



Future of Cannabis Legislation: Contrasting the Trump and Harris Administration Plans

Introduction

The trajectory of the cannabis industry in the United States has seen significant shifts, influenced by both federal and state policies. With either a Trump or Harris administration, the future landscape for cannabis, including aspects like legalization, regulation, and cannabis real estate, could experience distinct impacts. In an October 2022 Pew Research Center survey, an overwhelming share of U.S. adults say cannabis should be legal for either medical or adult-use consumption¹. Below, we



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analyze how each administration might influence the industry, focusing on the outcomes and the anticipated effects on cannabis real estate.

Cannabis Policy under a Trump Administration

Historically, the Trump administration's approach to cannabis has been mixed. Although Trump expressed occasional support for states' rights to determine their own cannabis laws (recently supporting a ballot initiative that would legalize adult-use cannabis in Florida²), his administration was largely hands-off, allowing states to proceed with their own legalization frameworks. However, the administration's overall stance remained non-committal, as evidenced by Attorney General Jeff Sessions' attempt to revoke the Cole Memorandum, which guided to avoid federal intervention in state-legal cannabis activities.

Positive Aspects:

Despite this inconsistency, there are potential benefits that a Trump administration could bring to the cannabis industry:

- **States' Rights Approach:** A Trump administration may continue to allow states autonomy over their cannabis laws, creating a decentralized, adaptable framework where each state can tailor its approach to cannabis regulation.

¹ <https://www.pewresearch.org/short-reads/2022/11/22/americans-overwhelmingly-say-marijuana-should-be-legal-for-medical-or-recreational-use/>

² <https://www.cnn.com/2024/10/01/harris-the-pro-cannabis-candidate-the-industry-isnt-convinced.html>



- **Economic Growth:** By maintaining a laissez-faire stance, the industry could benefit from less regulatory interference. This may help cannabis businesses grow without excessive federal oversight, potentially spurring economic growth within the sector.
- **Lower Federal Taxation:** Trump has historically advocated for lower taxes, which could extend to the cannabis industry as well. Reduced federal taxes on cannabis businesses might lead to increased profitability, particularly if federal legalization progresses.

Impact on Cannabis Real Estate:

Cannabis real estate could see some benefits under a Trump administration:

- **Increased Demand for Property:** As states continue to regulate cannabis independently, demand for property suitable for cultivation, manufacturing, and retail could continue to grow, especially in states that newly legalized cannabis.
- **Real Estate Valuation Stability:** A hands-off federal approach could foster stability in property values, as cannabis businesses are able to expand and lease long-term without the threat of federal intervention. This could attract real estate investors who seek more predictable returns.
- **Expansion into Emerging Markets:** States with newly established legal cannabis markets could see a rise in cannabis-related real estate transactions as businesses seek new cultivation, processing, and retail spaces.

Cannabis Policy under a Harris Administration

Vice President Kamala Harris has been a vocal proponent of cannabis reform and co-sponsored the Marijuana Opportunity Reinvestment and Expungement (MORE) Act, which seeks to decriminalize cannabis at the federal level, expunge certain cannabis-related offenses, and provide funding for communities disproportionately affected by the War on Drugs. She also recently announced that if elected president, she would fully legalize adult-use cannabis. While it's a positive statement, legalizing on a federal level can be done via an executive order and requires a broader approach. Her proactive stance indicates that a Harris administration would likely pursue a more aggressive approach toward federal legalization.

Positive Aspects:

A Harris administration could accelerate federal cannabis reform, creating potential advantages for the industry:

- **Federal Legalization and Regulation:** Federal legalization, when successfully achieved, would lead to a regulated national market, reducing the complexity of state-by-state compliance. This could simplify operations for multi-state operators and promote uniform standards across the industry.
- **Access to Banking and Financial Services:** With federal legalization, cannabis businesses would have greater access to banking services, which is currently limited due to federal



restrictions. This could improve financial stability and access to capital, enabling further industry growth.

- **Social Equity Initiatives:** The MORE Act, supported by Harris, includes provisions for social equity programs. These initiatives could foster a more inclusive cannabis industry, allowing individuals from marginalized communities to participate in and benefit from the industry's growth.

Impact on Cannabis Real Estate:

The cannabis real estate market could experience transformative changes under a Harris administration:

- **Increase in Property Values:** As federal legalization takes effect, cannabis-related real estate could become more valuable due to higher demand and reduced stigma. Properties previously limited to non-cannabis businesses could become viable for cannabis operations, potentially increasing their market value.
- **Increased Investment from Institutional Investors:** Federal legalization would likely open the door for institutional investors, who have been hesitant to invest in cannabis-related real estate due to federal restrictions. This could lead to an influx of capital into the sector, driving up property values and spurring development in areas with established cannabis markets.
- **Opportunities for Expansion Nationwide:** With a federal green light, cannabis businesses could explore opportunities in states that have been slower to adopt legalization. This would likely lead to a surge in real estate transactions and development projects focused on cannabis operations across the country.

Conclusion

Both a Trump and Harris administration would have distinct impacts on the cannabis industry and cannabis real estate. A Trump administration would likely maintain the status quo, allowing states to continue driving cannabis legalization, which could result in steady growth in state-legal markets but limit federal progress. On the other hand, a Harris administration could bring sweeping reforms through federal legalization, opening up new opportunities for industry expansion but also introducing new regulatory challenges.

The future of the cannabis industry and its real estate market will be shaped by the policies of the next administration. Regardless of one's political view, the importance of addressing each candidate's potential cannabis policies is a testament to how important this topic has become in securing votes. As the cannabis industry navigates the evolving political landscape, businesses and investors alike should stay informed about potential policy shifts and prepare for the unique opportunities and challenges that each administration could bring.