

Climate Assessment

Office of Legislative Oversight

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

SUMMARY

The Office of Legislative Oversight (OLO) cannot anticipate Bill 4-24's impact on the County's contribution to addressing climate change as it is not possible to know if funding decisions made by the proposed commission would have an overall positive, negative, or neutral impact on the County's greenhouse gas emissions and community climate resilience.

BACKGROUND AND PURPOSE OF BILL 4-24

In Maryland, 35% of the revenues from the sales and use tax on adult-use cannabis sale is allocated to the Community Reinvestment and Repair Fund (CRRF).¹ The CRRF provides funding to local jurisdictions in the state to support community-based initiatives that help low-income communities and communities that have been disproportionately impacted by the enforcement of cannabis prohibition as part of the "war on drugs."² Maryland state law requires local jurisdictions to adopt a law specifying the uses for which funds from the CRRF will be used in the County.³

Bill 4-24 would implement the state mandate by specifying the use of funds from the CRRF. If enacted, the CRRF funds would be used for the following:

- 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.⁴

Bill 4-24 would also establish a Montgomery County Community Reinvestment and Repair Fund Commission. The Commission would work with the Office of Grants Management to develop a grant application process and recommend non-profit organizations to receive grant awards funded by the County's CRRF. The Commission may also provide recommendations to the Council and County Executive regarding:

- 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.⁵

The Commission would be staffed by the Department of Health and Human Services (DHHS) and consist of 13 voting members and 1 non-voting ex-officio member. The Director of DHHS would serve as the non-voting ex-officio member of the Commission. The voting members, appointed by the County Executive and confirmed by the Council, must include 11 County residents with demonstrated knowledge of one or more of the following, as stated in the Bill:

- the history of the resistance of people of African descent to White supremacy, enslavement, Jim Crow laws, and other examples of racial violence and discrimination;
- the history of the resistance of racial, ethnic, and other minority groups against discrimination, violence, and inequality;
- the needs of individuals returning to the community after incarceration;
- the impact of the disproportionate enforcement of drug laws on the quality of life experienced by racial and ethnic minorities, especially people of African descent; and/or
- methods for delivering community investment that empower marginalized people to have a voice in the distribution of resources.

The voting members must also include at least one member who represents a service provider for incarcerated persons or persons with a criminal record and at least one member who was incarcerated or has a criminal history.⁶ All voting members of the Commission would receive a \$1,000 annual stipend.

The Council introduced Bill 4-24, Community Reinvestment and Repair Fund Commission – Established, on February 13, 2024.⁷

ANTICIPATED IMPACTS

Community-based initiatives intended to benefit low-income communities and communities of color can lead to improved community climate resilience. Climate change and the resulting frequency and severity of extreme weather events, such as extreme heat and increased occurrences of natural disasters, have a disparate impact on Black, Indigenous, and People of Color due to historical disinvestment and a longstanding pattern of residential segregation.⁸ This has led to aging infrastructure and the siting of toxic waste facilities in predominantly BIPOC and low-income communities.⁹ Investing in communities of color and low-income communities can lessen these disparate impacts by improving housing infrastructure to better withstand extreme weather events and installing green infrastructure such as improved stormwater management in communities.¹⁰

After the passing of the Cannabis Reform Act of 2023 by the Maryland General Assembly, the Maryland Office of Social Equity (OSE) solicited public input on the use of funding through the CRRF. The survey found: (1) 74% of respondents expressed strong support for the revenue from the cannabis tax to be reinvested into

communities that have been disproportionately harmed by the war on drugs and (2) respondents top three preferences for allocating CRRF funds were mental health and substance abuse services, education and after-school programs, and housing and homelessness prevention, which the latter would likely positively impact community climate resilience.¹¹ Investments in housing and homelessness prevention, especially climate resilient housing that is designed to withstand increased extreme weather events, would increase community climate resilience.¹²

However, OLO cannot anticipate what community based initiatives will come about from the proposed commission, nor the impacts on the County's greenhouse gas emissions and community climate resilience from decisions made by the commission.

RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.¹³ OLO does not offer recommendations or amendments as the impacts of Bill 4-24 upon the County's contribution to addressing climate change cannot be anticipated.

CAVEATS

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. Second, the analysis performed here is intended to inform the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help improve the County's adaptive capacity to climate change, and therefore, increase community resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

¹ ["Community Reinvestment and Repair Fund Survey Results Report"](#), Maryland Office of Social Equity, December 15, 2023.

² Ibid.

³ ["Introduction Staff Report for Bill 4-24, Community Reinvestment and Repair Fund Commission – Established"](#), Montgomery County Council, February 13, 2024.

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

⁷ Ibid.

⁸ ["Racial Disparities in Climate Change-Related Health Effects in the United States"](#), Berberian, A. G., et. al., Current Environmental Health Reports, May 28, 2022.; ["Climate change and race: The impact on Black lives"](#), Mckinsey, November 30, 2023.; ["Racial Disparities and Climate Change"](#), Princeton Student Climate Initiative, August 15, 2020.

⁹ ["U.S. Department of Housing and Urban Development Climate Action Plan"](#), U.S. HUD, November 2021.

¹⁰ ["Climate change will be a tougher burden for minorities in the US"](#), The Washington Post, September 2, 2021.

¹¹ ["Community Reinvestment and Repair Fund Survey Results Report"](#), Maryland Office of Social Equity, December 15, 2023.

¹² ["U.S. Department of Housing and Urban Development Climate Action Plan"](#), U.S. HUD, November 2021.

¹³ Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022