

**League of Women Voters of Oregon  
2024 General Election**

**Measure 119: Cannabis Industry Unionization Rules**

**OFFICIAL TITLE:** Cannabis retailers/processors must remain neutral regarding communications to their employees from labor organizations; penalties

**INITIATIVE:** This measure is a statutory amendment placed on the ballot with an estimated 120,503 valid signatures. Dan Clay, Madison Walters, and Fiona Yau-Luu were the chief petitioners.

**FINANCIAL IMPACT:** The Oregon Legislative Revenue Office has determined that this measure does not have significant direct or indirect economic or fiscal impacts.

**PROBABLE RESULT OF “YES” VOTE:** Cannabis retailers and certain cannabis license holders must be party to a labor peace agreement, which would require them to remain neutral when labor organizations communicate with employees about collective bargaining rights with the possibility of licensure and certification penalties.

**PROBABLE RESULT OF “NO” VOTE:** Current labor laws stay in place. There is no requirement that cannabis retailers and processors sign a labor peace agreement and agree to remain neutral with regard to labor organizing in order to obtain a license in Oregon.

**BACKGROUND:** It is estimated that 7,671 people work in the Oregon cannabis industry.

In Oregon, employees' bargaining rights are generally governed by Oregon Revised Statutes, Chapter 663, which guarantees the right to self-organization, strike, collective bargaining through representatives, and joining a union. Employees also have the right not to engage in these activities, except if membership is required as a condition of employment. Most employers may not interfere with, restrain or coerce employees in the exercise of these rights. Enforcement of these rules is in the hands of the Oregon Labor Relations Board.

Nationally, the same rights are guaranteed to many workers. The rights are enforced by the National Labor Relations Board (NLRB). However, because cannabis is an illegal industry on the federal level, many employers are treating cannabis workers seeking to exercise unionization rights as being in an ambiguous status with respect to the NLRB, which has no defined classifications for cannabis workers and may regard them as agricultural workers, who do not have the same unionization rights.

Out of a concern that cannabis workers' ambiguous status and misclassification with respect to the NLRB was allowing unsafe workplaces, wage theft, and other problems, United Food and Commercial Workers 555, Oregon's largest private-sector labor union, proposed Oregon House Bill 3183 in 2023. This bill was considered but did not pass in the Oregon Legislature due to concerns about conflicts with federal law. Now, in a further effort to protect workers' rights in the cannabis industry, Measure 119 has been proposed.

**PROPOSAL:** Under Measure 119, the Oregon Liquor and Cannabis Commission would require cannabis retailers and processors to enter into a labor peace agreement with a labor organization in order to get a state license. Once this agreement is signed, the cannabis retailer or processor agrees to remain neutral when union representatives communicate with employees about their collective bargaining rights.

Failure to have a signed labor peace agreement or failure to follow the agreement may result in penalties, including fines or the denial, suspension, or revocation of the retailer's or processor's license or certificate to sell or process cannabis.

If the labor peace agreement is terminated, the licensee must notify the Oregon Liquor and Cannabis Commission within ten days and enter into a new agreement within thirty days. If the licensee does not submit a new labor peace agreement within 30 days, then under Measure 119 the commission can suspend their license for 30 days or impose a \$1,650 fine.

### **Supporters Say**

- If passed, this measure would ensure that cannabis workers' freedoms to organize and collectively bargain are protected under state law by closing a loophole that currently deprives Oregon cannabis workers of the right to unionization.
- Currently, Oregon cannabis workers have significant challenges when it comes to voicing concerns about safety and product standards. This includes problems with toxic chemicals in cannabis growing processes, unchecked safety concerns, and a lack of proper PPE in the industry, which leads to compromised worker and consumer safety. Because of inadequate labor protections, those who attempt to raise these issues do not come forward and continue to work under unsafe conditions.
- California, Connecticut, New Jersey, New York, and Virginia have similar requirements for licensed cannabis businesses. Measure 119 will allow Oregon cannabis workers to have the same protections as workers in other states.

### **Opponents Say**

- By requiring cannabis employers to remain neutral on union communication, Measure 119 would make them forfeit their rights to inform workers about facts about a union that

the employers know to be true, including the employers' experience with the unions and their opinions about them.

- Under the National Labor Relations Act, states may not require private employers to enter into labor peace agreements unless a state is acting as a market participant by being either a party to a contract with a private business or purchasing its goods. There are no provisions of Measure 119 that concern the state as a party to the contract, which means that this Measure would violate federal law.
- The labor peace agreement that Measure 119 requires is one-sided in favor of the workers, because it requires cannabis businesses to remain neutral on communications from labor organizations and requires labor organizations to give up nothing.