

**Testimony in Support of SB708 with Amendment
Cannabis – Legalization and Regulation
March 4, 2021**

To: Hon. Delores Kelley, Chair and members of the Senate Finance Committee
From: Michael Wilson, Executive Assistant to the President
United Food and Commercial Workers Union, Local 400

Chair Kelley and members of the Finance Committee. I am here today on behalf of the members of the United Food and Commercial Workers Union (UFCW), Local 400. We represent over 10,000 members in Maryland working on the front lines of the ongoing pandemic in grocery, retail, food distribution, law enforcement, and health care.

Nationally, UFCW represents over 1.3 million hard-working men and women who work in highly regulated industries including the emerging legal cannabis industry. Our cannabis members can be found across multiple states in growing and cultivating facilities, manufacturing, and processing facilities, and in laboratories and dispensaries, including in Maryland and the District of Columbia. Wherever cannabis is legalized, the UFCW is committed to building family sustaining jobs and a strong, diverse, and skilled workforce.

UFCW Local 400 supports SB 708 with the addition of labor peace agreements as a condition of cannabis licensure and renewal, as well as other amendments to allow for more social equity licenses and micro grow facilities that bring SB 708 in line with HB 32. Labor peace agreements protect businesses, workers, and consumers, and are an effective regulatory tool for the state, while allowing for micro grows and more licenses will allow more people who have been negatively impacted by the failed war on drug policies of the past to participate and be successful in this newly legal industry.

A labor peace agreement is an agreement between an employer and a bona fide labor organization in which the parties agree to maintain labor peace. Such agreements protect the government's interests by prohibiting labor organizations and their members from engaging in strikes, boycotts, picketing and any other interference with the employer's business. In return, the employer agrees not to interfere with efforts by the labor union to communicate with, and attempt to organize and represent, the employer's workers. At its core, these negotiated labor peace agreements create an orderly and fair process for workers to decide whether they want or don't want representation.

Labor peace agreements can help address the existing disparities in the cannabis market by providing equal opportunities for women, people of color, LGBTQ individuals, veterans, and people with disabilities to own businesses or work within the industry. **Access to representation**

helps ensure that a broad range of workers can benefit from the fledgling industry, especially workers from communities that have been disproportionately impacted by cannabis prohibition in the past.

For too long, communities of color have suffered as a result of top-down policy making that is disconnected from lived experiences. This is especially true for communities that have experienced extreme sentencing and racial profiling as a result of the criminalization of cannabis. To truly end cannabis prohibition, Maryland must take steps to redress the harms of decades of over-policing, criminalization, and incarceration of people of color that resulted from cannabis criminalization. The political will and financial resources mobilized in the War on Drugs to put people in jail must be matched with equal resources to create an equitable new industry. To fulfill the promise of this industry for impacted communities and to lead nationally in a just transition, Maryland leaders should consider how cannabis jobs can improve the lives of the families who were impacted by a failed and brutal cannabis prohibition. The political will to end cannabis prohibition must include taking the questions of race equity, harm, and redress seriously.

Unions and front-line cannabis workers can be important partners in equitable hiring and worker organizations can be important institutions for establishing hiring centers and training programs that ensure diverse, skilled, and long tenured workforces. But first we must decouple the new industry from an unjust criminal justice system and ensure that workers can organize without interference.

It is no surprise that multiple other states have chosen to include labor peace requirements for cannabis licensure. California, New Jersey, and New York all require cannabis operators to sign agreements requiring labor peace. Pennsylvania and Illinois incentivize operators with a merit-based system that gives points for labor peace agreements. Each of these states faced similar questions and arguments about labor peace and each of these states, their legislature and legislative counsel agreed that labor peace requirements in cannabis were good and consistent with state and federal law.

A study of a labor peace requirement, and other employment requirements, at San Francisco Airport, concluded that the requirements “dramatically reduced turnover, improved worker morale and [resulted in] greater work effort. Unions in general enhance worker’s job satisfaction and consequently employees are more willing to work harder leading to higher productivity and quality of output. A workforce comprised of union members is characterized by reduced turnover, which in turn saves the business money in the long term with less spending on frequent training and induction of new employees. That is why localities require labor peace in other industries.

UFCW supports an adult use cannabis industry in Maryland that will create sustainable jobs for families for the foreseeable future. Our experience is that labor peace agreements are an effective way to achieve that. Labor peace agreements will reward responsible businesses and ensure that Maryland’s cannabis industry is driven by companies committed to making long-term investments in local communities.

The nascent Maryland cannabis industry presents an unparalleled opportunity to build a new kind of industry for Maryland, one that redresses historical and continuing harms and gives workers an opportunity to exercise workplace democracy to improve both the industry and Maryland communities. Policymakers must embrace principles of equity and workplace democracy from recruitment to career advancement in order to build a shared culture of equality. One strong mechanism to do so is the labor peace agreement.

In addition to the other amendments we support, the specific amendment for labor peace we are recommending is:

1) On p. 50, after line 27, please insert:

4. Require all applicants for a dual license that have 10 or more employees to submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement with such bona fide labor organization.

2) On p. 59, after line 2, please insert:

(F) No later than 200 days after hiring a 10th employee, each cannabis establishment licensee shall submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement with such bona fide labor organization

(G) The maintenance of a labor peace agreement with a bona fide labor organization shall be an ongoing material condition of maintaining a cannabis establishment license with 10 or more employees beginning 200 days after the cannabis establishment hires its 10th employee.

Thank you for the opportunity to comment.