



March 6, 2025

The Honorable Pamela Beidle
Chair, Senate Finance Committee
3E Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

SB 726 - Cannabis Licensees - Bona Fide Labor Organizations and Labor Peace Agreements
Letter of Information

Dear Chair Beidle, Vice Chair Hayes, and Members of the Senate Finance Committee:

The Maryland Cannabis Administration (MCA) is submitting this **Letter of Information** (LOI) for Senate Bill 726 Cannabis Licensees - Bona Fide Labor Organizations and Labor Peace Agreements.

SB 726 requires all cannabis licensees to execute a labor peace agreement with a bona fide labor organization prior to their first license renewal and to maintain and abide by that agreement as a condition of licensure. Additionally it requires the MCA to adopt regulations implementing these requirements and to evaluate whether a labor organization is “bona fide” based on a number of factors specified in the bill. Finally it offers a bona fide labor organization standing to file a complaint against a license renewal.

A labor peace agreement permits employees to engage a labor organization without interference or retaliation by their employer. It is not a collective bargaining agreement; rather, it is an agreement between a bona fide labor organization and a cannabis licensee which prohibits the organization from engaging in picketing, work stoppages, or boycotts against the licensed entity. In exchange, the employer agrees to maintain neutrality during labor union organizing efforts.

Applying this to Maryland’s current cannabis market landscape, cannabis licensees may already enter labor peace agreements and the MCA is aware of at least 14 cannabis business locations who have already unionized. However, it is currently at the discretion of each cannabis business owner whether its employees may establish labor peace agreements.

Maryland cannabis licenses are renewed every 5 years. Under this bill, MCA’s 142 licensees that converted from a medical-only license to medical and adult-use in 2023 would be required to execute a labor peace agreement prior to their first renewal in 2028 or early 2029. Assuming 205 social equity conditional licensees become operational in 2026, an equal number will be due to renew by 2031. Under this legislation, the MCA would evaluate any labor organization with which a cannabis licensee enters a labor peace agreement to determine whether the labor organization is bona fide. Only two labor organizations are currently active in the Maryland cannabis industry, but MCA would need to do its due diligence to ensure that any additional labor organizations meet the bona fide criteria.



Beyond the initiation of labor peace agreements, MCA would be responsible for ensuring licensees maintain compliance with the labor peace agreement and taking action against the licensee should it fail to meet this standard. In other jurisdictions, labor peace agreements have assisted agencies with improving working conditions and product quality. Labor peace agreements may provide a safety net to Maryland cannabis employees to balance any potential changes in federal labor protections.

The MCA respectfully submits this LOI on labor peace agreements and the impact they may have on agency operations for consideration by the body. We are dedicated to collaborating with the Finance Committee and broader General Assembly on this legislation as the body considers its determination.

If you would like to discuss further or have any questions, please contact Tabatha Robinson at tabatha.robinson@maryland.gov or Alison Butler at alison.butler@maryland.gov.

Respectfully,

Tabatha Robinson

Tabatha Robinson
Acting Executive Director, Maryland Cannabis Administration