, § 1-322	© 7

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MEMORANDUM

February 8, 2024

TO: County Council

FROM: Christine Wellons, Senior Legislative Attorney

SUBJECT: Bill 4-24, Community Reinvestment and Repair Fund Commission – Established

PURPOSE: Introduction – no Council votes required

Bill 4-24, Community Reinvestment and Repair Fund Commission – Established, sponsored by Lead Sponsors Councilmembers Mink, Sayles, and Jawando and Co-Sponsors Council President Friedson, Councilmembers Katz, Fani-González, and Albornoz, and Council Vice-President Stewart, is scheduled for introduction on February 13, 2024. A public hearing is tentatively scheduled for March 5, 2024 at 1:30 p.m. and a Government Operations and Fiscal Policy Committee worksession will be scheduled at a later date.

Bill 4-24 would:

- (1) establish a Montgomery County Community Reinvestment and Repair Fund Commission;
- (2) prescribe the membership and duties of the Commission;
- (3) provide for the staffing of the Commission;
- (4) specify the purposes for which funds received from the State Community Reinvestment and Repair Fund may be used; and
- (5) generally amend the law regarding the distribution and use of funds disbursed to the County from the State Community Reinvestment and Repair Fund.

BACKGROUND

Under Maryland state law (© 7), the County is required to adopt a law specifying the uses for which State Community Reinvestment and Repair Funds may be used in the County. The purpose of Bill 4-24 is, in part, to fulfill this state mandate. The bill also would establish a Commission in the County to advise the County on uses of the Fund, and to recommend community-based grants.

BILL SPECIFICS

Consistent with State law, Bill 4-24 would limit uses of funds received from the State Community Reinvestment and Repair Funds to:

- community-based initiatives intended to benefit low-income communities;
- community-based initiatives that serve disproportionately impacted areas;
- any other use permitted under § 1-322 of the Alcohol Beverages and Cannabis Article of the Maryland Code, as amended; and
- related administrative expenses.

The bill would create a Montgomery County Community Reinvestment and Repair Fund Commission. The Commission would recommend to the Office of Grants Management grants to non-profit organizations for community-based initiatives. In addition, the Commission would recommend to the Council and County Executive:

- existing or potential County programs related to community-based initiatives intended to benefit low-income communities or to serve disproportionately impacted areas;
- existing or potential County programs to repair damage done to communities that have been the most impacted by disproportionate enforcement of the cannabis prohibition before July 1, 2022; and
- changes to County law or regulation related to community-based initiatives or reparations intended to benefit low-income communities or to serve disproportionately impacted areas.

The Commission would consist of 13 voting members and 1 non-voting ex-officio member. The members would include:

- 11 County residents;
- at least 1 member who represents a service provider for incarcerated persons or persons with a criminal record; and
- at least 1 member who was incarcerated or has a criminal history.

The Director of the Department of Health and Human Services (DHHS) would be an ex-officio member of the Commission, and DHHS would staff the Commission. Members other than the DHHS Director would receive a \$1,000 annual stipend.

<u>This packet contains:</u>	<u>Circle #</u>
Bill 4-24	1
Md. Code Ann., Alcoholic Beverages and Cannabis Article, § 1-322	7

Bill No. 4-24
Concerning: Community Reinvestment
and Repair Fund Commission –
Established
Revised: 2/8/24 Draft No. 5
Introduced: February 13, 2024
Expires: December 7, 2026
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsors: Councilmembers Mink, Sayles, and Jawando
Co-Sponsors: Council President Friedson, Councilmembers Katz, Fani-González, and
Albornoz, and Council Vice-President Stewart

AN ACT to:

- (1) establish a Montgomery County Community Reinvestment and Repair Fund Commission;
- (2) prescribe the membership and duties of the Commission;
- (3) provide for the staffing of the Commission;
- (4) specify the purposes for which funds received from the State Community Reinvestment and Repair Fund may be used; and
- (5) generally amend the law regarding the distribution and use of funds disbursed to the County from the State Community Reinvestment and Repair Fund.

By adding

Montgomery County Code
Chapter 24. Health and Sanitation
Article XI, Montgomery County Community Reinvestment and Repair Fund Commission
Sections 24-77, 24-78, 24-79, 24-80, 24-81, 24-82, and 24-83

The County Council for Montgomery County, Maryland approves the following Act:

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

1 Sec. 1. Sections 24-77, 24-78, 24-79, 24-80, 24-81, 24-82, and 24-83 are
2 added as follows:

3 **ARTICLE XI. MONTGOMERY COUNTY COMMUNITY REINVESTMENT**
4 **AND REPAIR FUND COMMISSION.**

5 **24-77. Definitions.**

6 In this Article, the following terms have the meanings indicated.

7 Cannabis has the meaning stated in § 1-101 of the Alcoholic Beverages and
8 Cannabis Article of the Maryland Code, as amended.

9 Commission means the Montgomery County Community Reinvestment and
10 Repair Fund Commission established under this Article.

11 County reinvestment funds mean monies disbursed to the County from the
12 State Fund.

13 Department means the Department of Health and Human Services.

14 Director means the Director of the Department, or a designee of the Director.

15 Disproportionately impacted area has the meaning stated in § 36-101 of the
16 Alcoholic Beverages and Cannabis Article of the Maryland Code, as amended.

17 Non-profit organization means an entity operating in the County that is
18 organized under Section 501(c)(3) of the federal Internal Revenue Code, as
19 amended.

20 Office means the Office of Grants Management.

21 State Fund or Fund means the Community Reinvestment and Repair Fund of
22 the State of Maryland.

23 **24-78. Use of funds.**

24 The County must use County reinvestment funds solely for:

- 25 (1) community-based initiatives intended to benefit low-income
26 communities;

- 27 (2) community-based initiatives that serve disproportionately impacted
- 28 areas;
- 29 (3) any other use permitted under § 1-322 of the Alcohol Beverages and
- 30 Cannabis Article of the Maryland Code, as amended; and
- 31 (4) related administrative expenses.

32 **24-79. Commission Established.**

33 There is a Montgomery County Community Reinvestment and Repair Fund
 34 Commission.

35 **24-80. Membership.**

- 36 (a) The Commission consists of 13 voting members and 1 non-voting ex-
- 37 officio member.
- 38 (b) The voting members are appointed by the County Executive, subject to
- 39 Council confirmation, and must include:
 - 40 (1) 11 County residents with demonstrated knowledge under
 - 41 subsection (d);
 - 42 (2) at least 1 member who represents a service provider for
 - 43 incarcerated persons or persons with a criminal record; and
 - 44 (3) at least 1 member who was incarcerated or has a criminal history.
- 45 (c) Ex-officio member. The Director is a non-voting, ex-officio member of
- 46 the Commission.
- 47 (d) Application. An individual wishing to serve on the Commission must
- 48 submit an application to the County Executive and the Council
- 49 describing the individual’s demonstrated knowledge of 1 or more of the
- 50 following:
 - 51 (1) the history of the resistance of people of African descent to white
 - 52 supremacy, enslavement, Jim Crow laws, and other examples of
 - 53 racial violence and discrimination;

- 54 (2) the history of the resistance of racial, ethnic, and other minority
- 55 groups against discrimination, violence, and inequality;
- 56 (3) the needs of individuals returning to the community after
- 57 incarceration;
- 58 (4) the impact of the disproportionate enforcement of drug laws on
- 59 the quality of life experienced by racial and ethnic minorities,
- 60 especially people of African descent, including specialization in:
- 61 (A) the disruption of families;
- 62 (B) exposure to the prison system;
- 63 (C) trauma experienced as a result of community and police
- 64 violence; or
- 65 (D) another similar factor contributing to quality of life; and
- 66 (5) methods for delivering community investment that empower
- 67 marginalized people to have a voice in the distribution of
- 68 resources.

69 **24-81. Duties.**

- 70 (a) The Office, after consultation with the Commission, must develop and
- 71 administer a public process for non-profit organizations to apply for
- 72 grants that support:
- 73 (1) community-based initiatives intended to benefit low-income
- 74 communities; and
- 75 (2) community-based initiatives that serve disproportionately
- 76 impacted areas.
- 77 (b) The Commission annually must recommend to the Office grant awards
- 78 to the selected non-profit organizations from County reinvestment
- 79 funds, subject to:
- 80 (1) the appropriation of funds; and

81 (2) the execution of grant agreements between the County and the
 82 awardees.

83 (c) The Commission may submit to the County Executive and the County
 84 Council recommendations regarding:

85 (1) existing or potential County programs related to community-
 86 based initiatives intended to benefit low-income communities or
 87 to serve disproportionately impacted areas;

88 (2) existing or potential County programs to repair damage done to
 89 communities that have been the most impacted by
 90 disproportionate enforcement of the cannabis prohibition before
 91 July 1, 2022; and

92 (3) changes to County law or regulation related to community-based
 93 initiatives or reparations intended to benefit low-income
 94 communities or to serve disproportionately impacted areas.

95 **24-82. Meetings; officers; compensation.**

96 (a) Meetings. The Commission must meet at the call of the Commission
 97 chair and at least 6 times annually.

98 (b) Quorum. A majority of the voting members of the Commission
 99 constitutes a quorum for the transaction of business.

100 (c) Officers. The Commission must elect from among its voting members a
 101 chair, vice-chair, and other officers it deems appropriate.

102 (d) Stipend and reimbursement.

103 (1) A member must receive a stipend of \$1,000 from the County,
 104 subject to appropriation and the availability of County
 105 reinvestment funds.

106 (2) A member may receive reimbursement for travel and dependent
 107 care under Section 2-145.

108 **24-83. Role of the department.**

109 The Department must:

- 110 (1) provide the staff support, including administrative and
 111 programmatic support, necessary for the Commission to perform
 112 its duties; and
 113 (2) monitor and administer the grants awarded under Section 24-81.

114 **24-84. Reporting.**

115 The Executive must provide to the Council a copy of each report submitted by
 116 the County to the Maryland General Assembly under § 1-322 of the Alcoholic
 117 Beverages and Cannabis Article of the Maryland Code, as amended.

118 **Sec. 2. Staggered terms.** The initial voting members appointed to the
 119 Commission established under this Act must be staggered. Of the 13 voting
 120 members, 4 must have initial terms of 1 year; 4 must have initial terms of 2 years;
 121 and 5 must have initial terms of 3 years.

[Md. Alcoholic Beverages Code Ann. § 1-322](#)

Current through all legislation from the 2023 Regular Session of the General Assembly; and including legislative changes ratified by the voters at the November 2022 election.

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 3. Alcohol, Tobacco, and Cannabis Commission. (§§ 1-301 — 1-323)

§ 1-322. 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 of Social Equity, 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;
 2. funding community-based initiatives that serve disproportionately impacted areas, as defined in § 36-101 of this article; and
 3. any related administrative expenses.
 - (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) The State Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.

(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 of Social Equity and reported by the Office to the Comptroller on or before July 31 each year, 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)

(i) 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.

(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.

History

Renumbered from Md. Health-General Code Ann. § 13-4601 by [2023, chs. 254](#) and 255, § 3; ch. 254, § 5; ch. 255, § 5.

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.

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:

[Md. Alcoholic Beverages Code Ann](#)

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