

1 "Department" means the department of labor and industrial
2 relations.

3 "Labor peace agreement" means an agreement between an
4 establishment and a bona fide labor organization that, at a
5 minimum, protects the State's proprietary interests by
6 prohibiting the labor organization from engaging in picketing,
7 work stoppages, or boycotts against the establishment.

8 "Medical cannabis dispensary license" means a license
9 issued by the department of health pursuant to chapter 329D.

10 "Medical cannabis dispensary licensee" means a person who
11 holds a valid medical cannabis dispensary license.

12 "Person" means an individual, firm, corporation,
13 partnership, association, or any form of business or legal
14 entity.

15 § -2 **Federal law.** Nothing in this chapter shall be
16 construed to limit the application of any federal law.

17 **PART II. CANNABIS INDUSTRY**

18 § -11 **Bona fide labor organization for cannabis workers.**

19 (a) For purposes of a bona fide labor organization applicable
20 to this part, the department shall certify as a bona fide labor
21 organization each labor organization that:



1 (1) Satisfies the requirements of a "labor organization"
2 pursuant to 29 United States Code section 402(i); and

3 (2) Is actively seeking to represent cannabis industry
4 workers in the State.

5 (b) For the purposes of determining whether a labor
6 organization is actively seeking to represent cannabis industry
7 workers in the State pursuant to subsection (a)(2), the
8 department shall consider whether:

9 (1) The labor organization has been recognized or
10 certified as the bargaining representative for
11 cannabis employees in the State;

12 (2) The labor organization has executed one or more
13 current collective bargaining agreements with cannabis
14 employers, medical cannabis dispensary licensees, or
15 cannabis licensees in the State;

16 (3) The labor organization has expended resources as part
17 of a current and active attempt to organize and
18 represent cannabis industry workers in the State;

19 (4) The labor organization has filed the annual report
20 required by 29 United States Code section 431(b) for
21 the three immediately preceding years;



1 (5) The labor organization has audited financial reports
2 covering the three immediately preceding years;

3 (6) Written bylaws or a constitution applicable to the
4 three immediately preceding years exist; and

5 (7) The labor organization is affiliated with any regional
6 or national association of unions, including any
7 central labor councils.

8 § -12 **Labor peace agreement.** (a) Each:

9 (1) Applicant for a medical cannabis dispensary license;

10 (2) Medical cannabis dispensary licensee seeking to renew
11 a medical cannabis dispensary license;

12 (3) Applicant seeking a cannabis license; and

13 (4) Cannabis licensee seeking to renew a cannabis license,

14 shall submit with the application or renewal request an

15 attestation signed by the applicant or licensee and the bona

16 fide labor organization stating that the applicant or licensee

17 has entered into a labor peace agreement that is effective at

18 the time of the application or renewal request. Failure to

19 submit the attestation required by this section within thirty

20 days of the application or renewal request shall result in the

21 denial of the application or renewal request.



1 (b) Each medical cannabis dispensary licensee and cannabis
2 licensee shall maintain a valid labor peace agreement for the
3 duration of the license.

4 (c) The department of health may suspend or revoke a
5 medical cannabis dispensary license or a cannabis license issued
6 by the State if the licensee fails to maintain a valid labor
7 peace agreement.

8 (d) The department shall establish a schedule to
9 periodically review each labor peace agreement. The reviews
10 shall include verification of the status and proper maintenance
11 of each labor peace agreement. Upon review and findings that a
12 medical cannabis dispensary licensee or a cannabis licensee does
13 not have a valid labor peace agreement or has otherwise not
14 properly maintained a labor peace agreement, the department of
15 health shall suspend the medical cannabis dispensary license or
16 the cannabis license."

17 SECTION 2. Section 329D-3, Hawaii Revised Statutes, is
18 amended by amending subsection (b) to read as follows:

19 "(b) The application shall be submitted to the department
20 and shall include supporting documentation to establish the
21 following:



- 1 (1) That the individual applicant:
- 2 (A) Has been a legal resident of the State for not
- 3 less than five years preceding the date of
- 4 application;
- 5 (B) Is not less than twenty-one years of age; and
- 6 (C) Has had no felony convictions;
- 7 (2) That the applying entity:
- 8 (A) Has been organized under the laws of the State;
- 9 (B) Has a Hawaii tax identification number;
- 10 (C) Has a department of commerce and consumer affairs
- 11 business registration division number and suffix;
- 12 (D) Has a federal employer identification number;
- 13 (E) Is not less than fifty-one per cent held by
- 14 Hawaii legal residents or entities wholly
- 15 controlled by Hawaii legal residents who have
- 16 been Hawaii legal residents for not less than
- 17 five years immediately preceding the date the
- 18 application was submitted;
- 19 (F) Has financial resources under its control of not
- 20 less than \$1,000,000 for each license applied
- 21 for, plus not less than \$100,000 for each retail



1 dispensing location allowed under the license
2 applied for, in the form of bank statements or
3 escrow accounts, and that the financial resources
4 have been under the control of the applying
5 entity for not less than ninety days immediately
6 preceding the date the application was submitted;

7 ~~and~~

8 (G) Is composed of principals or members, each of
9 whom has no felony convictions~~[-]~~; and

10 (H) Has entered into a labor peace agreement pursuant
11 to section -12."

12 SECTION 3. Section 329D-21, Hawaii Revised Statutes, is
13 amended by amending subsection (a) to read as follows:

14 "(a) In addition to any other actions authorized by law,
15 the department may deny, revoke, or suspend any license applied
16 for or issued by the department, in accordance with this
17 chapter, and to fine or otherwise discipline a licensee for any
18 cause authorized by law, including but not limited to the
19 following:

20 (1) Procuring a license through fraud, misrepresentation,
21 or deceit;



- 1 (2) Professional misconduct, gross carelessness, or
- 2 manifest incapacity;
- 3 (3) Violation of any of the provisions of this chapter or
- 4 the rules adopted thereto;
- 5 (4) False, fraudulent, or deceptive advertising;
- 6 (5) Any other conduct constituting fraudulent or dishonest
- 7 dealings;
- 8 (6) Failure to comply with a department order; [~~and~~]
- 9 (7) Making a false statement on any document submitted or
- 10 required to be filed by this chapter, including
- 11 furnishing false or fraudulent material information in
- 12 any application[~~-~~]; and
- 13 (8) Failure to maintain a valid labor peace agreement
- 14 pursuant to -12."

15 SECTION 4. This Act does not affect rights and duties that
16 matured, penalties that were incurred, and proceedings that were
17 begun before its effective date.

18 SECTION 5. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 6. This Act shall take effect upon its approval;
21 provided that until January 1, 2025, the department of health



1 shall not deny the renewal of, revoke, or suspend any medical
2 cannabis dispensary license for failure to enter into a labor
3 peace agreement.

4

INTRODUCED BY:

Kal Aboud



S.B. NO. 2241

Report Title:

Labor Peace Agreement; Cannabis; Employment; DLIR; DOH

Description:

Requires each cannabis dispensary to enter into a labor peace agreement that protects the State's proprietary interests by prohibiting the applicable labor organization from engaging in picketing, work stoppages, or boycotts against the establishment. Requires the Department of Labor and Industrial Relations to review labor peace agreements. Authorizes the Department of Health to suspend or revoke the cannabis license of a licensee who does not maintain a valid labor peace agreement.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

