

San Francisco Ordinance Requires Cannabis Business Permit Applicants to Enter into “Labor Peace Agreements”

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Earlier this month, San Francisco’s Public Safety & Neighborhood Services Committee unanimously approved an [ordinance](#) that requires certain cannabis business permit applicants to agree to enter into a collective bargaining agreement (a “Labor Peace Agreement”) with a “Bona Fide Labor Organization” as a condition of receiving a cannabis business permit.

The measure applies to business applicants with 10 or more employees and amends San Francisco’s existing marijuana licensing law by requiring that applicants *actually* enter into an employee labor agreement *before* a permit is issued (as opposed to merely demonstrating that they will do so).

The ordinance defines “Bona Fide Labor Organization” (BFLO) as any organization, agency, employee representation committee, or related local unit, which exists for the purpose (in whole or part) of dealing with employers regarding grievances, labor disputes, wages, hours of employment, or other conditions of work, and which is not financed (in whole or part), interfered with, dominated, or controlled by the employer or any employer association.

“Labor Peace Agreements” are agreements between cannabis business permit applicants and BFLOs that, at minimum, prohibit such BFLOs and members from engaging in picketing, work stoppages, boycotts, and other economic interferences with the applicants’ business. Under a Labor Peace Agreement, applicants also would agree not to disrupt efforts for BFLOs to communicate with, and attempt to organize and represent, the applicants’ employees.

Mayor Mark Farrell (D) approved of the ordinance on June 14, 2018, and it will become effective 30 days thereafter.

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