

# 2021 Advocacy Impact Day

## Welcome to the 2021 IREM<sup>®</sup> Advocacy Impact Day

Members and staff have designed this orientation and federal issues briefing to empower you to make a difference when meeting with your U.S. Senators and Representatives to discuss important issues that affect real estate managers and brokers, and the real estate industry.

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# 2021 Legislative priorities: Points to lobby

## COVID-19 Relief

### **Issue background**

The housing industry is on the front lines of the COVID-19 outbreak—millions of Americans are calling our properties home as they shelter in place. While the CARES Act and the COVID-19 Economic Relief Bill included helpful provisions, further action is needed to ensure the financial viability and stability of the housing industry and its residents.

### **Congressional action needed**

Additional funds to the Emergency Rental Assistance Program (ERAP) are needed to help those who have been impacted by the COVID-19 crisis and are struggling to cover housing expenses. Even with the assistance provided in the CARES Act and the \$25 billion approved for ERAP in the COVID-19 Economic Relief Bill in December, the pandemic has inhibited many residents' ability to pay their rent. The typical delinquent renter will be almost four months and \$5,600 behind on their monthly rent and utilities and estimates of 2020 lost rent alone range from \$27 billion to nearly \$60 billion. Ensuring the viability of rental housing protects the millions of jobs in our industry and the communities around the country that we serve.

Forgo any extension of the Centers for Disease Control (CDC) eviction moratorium.

The CDC has extended the moratorium order, temporarily halting residential evictions until at least March 31, 2021. A protracted eviction moratorium is unsustainable and does nothing to address a renter's underlying financial distress or risk of housing insecurity.

Provide financial mitigation and mortgage forbearance protections.

Property owners continue to incur higher utility costs, maintenance, cleaning, and other expenses to support their residents. Increased costs coupled with rent payment shortfalls will impact the ability of rental property owners to satisfy their financial obligations.

Provide financial assistance and protection for all property-level financial obligations such as property taxes, insurance payments and utility services.

To ensure viability of apartment and rental housing communities, financial assistance and protections should be expanded to other property-level financial obligations such as property taxes, insurance payments, utility services, and the like.

### **Congressional/executive actions to date**

The CARES Act was passed in March 2020 and the COVID-19 Economic Relief Bill in December. The CDC also extend the eviction moratorium order until March 31, 2021.

### **What to tell your Representatives and Senators**

IREM appreciates that Congress included important relief for families and businesses negatively impacted by the COVID-19 pandemic.

However, IREM asks members of Congress to include the following provisions in the next COVID relief package:

- Additional funds to the Emergency Rental Assistance Program (ERAP)  
We expect a significant number of residents will continue to be negatively affected by the pandemic, inhibiting their ability to pay their rent. Ensuring the continued viability of rental housing protects the millions of jobs in our industry and the communities around the country that we serve.
- Forgo any extension of the eviction moratorium. The current approach is failing to address the scope of damage in the housing sector and will not meet the needs of renters and housing providers. The continuation of a broad federal eviction moratorium is not aligning with the scale and structure of rental assistance programs we are seeing emerge at the state and local level.

### **IREM position**

The Institute of Real Estate Management urges all real estate managers to familiarize themselves with the dangers associated with a possible pandemic and assess the impact one could have on their businesses, properties, employees, and clients. Real estate managers should prepare their businesses and properties for a pandemic by establishing policies and procedures to be implemented during a pandemic and determining what resources would need to be allocated to employees and clients at such time. Communication is key before and during any disaster.

Communicating with public health officials and related government regulatory authorities is critical as each disease may require different procedures depending upon how contagious the disease is and how it is spread. Prior to and during the potential pandemic, proposed federal and state legislation may affect the policies and procedures that need to be adopted. IREM legislative staff will monitor and communicate this legislation to its membership.

In addition, it is imperative that real estate managers prepare their businesses and properties for a pandemic by establishing policies and procedures, including but not limited to, monetary, human, and physical resources which may be necessary in the event of a pandemic. Additionally, they should work to maintain up to date knowledge on pandemic matters where possible including laws, regulations, ordinances, and/or rules promulgated to help ensure the safety of clients, customers, etc. prior to or during a pandemic.

### **Opposing views**

Opponents to additional COVID relief have voiced general concerns over increasing the national deficit.

Also, some have cited concerns that ending the eviction moratorium will lead to a wave of mass evictions.

### **Additional information**

- [IREM Coronavirus advocacy initiatives](#)
- [Summary of COVID-19 Relief Bill](#)
- COVID Relief with Ted Thurn, Director, IREM Government Affairs ([Spotify](#), [Apple Podcasts](#))

# The Secure and Fair Enforcement (SAFE) Banking Act

## Issue background

Thirty-five states and the District of Columbia have passed legislation authorizing the use of cannabis for either medical or recreational use. The Cannabis industry within those states is estimated to have brought in more than \$10 billion in sales and \$1 billion in tax revenue.

However, cannabis is still classified as a Schedule I controlled substance under the Controlled Substances Act, meaning FDIC-insured banks cannot accept money from cannabis businesses or they risk running afoul of anti-money laundering laws.

This includes not just cannabis growers and retailers, but also any business that works with them such as trucking companies used for transport and rent paid for storage or retail space.

## Congressional action needed

IREM supports the passage of the Secure and Fair Enforcement (SAFE) Banking Act. The legislation's intent is not to make sweeping changes to cannabis laws but, instead to clarify banks could safely finance and do business with these businesses.

The Act would create a safe harbor for federally insured financial institutions to provide banking services for legitimate cannabis-related businesses (or businesses that tangentially work with them) in states that have legalized cannabis. Passage would allow these businesses access to federally insured banking institutions.

Further, it would direct the Financial Crimes Enforcement Network (FinCEN) and federal banking regulators to issue guidance and exam procedures for banks working with cannabis businesses.

## Congressional/executive actions to date

In the 116<sup>th</sup> Congress, H.R. 1595 (The SAFE Act) was passed by the House 321-103 on September 25, 2019. On September 26, the bill was referred to the Senate Committee on Banking, Housing, and Urban Affairs.

Since the bill was introduced in the 116th Congress and was not passed by the end of the two-year Congressional session, the legislation was cleared from the books. A new bill will need to be reintroduced into the 117<sup>th</sup> Congress.

## What to tell your Representatives and Senators

- By passing the SAFE Act, the cannabis business will have greater access to banks to open checking accounts and obtain credit cards. Financial institutions could also provide other services, such as payroll, which would create an additional layer of accountability, transparency, and stability within the industry.
- By creating a safe harbor for financial institutions in states that have legalized cannabis to work with those businesses, the SAFE Banking Act resolves many of the issues listed above.
- The SAFE Act also creates a venue for businesses tangentially connected to cannabis (especially the real estate sector) to operate.

## IREM position

We do not have a position on marijuana legalization. We only ask that businesses operating legally within their state have access to the same financial options that other small business do.

## **Opposing views**

Opposition is mostly from those opposed to cannabis legalization itself, and they believe allowing cannabis-businesses to access banks will help the cannabis industry flourish and lead to federal legalization.

## **Additional information**

- [NAR Support Letter to the Full House Regarding H.R.1595, Secure and Fair Enforcement \(SAFE\) Act of 2019](#)
- [Senate leader Schumer pushing federal marijuana legalization as priority](#)
- [Perlmutter Pushes Senate to Consider Marijuana Banking](#)
- [Colorado reveals plan to allow more banks to serve marijuana industry](#)

## 1031 Like-kind Exchange

### Issue background

With a total value of approximately \$5.26 trillion, commercial real estate's contribution to the nation's economy is enormous. Real estate activity accounts for nearly one-quarter of taxes collected at all levels of government (this includes income, property, and sales taxes). Our industry is one of the leading employers in the United States. Real estate assets and investment drive gains in economic productivity

"Like-kind exchanges" under Section 1031 of the Internal Revenue Code allow property owners to defer taxes on gains realized from the sale of "like-kind" real property until a future date. The like-kind exchange technique is fundamental to the real estate investment sector. The current law provides investors with the maximum flexibility in managing their real estate portfolio. Real estate is essentially an illiquid asset that requires substantial commitments of cash. Flexibility is needed in order to assure the free movement of property and capital.

### Congressional action needed

Although legislation has not yet been introduced, during Biden's presidential campaign, he proposed the repeal of Section 1031 for taxpayers with incomes of more than \$400,000 per year. It is important to lay the groundwork towards educating legislators about the importance of the like-kind exchange to the real estate industry now.

### Congressional actions to date

Currently, there has been no legislation restricting Section 1031 like-kind exchanges introduced in Congress.

### What to tell your Representatives and Senators

- **A like-kind exchange does not avoid taxation.**  
Taxes are still paid in the great majority of cases, whether upon the sale of the replacement property, incrementally through increased taxes from forgone depreciation, or by inclusion in a decedent's taxable estate.
- **A like-kind exchange encourages development and spurs economic activity.**  
Exchanges stimulate real estate transactions and encourage U.S. businesses to reinvest in their domestic operations, as domestic and foreign property are not like-kind. By avoiding a tax-induced "lock up" of properties, like-kind exchange rules increase the frequency of property transactions and ensure a more dynamic real estate sector that drives real estate reinvestment and construction activity.

Due to the pandemic, large amounts of retail and office space are expected to become vacant or underused. Like-kind exchanges provide the flexibility and encourage capital investment for the highest and best use of real estate, which improves communities, grows the economy, creates jobs, and increases local and state tax bases.

- **Repealing the 1031 like-kind exchanges will reduce economic growth.**  
A 2015 study by Ernst & Young found that if revenue from repealing 1031 is used to pay for higher government spending, GDP is estimated to fall by \$13.1 billion each year in the long run.

### **IREM position**

IREM believes that it is in our nation's best interest for Congress to encourage real estate investment in the United States by creating a tax system that recognizes inflation and a tax differential in the calculation of capital gains from real estate; while stimulating economic investment; and consequently, leveling the playing field for those who choose to invest in commercial real estate. Essentially, this tool "kills two birds with one stone" by encouraging both the sale of one property and the purchase of the replacement property. These transactions are vital to economic stability.

### **Opposing views**

Opponents believe that the Tax Code is far too complex and needs to be simplified. They also believe that real estate investments receive generous benefits under the Code, and these should be limited or removed. Several Congressional Tax Reform proposals, and also President Biden's budget proposal, include eliminating or capping 1031 exchanges of real property at \$1 million.

### **Additional information**

- NAR Video: [Next Up: Preserving the 1031 Like-Kind Exchanges - the Data Speaks](#)
  - [Presentation slides](#)
- [What Is Like-Kind Real Estate?](#)
- [1031 Exchange Rules: What You Need to Know](#)
- [Like-Kind Exchanges Help Build Communities](#)

# How to schedule virtual meetings with legislators

## 1. Identify your legislators (two Senators and one Rep.)

- You can easily find your legislators using our [Legislator Lookup Tool](#)
- Use your home address

## 2. Submit a meeting request

- We suggest contacting your legislator's office 2-4 weeks in advance to schedule your meeting
- Feel free to use this [template letter](#)
- Many offices will require you to fill out the meeting request form on their website
- If you're asked to provide the topics when scheduling your meeting, let them know you will send them the topics once they are finalized.
- Ask for 30 minutes (but 15 is fine) and specify where you would like to meet (In their district office or virtually)
- Always follow up with a phone call

## 3. Let us know about your meeting

- Once your meeting is confirmed, please [submit the meeting details](#) to IREM HQ. You can always edit the information if anything changes.

For more detailed information on how to identify, schedule, and conduct effective virtual meetings with federal legislators check out our "[Meet with Legislators](#)" page.



# Tricks of the trade

## Congressional meeting etiquette

### **Be prompt, patient, and flexible**

When it is time to meet with a member of Congress, be punctual and be patient. Congressional schedules tend to be very fluid. Because of changing schedules, it is not uncommon for members of Congress to be late or to have a meeting interrupted due to the member's crowded schedule. If interruptions do occur, be flexible. If possible, ask to continue your meeting with a Member's staff. Remember, staffers influence their thinking on many issues. Establishing a positive relationship with staff can be extremely helpful in future encounters with that Congressperson.

### **Be prepared**

Be familiar with the issues that you are going to discuss. IREM has prepared briefing papers on the issues, talking points, and what the opposition's position is on the issue. Refer to these documents as needed during your meetings. Be prepared to answer questions or provide additional information in the event the member expresses interest or asks questions. If possible, take some time to do more research on the issue so you feel comfortable discussing it during the meeting.

Provide the IREM fact sheets when you meet with your legislator. Hopefully, you have emailed the fact sheets to their office in advance. This will help ensure you meet with the most appropriate staff, and that they are prepared.

Do your research on the Senators and Representatives you will be meeting with beforehand. What committees are they on? Have they already taken a position on your issue? Have they spoken at an IREM or NAR event? Also, get to know about the legislator as a person. Where were they born? Maybe you went to the same school, share a hobby, or are fans of the same team! Be sure to use neutral, bipartisan, and factual resources (beware of "fake news!").

### **Be political**

Members of Congress are sent to Washington to represent the best interests of their district or state and their reelection depends upon how well they do that. During your meeting, phrase the argument in your own words and relate how the issue affects your industry and the interests of the member's constituency. If possible, communicate to the member how you or your group can be of assistance to him/her. Where it is appropriate, remember to ask for a commitment.

Don't be surprised if it appears you are more knowledgeable on the subject than the individual you are meeting with. No legislator or staffer can be expected to know everything! However, it is also okay for you to not know all the answers to the questions you may be asked. Answer questions to the best of your ability, and if you don't know an answer, admit it. Communicate that you will look into the issue and report back. This will also provide you the opportunity for follow-up and to provide any additional information.

### **Be responsive**

Be sure to provide your business card and get their business card before leaving the office. Follow up the meeting with a thank you letter that outlines the different points covered during the meeting and send along any additional information and materials requested. A sample thank you letter will be available on irem.org for you to use.

### **Social media**

Social media is also a great way to share your positive experiences with your meeting. Most members of Congress have Twitter or Instagram accounts. Post about your meeting and tag them. They will appreciate the exposure.

## Top 10 things Hill staffers hate to hear

10. **No, I don't represent anyone from your district or committee interest. I just thought you'd be interested in what I have to say.**

Members are elected to represent their constituents. Period. If you are not their constituent or you are not connected to their constituents, you are not relevant to them. Your time is always best spent working with your own elected officials and turning them into advocates for your cause
9. **What do you mean we have to stand in the hall?**

See number 4. A request to meet in the hallway is simply an indication of space limitations. Nothing else.
8. **What you're telling me can't be right. I heard Stephen Colbert on the Late Show say otherwise.**

Congressional staff, or members of Congress for that matter, won't lie to you. Sometimes, they may see things differently than you do, but if they say a bill definitely is not going to be considered on the floor, or if there is no such legislation, you should believe them.
7. **We have 10 (or more) people in our group.**

Congressional offices are tiny. If you have more than five people in your group, you'll be standing out in the hallway. Plus, having so many people talking at once can dilute the impact of your message. Try to limit your group to no more than five. If you do have a large group, assign a few people (specifically constituents) the responsibility of delivering the message, and be sure to be upfront with the office in advance about how many people are coming.
6. **No, I don't really need anything specific.**

Educating the legislator or staff on an issue is great, but, if you don't ask for something – support/oppose a bill, co-sponsorship, a congressional record statement, a meeting in the district etc. – staff will wonder why you came by. Updates on your issue are fine, so long as they are accompanied by a request.
5. **No, I don't have an appointment, but I promise I'll only take 30 minutes of your time.**

If you weren't able to get an appointment, it's OK to stop by, drop off some materials and let them know of your interest in the issue. It is not OK to camp out in their doorway and demand that someone talk to you.
4. **I assume you know all about HR 1234.**

With thousands of bills being introduced during each Congress, no staff person will be able to keep them all straight. Always provide information on the bill title, number, and general provisions.
3. **How much of a campaign contribution did your boss get to vote for/against this bill?**

Believe it or not, most staff have no idea who contributed to their boss' campaigns. Not only is this question insulting, but even if it were accurate, the staff person isn't likely to know.
2. **Here's some reading material for you – our 300-page annual report.**

When meeting with a member of Congress or staff person, try to limit your leave behind materials to one or two pages, and include details on where this information can be located, if appropriate.
1. **But I thought my appointment was with the Senator/Congressperson.**

Never indicate that you are disappointed to be meeting with a staff person. On Capitol Hill, having a good relationship with staff can make or break your cause.

# Congressional staff roles

To be an effective communicator, it is helpful to know the titles and principal functions of key staff. In addition to their Washington offices, members of Congress also maintain at least one office in their districts. Senators usually have several offices throughout their home state. Titles are often abbreviated with acronyms, which are provided.

## **Chief of Staff**

The Chief of Staff reports directly to the member of Congress. He/she usually has overall responsibility for evaluating the political outcome of various legislative proposals and constituent requests. This person is in charge of overall office operations, including the assignment of work and the supervision of staff.

## **Legislative Director (LD)**

The Legislative Director develops, implements, and advances the legislative agenda while handling policy portfolio. The Legislative Director works closely with the Member, chief of staff, and the legislator's district staff to advance the legislator's priorities.

## **Legislative Assistant (LA)**

The Legislative Assistants are the backbone of the Congressional staff. In most offices there are several Legislative Assistants who are responsible for the Member's legislative activity within particular policy areas. An LA usually covers several related areas, especially in the House of Representatives where staffs are smaller. For example, depending on the Member's interests and committee assignments, one LA may cover taxes, economic issues, and the federal budget, while another covers defense, international relations, veterans affairs, and trade.

## **Press Secretary or Communications Director**

The Press Secretary's responsibility is to build and maintain open and effective lines of communication between the member, his/her constituency, and the general public. The Press Secretary is expected to be familiar with both print and electronic media and how to most effectively promote the member's views or position on specific issues.

## **Scheduler or Appointment Secretary**

The Scheduler is responsible for allocating a member's time among the many demands that arise from congressional responsibilities, staff requirements, and constituent requests. The Scheduler may also be responsible for making necessary travel arrangements, arranging speaking dates, visits to the district, and more.

## **Caseworker**

Most Congressional offices have one or more Caseworkers assigned to assist their constituents. The Caseworker's responsibilities include helping resolve problems constituents present in relation to federal agencies, e.g., Social Security and Medicare issues, veteran's benefits, passports, etc. Caseworkers usually work in the Member's district offices.

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