



# S.2509 / A.3009, Part H, Section 35

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<b>BILL</b> S.2509 / A.3009, Part H, Section 35
<b>SUBJECT</b> Cannabis Regulation and Taxation Act   Mandatory Labor Peace Agreements
<b>DATE</b> February 23, 2021
<b>OPPOSE</b>

The Business Council has taken no position on the broader issue of legalization of recreational use of cannabis. However, the provision of the Executive Budget proposal regarding license criteria is of significant interest to economic development interests.

Section 35 of the proposed legislation requires, as a condition of obtaining a state license, that any entity receiving a license to cultivate, process, distribute and sell adult-use cannabis enter into a labor peace agreement with a bona fide labor organization. The maintenance of such a labor peace agreement would be an on-going condition of licensure.

The state is not within its right to require such an arrangement in order to obtain a license. The National Labor Relations Act forbids employers from interfering with, restraining, or coercing employees in the exercise of rights relating to organizing, forming, joining or assisting a labor organization for collective bargaining purposes, or from working together to improve terms and conditions of employment, **or refraining from any such activity**. Similarly, labor organizations may not restrain or coerce employees in the exercise of these rights.

Aside from the ethical questions of mandating employees to join a union and pay union dues, regardless of their individual choice, requiring an organization – as a condition of doing business in New York - to recognize a bargaining unit and successfully reach a collective bargaining agreement is clearly contrary to federal law.

This mandate is also arbitrary and unfair. No other private enterprise is held to this obligation. Any expansion of this requirement beyond the cannabis industry would never receive legislative approval – and if it did – would make New York State the least competitive state for business in the nation and begin an exodus of jobs and businesses from New York.

For the reasons stated above, we encourage that, if the legislature acts to approve a version of Part H, this section be removed from any final legislation.