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Patrick Moran – President

**SB 726 – Cannabis Licensees –
Bona Fide Labor Organizations and Labor Peace Agreements
Finance Committee
March 6, 2025**

FAVORABLE

AFSCME Council 3 supports Senate Bill 726. Senate Bill 726 would require a cannabis licensee to execute a labor peace agreement prior to renewal of its license and maintain and abide by a labor peace agreement as a condition of licensure. The bill would charge the Maryland Cannabis Administration with promulgating regulations to implement the labor peace requirements provided for in the legislation. Additionally, the bill enables a bona fide labor organization to file a protest with the Maryland Cannabis Administration regarding a license renewal.

AFSCME Council 3 represents approximately 50,000 public service workers at the state, county, and municipal levels of government. AFSCME members are on the front lines every day from Western Maryland to the Eastern Shore, delivering critical public services for Marylanders. Our union supports workers' rights legislation in the private and public sector. Labor peace agreements are a powerful and meaningful tool for workers to exercise their freedom of association with their co-workers. Labor peace agreements (LPAs) establish a fair process for workers to decide whether they wish to be represented by a union, without intimidation or retaliation by their employers.

LPAs are not a novel concept and have been utilized in various states to promote harmonious labor relations in the cannabis industry. For example, legislation establishing LPAs for recreational cannabis has been enacted in California, Connecticut, New Jersey, New York, and Rhode Island. Our state has also utilized LPAs for casino and gaming licenses, so this policy is not new to our General Assembly.

Finally, LPAs promote equity and elevate working conditions in the industry where they are established. For example, research has demonstrated that people of color and women working in the cannabis industry earn substantially more than their non-union counterparts.¹ Moreover, these wage benefits are not limited to one group of workers in the industry—research demonstrates workers in cultivation, processing, and retail all earn more in wages when they are represented by a union, compared to their non-union counterparts. **Our union thanks Senator Ellis for standing with workers and we urge the committee to issue a favorable report on Senate Bill 726.**

¹ David Cooper and Sebastian Martinez Hickey, *Ensuring the high road in Cannabis: Legalization offers a chance to make the cannabis industry a model of good jobs – if workers are given a voice*, Economic Policy Institute (Sept. 20, 2021), <https://www.epi.org/publication/ensuring-the-high-road-in-cannabis-jobs/#:~:text=Ensuring%20the%20high%20road%20in%20Cannabis%20Legalization%20offers%20a%20chance,workers%20are%20given%20a%20voice&text=What%20this%20report%20finds%3A%20There,cannabis%20legalization%20like,y%20to%20come.>