

Testimony in Support of SB 0726

Cannabis Licensees - Bona Fide Labor Organizations and Labor Peace Agreements

March 3, 2025

To: Honorable Chair Pamela Beidle, Vice Chair Antonio Hayes, and members of the Senate
Finance Committee

From: Kayla Mock, Political & Legislative Director

United Food and Commercial Workers Union, Local 400

Chair Beidle and members of the Senate Finance Matters Committee, I appreciate the chance to share my testimony on behalf of our over 10,000 members in Maryland, working in grocery, retail, food distribution, cannabis, and health care. Through collective bargaining, our members raise the workplace standards of wages, benefits, safety, and retirement for all workers. Union members are critical to addressing inequality and uplifting the middle class.

We strongly support SB 0726, Labor Peace Agreements in Cannabis, and urge you to vote it favorably.

According to a Capitol News Service article in December 2024, fiscal Cannabis retail sales in Maryland for fiscal year 2025 are expected to reach over \$1.1 billion according to the Maryland Cannabis Administration (MCA), with the state anticipating yielding over \$100 million in tax revenue based on the state's 9% sales tax on cannabis.

We are pleased to see Maryland cannabis companies are doing well, and we hope that this success continues to bring revenue to Maryland.

We also want to see cannabis jobs be sustainable, high road jobs that will support families, communities, and create generational wealth. We believe in order to make cannabis jobs the best they can be, cannabis workers' rights to freely and fairly organize need to be protected through labor peace agreements.

Labor Peace Agreements (LPAs) help support a fair process for workers to decide whether they would like union representation without intimidation or retaliation by employers. As the

cannabis industry grows, regulations with a Labor Peace Agreement will support workers' ability to obtain a fair share of this economic growth while reducing racial and gender inequality. Labor peace agreements would also preemptively prevent conflicts with employers by prohibiting labor organizations from engaging in picketing, work stoppages or boycotts against cannabis establishments.

Labor peace agreements are not new in the cannabis industry. Multiple states (California, New York, Delaware, Rhode Island, ect) have labor peace agreements in their cannabis regulations. In Maryland, LPAs were used in casino and gaming licenses and hotels, so this is not a new idea to our legislature.

The National Labor Relations Act says that workers should have a free and fair choice in organizing or joining a union. By having both parties sign an LPA, and binding both sides to neutrality, workers really will get a free and fair opportunity to do what's right for them, their coworkers, their families, and companies.

Unfortunately, what we have seen in the cannabis industry when workers decide to organize is typical union busting tactics. Managers and companies will try to influence workers' decisions through intimidation, fear, retaliation, or misinformation. Workers whose rights have violated have few options to correct these wrongs, and the current administration is further eroding the few choices that did exist.

We believe cannabis workers deserve to have a true free and fair choice in whether or not to organize their workplace, and the only way to do that is to make sure companies remain neutral through signing a LPA as a condition on licensure.

We ask the state to protect cannabis workers and urge a favorable report on SB 0726.