Maryland
DEPARTMENT OF SOCIAL AND ECONOMIC MOBILITY

**Office of Social Equity (OSE)**
Maryland Department of Social and Economic Mobility

# COMMUNITY REINVESTMENT AND REPAIR FUND

## Cannabis tax dollars reinvested in communities

The **Community Reinvestment and Repair Fund (CRRF)** returns a share of Maryland's adult-use cannabis tax revenue to the communities most harmed by the enforcement of cannabis prohibition. The Cannabis Reform Act of 2023 created the fund. All 24 of Maryland's local jurisdictions receive CRRF money, and each county and Baltimore City decides how to spend its share after hearing from the community.

## How the fund works

### Cannabis Tax Revenue

35 percent of adult-use cannabis sales tax revenue goes into the fund through fiscal year 2033.

### The Comptroller

Distributes CRRF funding to Maryland's 24 jurisdictions based on each jurisdiction's share of cannabis possession charges from July 1, 2002, to January 1, 2023.

### The Community Weighs In

Each county and Baltimore City adopts a distribution plan after a public hearing.

### Local Programs

Jurisdictions fund allowable programs according to State law and report to OSE each October 1.

**OSE's role.** OSE writes the CRRF regulations, guides local governments, and reviews each distribution plan and annual report. It does not distribute the money or choose projects.

## What CRRF money can pay for

Community-based initiatives that benefit low-income communities, including:

- Behavioral health crisis response services
- Education and after-school programs
- Truancy and absenteeism intervention programs
- Housing and homelessness prevention initiatives
- Transportation improvements in high-density areas with public transportation
- Job training and workforce development programs
- Community child care and recreational services
- Programs for individuals and families impacted by incarceration

**35%**
of adult-use cannabis sales tax revenue goes to the fund through fiscal year 2033

**24**
local jurisdictions receive CRRF money: all 23 counties and Baltimore City

**15%**
of each year's CRRF money is the most a jurisdiction may spend on administrative costs

DoSEM website home page

**How to find local funding, spending rules, and steps for local governments are on the other side.**

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# LOCAL FUNDING, SPENDING RULES AND REPORTING

Office of Social Equity, Maryland Department of Social and Economic Mobility

## Looking for CRRF funding for your organization?

**DoSEM and OSE do not award CRRF grants.** Each county and Baltimore City runs its own process for community-based organizations.

- **Apply locally.** Apply to your county government or to Baltimore City.
- **Check the local plan.** Each jurisdiction sets its application process, priorities, and deadlines in its distribution plan.
- **Take part.** Contact your jurisdiction to learn when it will accept applications and how to take part in its public hearing.

## More spending rules

### Disproportionately Impacted Areas

CRRF money may also fund community-based initiatives that serve areas OSE has identified as having more than 150 percent of the State's 10-year average for cannabis possession charges.

### Low-Income Communities

For CRRF purposes, these include areas designated by the U.S. Department of Housing and Urban Development (HUD) as Qualified Census Tracts (QCTs). In jurisdictions with two or fewer QCTs, additional areas may qualify if at least 51 percent of households earn no more than 80 percent of the area median income.

### Administrative Costs

A jurisdiction may use up to 15 percent of the CRRF money it receives in a fiscal year to administer the fund.

### What CRRF Money Cannot Pay For

Law enforcement agencies or activities.

CRRF money must be supplemental and may not supplant existing funding. Jurisdictions must hold it separately from other revenue and general funds.

### Rules and Oversight

The CRRF regulations, COMAR 14.17.23, took effect as emergency regulations on July 20, 2026, through January 16, 2027. Permanent regulations will follow, with an opportunity for public comment. The fund is subject to audit by the Office of Legislative Audits.

## For local governments: plan, hold a hearing, and report

**1**

### Set Up the Fund

Hold CRRF money separately and adopt a local law on its use. A local commission is optional.

**2**

### Plan with the Community

Use assessment data and community input, and describe your outreach to low-income communities.

**3**

### Hold a Public Hearing

Publicize it 14 days ahead, at a time and place accessible to people in disproportionately impacted areas.

**4**

### Approve and Submit

Have your governing body approve the plan, then submit it to OSE.

**5**

### Report Yearly

Send OSE a report each October 1 on funds received, used, and awarded, and how recipients were chosen.

## Questions?

Read the CRRF regulations, COMAR 14.17.23

**Local governments**

Office of Social Equity
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**Residents and community organizations**

Contact your county government or Baltimore City about local CRRF funding.

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