



To: Members of the House Government Operations Committee

From: Michigan Cannabis Manufacturers Association
Great Lakes Cannabis Chamber of Commerce
Small Business Association of Michigan
National Federation of Independent Business
Michigan Chamber of Commerce
Grand Rapids Regional Chamber of Commerce
Michigan Restaurant and Lodging Association
Associated Builders and Contractors of Michigan
Michigan Freedom Fund
Mackinac Center for Public Policy
Americans for Prosperity
Reason Foundation
Center for Independent Employees

Date: January 28, 2020

RE: Support for Senate Concurrent Resolution 18

We write today in strong support of Senate Concurrent Resolution (SCR) 18 to oppose draft Marijuana Regulatory Agency rules which would mandate so-called "Labor Peace Agreements" as a condition of licensure for medical and adult-use marijuana business licenses in Michigan.

The draft rules are of serious concern because they constitute a degree of state government overreach which has never been implemented for any kind of business license in Michigan. If these rules are not withdrawn we fear there would be serious consequences that would harm businesses in the state and threaten public safety by bolstering the black market in Michigan.

Moreover, such rules likely violate federal labor law. Forcing a business to enter into any type of an agreement with a labor organization is inconsistent with key provisions of the National Labor Relations Act. This alone is reason enough to abandon this misguided requirement.

Finally, although reasonable people may disagree on areas of public policy, it has always been a generally accepted principle that a non-governmental, 3rd party entity should never be handed the unchecked and powerful ability to have final sign-off on an application to do business in this state. Unfortunately, the draft rules do exactly that by effectively giving a 3rd party (in this case a labor union) the ability to single-handedly block any and every application for a state-issued license. Simply put, nobody—including any of the groups listed on this letterhead—should have such unbridled and total influence. This would be a dangerous precedent.

On behalf of our organizations and the hundreds of thousands of businesses and citizens we represent, we appreciate your consideration of this important matter and urge support of SCR 18 in opposition to government-mandated labor peace agreements.