



States With Community Reinvestment

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California (enacted in Nov. 2016, first sales early 2018)

Snapshot: Up to \$50 million per year of cannabis tax revenue is directed to community reinvestment in areas hit hard by the drug war, including to support job placement, mental health treatment, substance use disorder treatment, system navigation services, legal services to address barriers to reentry, and linkages to medical care for communities disproportionately affected by past federal and state drug policies. This includes grants to local health departments and 50% goes to qualified community-based nonprofit organizations.

Administration: The Governor's Office of Business and Economic Development (GO-Biz) awards the [grants](#), both to health departments and community-based nonprofit organizations.

Qualifying entities: Community-based Nonprofit Organizations (CBOs) applying [must](#):

- Have been duly organized, in existence, and in good standing for at least six months prior to the date the Grant Solicitation is issued by GO-Biz;
- Have a tax-exempt status with both the Internal Revenue Service and the California Franchise Tax Board;
- Be registered with the California Secretary of State's Office, with an "Active" status;
- Have a "Registry Status" of "Current" or "Exempt" with the California Attorney General's Registry of Charitable Trusts;
- Have any other state or local licenses or certifications necessary to provide the proposed services (e.g., facility licensing by the Department of Health Care Services, etc.), if applicable; and
- Have a physical address in California.

Grant recipients: Recipients include the Youth Employment Partnership, SF Public Health Foundation, SF Pretrial Diversion Project, San Fernando Valley Community Mental Health Center, San Diego Youth Services, Saint John's Program for Real Change (residential program for mothers in crisis and their kids), Poverello House (emergency shelter, pathways to permanent housing)

News coverage: *Marijuana Moment*, "[California Awards Over \\$40 Million In Marijuana Tax-Funded Community Reinvestment Grants To Nonprofits And Health Agencies](#)," June 3 2024.

Illinois (enacted in 2019, first sales early 2020)

Snapshot: 25% of cannabis tax revenues are directed to the Recover, Reinvest, and Renew (3R) Program to provide services to repair the harm caused by economic disinvestment, violence, and the war on drugs. Organizations may apply for grant funds in R3 communities statewide.

Administration: In collaboration with the Illinois Criminal Justice Information Authority (ICJIA), the

Lieutenant Governor's Justice, Equity, and Opportunity (JEO) Initiative oversees the administration of the [R3 Program Board](#). The R3 Program Board is chaired by the Lieutenant Governor, who manages the program. There are more than two dozen board members including agencies, elected officials, community-based providers, violence prevention experts, people who live or work in R3-eligible areas, and people with lived experience in the criminal legal system.

Priority areas: A "working group of research experts from around the state identified eligible neighborhoods for R3 Program funding based on rates of gun injuries, child poverty, unemployment, and incarceration in those areas. In their final analysis, these experts examined data provided by state agencies and the U.S. Census Bureau. The eligible communities amounted to approximately 500 census tracts in Illinois. Of the eligible census tracts, 48% were designated as 'high need,' indicating that these census tracts fell in the top quartile of the above indicators."

Additional background:

- [2023 annual report](#) (first full year)
- In Sept. 2021 changes included:
 - "Incorporating in the merit-based review and clearly identifying in the NOFO [Notice of Funding Opportunity] a new equity scorecard giving an additional 10 points to organizations that demonstrate equity in their staffing or service provisions;
 - A new tiered application process aimed at increasing access to smaller, hyperlocal organizations (Tier 1 organizations had operated for less than two years, Tier 2 organizations had been in operation for less than two years with an annual budget of less than \$2 million, and Tier 3 organizations had been functioning for more than five years with a budget of more than \$2 million); and
 - Enhanced technical assistance efforts and a statewide outreach plan to assure information and access was granted to organizations statewide."
- In 2022, "Grassroot organizations with operating budgets of less than \$2 million were prioritized during this round to encourage equitable access to funds, in addition to the tiered approach where similarly sized organizations competed amongst each other."
- "The ICJIA Institute 2 Innovate (i2i) Capacity-Building Program is a transformative initiative aimed at empowering hyperlocal grassroots organizations throughout Illinois" "R3 organizations experiencing challenges may obtain a referral to an i2i grants coach who will provide another level of engagement and support. i2i coaches spend additional hours providing a hands-on approach that addresses the needs of each referred organization."

Grants: In August 2024, it announced \$35 million in grants [awarded to 88 programs](#). In total, [it has awarded](#) \$244 million in R3 program grants through August 2024. Grant recipients [include](#): Illinois Youth & Family Services, Project Maven, YVITS, Law and the Fam, District OutReach Industries, The Restorative Project, Illinois Alliance for Reentry and Justice, Restoring the Path, Gordies Foundation, Chicago Community Arts Studio, and God Family & Football.

News coverage:

- *Marijuana Moment*, "[Illinois Awards \\$35 Million In Marijuana Tax Revenue-Funded Grants To Support Community Reinvestment](#)," August 20, 2024.
- *Vermilion County First*, "[Project Success Receives Violence Prevention Grant](#)," Sept. 9, 2024.
- *Sun-Times*, "[Illinois' weed tax windfall tops \\$560 million. Here's where the money goes](#)." Dec. 7, 2021.

- *State Journal-Register*, "[The Outlet adds 30 youth, eight mentors for program focused on reducing summer violence](#)," July 27, 2021.

Arizona (enacted in 2020, first sales in early 2021)

Snapshot: 10% of cannabis tax revenue (after administrative costs) goes to a new Justice Reinvestment Fund.

Administration: The ADHS Office of Health Equity, "which uses a community-centered, data-driven approach to running the program."

Priority areas: [Priority Area Maps](#)

Additional background:

- From their press release on 2023 grants:
"The Office started by completing a statewide data and funding landscape analysis to determine which local communities were most impacted by drug enforcement, arrest, and incarceration. The analysis identified priority communities across the state, where 18 listening sessions were held." Listening session priorities and the first round of grants are listed [here](#).
- By statute, grants can be for:
 - Public and behavioral health, including evidence-based and evidence-informed substance use prevention and treatment and substance use early intervention services.
 - Restorative justice, jail diversion, workforce development, industry-specific technical assistance or mentoring services for economically disadvantaged persons in communities disproportionately impacted by high rates of arrest and incarceration.
 - Addressing the underlying causes of crime, reducing drug-related arrests, and reducing the prison population in this state.
 - Creating or developing technology and programs to assist with the restoration of civil rights and the expungement of criminal records.
 - Maricopa County applicants must:
 - Be a community-based organization (with or without formal 501(c)3 nonprofit status or a Fiscal Sponsor) based in or primarily operating in geographic areas of Maricopa County.
 - Have staff, leadership, and governance that is representative of and deeply connected to the communities served.
 - Have a demonstrated history of serving the community and a generally positive reputation.
 - Have programs or projects that focus on one of the grant program's four priority areas of focus.

Grant recipients: The first round of grantees are listed [here](#) (along with listening session priorities). Grantees include Northland Family Help Center, Axiom Community of Recovery, Cihuapactli Collective, Phoenix Indian Center, Arouet Foundation, Regional Centers for Border Health, Legal Aid, Hushabye Nursery, and more.

News coverage:

- AZ Central: "[From drug-exposed babies to at-risk students, how AZ marijuana money is helping nonprofits](#)," Feb. 4, 2024.

Connecticut (enacted in Spring 2021, first sales early 2023)

Snapshot: 60% to 75% (depending on the year) of cannabis tax revenues go to the Social Equity and Innovation Fund.

Administration: Social Equity Council (created by the legalization law); in the pilot \$6 million was distributed by already established grant-making organizations in New Haven, Hartford, Waterbury, Bridgeport, Stamford, and New London; it is expanding to 36 areas in the state.

Priority areas: Pilot started with six disproportionately impacted areas with high rates of poverty and drug-related enforcement.

Additional background: See [CT Mirror](#) article for information on controversy.

Grant recipients: This full list of grantees from the pilot round is available in [this article](#). The list includes: Big Brothers Big Sisters of CT, Connecticut Legal Services, New London Homeless Hospitality, Center for Latino Progress, Blue Hills Civic Association, Beulah Heights First Pentecostal Church, Alpha to Omega Management Group, and Brown Girls Cooking and Conversations.

News coverage:

- WTNH: "[Connecticut's marijuana tax revenue drives social equity initiatives](#)," March 5, 2024.
- *CT Mirror*, "[CT confronts controversy over cannabis cash and social equity](#)," June 23, 2024.

New Jersey (enacted in 2021, sales began in April 2022)

Snapshot: 70% of the tax used for investment in municipalities described as "impact zones" and for financial assistance to qualifying persons residing therein;

Separately, a Social Equity Excise Fee ("SEEF") fee is used to invest in the health and well-being of communities and individuals. It can be used for grants, loans, and financial assistance via profit and non-profit organizations and public entities, as well as direct financial assistance to individuals to create, expand, or promote educational and economic opportunities and activities.

Administration: The NJ Cannabis Regulatory Commission makes recommendations, and has heard input from the public, [but the legislature and governor decide where funding goes](#).

Priority areas: 87 of New Jersey's 565 municipalities (15%), in 18 counties qualify as Impact Zones. These Impact Zones have an average unemployment rate 32% higher than the rest of New Jersey's municipalities, 77% more marijuana arrests, and a Crime Index 34% higher. The lists are available [here](#).

Additional background:

- The NJ Cannabis Regulatory Commission (NJ-CRC) held [hearings](#) on how to use funding from the Social Excise Fee.
- The SEEF is now \$1.24/oz and [brought in](#) about \$2.6 million in FY 2024.

Grant recipients:

- The *NJ Mirror* [reports](#), "The state shares some information on where the cannabis revenue funds

have gone — anti-violence groups and a cannabis training academy are among the recipients — but there isn't an accessible breakdown of where all the money goes."

News coverage:

- *New Jersey Monitor*, "[Cannabis advocates debate whether social equity fee should increase](#)," Oct. 28, 2024.
- *Heady NJ*: "[Some NJ cannabis tax revenue funds violence intervention and prevention](#)," Dec. 12, 2023.

New York (enacted in Spring 2021, first sales late 2022)

Snapshot: 40% of cannabis revenue goes to [community reinvestment](#) grants

Administration: Office of Cannabis Management

Qualifying: In the first cycle, only 501(c)(3) nonprofit organizations that provide services for young people (individuals ages 0-24 years) in designated geographies of New York State are eligible to apply.

Additional background:

- The first round of grants (late 2024) will focus on services to people from 0-24 years old, with a focus on at least one of these: mental health, workforce development, and housing.
- The initial round is for up to \$100,000 each.

Grant recipients: None yet, accepting first applications in fall 2024

News coverage:

- WXXI "[New York's cannabis taxes are finally being reinvested in public projects](#)," Oct. 18, 2024.

Maryland (enacted in Spring 2023)

Snapshot: 35% of cannabis taxes are allocated to the Community Reinvestment and Repair Fund pursuant to a formula for [allocation to counties](#) based on cannabis arrests rates. Each county decides where the funds go —but the funds cannot be used for law enforcement or to replace funds that would be funded anyways.

Administration: The program is administered by local counties, for example:

- [Baltimore County](#)
- [Anne Arundel](#)

Additional background: The Office of Social Equity sought input from the public on uses of the funds in a 2023 survey. They found a desire for funding to go to areas including mental health and substance abuse programs, education, and housing and homelessness prevention services.

Grant recipients: None yet, it seems first applications are Fall 2024

News coverage:

- Frederick News-Post, "[County officials weighing how to use cannabis fund outlined in 2023 state law](#)," June 22, 2024
- WMDT, "[Recovery Resource Center among recipients to receive \\$75,000 from Community Reinvestment and Repair Fund](#)," Nov. 15, 2024.

Delaware (enacted in Spring 2023, sales haven't begun yet)

Snapshot: 7% of revenue will go to the Justice Reinvestment Fund to administer grants, contracts, services, or initiatives with a focus on: restorative justice, jail diversion, workforce development, and industry-specific technical assistance or mentoring services for economically disadvantaged persons in disproportionately impacted areas; addressing the underlying causes of crime, reducing drug-related arrests, and reducing the prison population in Delaware; and creating or developing technology to assist with the restoration of civil rights and expungement of criminal records.

States Without Grantmaking Community Reinvestment Fund, But Where Funding Is Used for Similar Purposes

Alaska (enacted in 2014 but this funding allocation came later)

Snapshot: 50% of the marijuana tax revenue goes to the Recidivism Reduction Fund for treatment in prisons, reentry support services, pretrial services and supervision, violence prevention programming, and crime victims' services.

Vermont (enacted in 2018, sales began in 2022)

Snapshot: The sales tax is allocated to start or expand after-school and summer learning programs.