

December 8, 2022

The Honorable Kay Granger
United States House of Representatives
1026 Longworth House Office Building
Washington, DC 20515

The Honorable Rosa DeLauro
United States House of Representatives
2413 Rayburn House Office Building
Washington, DC 20515

The Honorable Patrick Leahy
United States Senate
437 Russell Senate Office Building
Washington, DC 20510

The Honorable Richard Shelby
United States Senate
304 Russell Senate Office Building
Washington, DC 20510

The Honorable Kevin McCarthy
United States House of Representatives
2468 Rayburn House Office Building
Washington, DC 20515

The Honorable Nancy Pelosi
United States House of Representatives
1236 Longworth House Office Building
Washington, DC 20515

The Honorable Mitch McConnell
United States Senate
317 Russell Senate Office
Building Washington, DC 20510

The Honorable Chuck Schumer
United States Senate
322 Hart Senate Office Building
Washington, DC 20510

Dear Members of Congress Granger, DeLauro, Leahy, Shelby, McCarthy, Pelosi, McConnell and Schumer:

On behalf of the more than 1.5 million members of the National Association of REALTORS® (NAR) and its affiliate, the Institute of Real Estate Management (IREM), we write to support H.R. 1996 and S. 910, the Secure and Fair Enforcement (SAFE) Banking Act/ This bipartisan legislation which would create a clear framework for cannabis businesses to access federally-insured financial services, laying the groundwork for greater growth and integration of this booming industry with the U.S. economy.

Currently 37 states, the District of Columbia and all four U.S. territories have laws permitting for legal cannabis use in some form. Cannabis-related sales in 2022 are estimated to top \$33 billion for the year, which translates to nearly \$100 billion added to the economy when factoring in the impact on the retail, manufacturing, and agriculture sectors. Despite this, current federal law prevents federally-insured banks from working with cannabis businesses, as well as ancillary businesses that provide them with goods and services – which includes real estate professionals with cannabis business owners as clients. As a result, the states those businesses are in struggle to address significant challenges to public safety, and must grapple with the regulatory compliance issues that arise with cash-only businesses.

Economically, the SAFE Banking Act is a win, as the current system hampers the growth of the cannabis industry and the ability of the government to track and collect taxes on its earnings. Commercial real estate is especially impacted by these restrictions, as it includes a range of businesses that are affected - property owners of land and warehouse space where the product is grown, manufacturing facilities that

process it, the storefronts and shopping centers that sell it, and the property managers that oversee those spaces. The lack of access to traditional banking services negatively impacts commercial real estate at both ends of the spectrum: warehouse and manufacturing, areas that are trending positively economically, have their growth hampered by it, while the struggling retail industry, loses opportunities for recovery and renewal that the cash-infused cannabis industry could bring.

State-legalized cannabis businesses require real estate, and create a web of contacts with other industries and businesses, each of which is affected by the current law keeping their money out of the federal bank system. The SAFE Banking Act provides clarity for business owners, real estate professionals, banks and regulators in the cannabis industry while promoting safety and ensuring further growth to the U.S. economy. We appreciate your leadership, and look forward to working with you to see the SAFE Banking Act enacted into law.

Sincerely,



Kenny Parcell
2023 President, National Association of REALTORS®

cc: **SAFE Banking Act's Original Cosponsors**

The Honorable Ed Perlmutter
United States House of Representatives

The Honorable John Joyce, M.D.
United States House of Representatives

The Honorable Jeff Merkley
United States Senate

The Honorable Steve Daines
United States Senate