

LABOR PEACE AGREEMENTS UNDER MRTA

The Marihuana Regulation and Taxation Act (MRTA) requires all applicants for a license to grow, process and manufacture, distribute, deliver, or sell cannabis products to enter into and maintain a labor peace agreement (LPA) with a labor union that either represents, or is trying to represent, that applicant's workers.

What is a labor peace agreement?

A labor peace agreement (LPA) is a contract between an employer and a union, in which the employer agrees to be neutral during a union organizing campaign and not interfere with union organizing. The union agrees not to engage in picketing, work stoppages, boycotts, and any other economic interference with the employer. MRTA requires that all employers, regardless of size, have a labor peace agreement at the time of application for a license in the adult-use and medical cannabis programs. Having a LPA is also a condition of licensure.

What is a labor union?

A labor union is an organized group of workers who unite to make decisions about conditions affecting their work. A labor union represents the employees' interests in discussions with the business that employs them. The main purpose of labor unions is to give workers the power to negotiate for wages, hours, working conditions and other benefits through collective bargaining. Collective bargaining is the process in which working people, through their unions, negotiate contracts with their employers to determine their terms of employment, including pay, benefits, hours, leave, job health and safety policies, ways to balance work and family, and more. The end-goal of collective bargaining is to have a collective bargaining agreement, or contract, in place.

What are some common misconceptions about LPAs?

Labor peace agreements **do not** require or lead to automatic unionization and do not impose a collective bargaining agreement. Union organizing must still take place, and a majority of the workers must choose to be represented by a bona fide union for purposes of collective bargaining. Only after a majority of the workers have democratically chosen representation by the union can negotiations for a collective bargaining agreement between a union and an employer begin.

Labor peace agreements also **do not** impose hiring standards or requirements. Companies have discretion to decide their own hiring standards or requirements under LPAs

How is a labor peace agreement different from a collective bargaining agreement?

Labor peace agreements are much more limited in scope than collective bargaining agreements because they address only the parties' rights with respect to union organizing. Collective bargaining agreements, by contrast, are broader and include the terms and conditions of employment, such as wages, hours, benefits, working conditions etc. agreed to by the union and the employer.

What is a collective bargaining agreement?

A collective bargaining agreement (CBA) is a contract between a union and the employer. A CBA sets the terms and conditions of employment for the workers including:

- Wages
- Working hours and conditions
- Employee benefits
- Grievance and arbitration procedures
- Limitations on strikes
- The union's rights and responsibilities
- Management's rights and responsibilities

Why do I need a labor peace agreement and how do I secure one?

Regardless of the workplace's union status, an LPA must be in effect for the duration of an entity's operation in the cannabis industry, or its license to operate will not be renewed. Similarly, violating an existing LPA (or state labor laws) will result in the suspension or termination of an entity's license to operate.

You can secure a LPA by contacting a bona fide labor union actively engaged in New York State.