

LEGISLATIVE DIGEST

(Revised 11/28/18)

[~~Police Code - Agreements Between Cannabis Businesses and Labor Organizations for Hiring Graduates of Apprenticeship and Pre-Apprenticeship Programs~~Apprentice-Hiring Requirements for Cannabis Businesses]

Ordinance amending the Police Code to require Cannabis Businesses, when entering into a City-mandated Labor Peace Agreement or collective bargaining agreement, to also agree that 35% of new hires shall be graduates of State-approved apprenticeship programs or of City-certified pre-apprenticeship programs, if a relevant program of either type exists. to ensure that 35% of new hires shall be registered apprentices enrolled in State-approved apprenticeship programs that have a memorandum of understanding (MOU) with one or more City-certified pre-apprenticeship programs, if a relevant State-approved apprenticeship program has such an MOU.

Existing Law

Article 16 of the City's Police Code sets forth comprehensive regulations governing commercial cannabis activity in the City. Under Article 16, businesses must obtain a permit from the City to engage in commercial cannabis activity. Among other things, Article 16 requires cannabis-business-permit applicants with 10 or more employees to enter into, and abide by the terms of, either a labor peace agreement (as defined in Article 16) or a collective bargaining agreement.

Article 16 also generally requires cannabis businesses to ensure that at least 50% of all business work hours be performed by local residents.

Amendments to Current Law

This version of the ordinance reflects amendments to be introduced in the November 28, 2018 meeting of the Rules Committee. As originally introduced, this ordinance would have required a cannabis business to agree, as part of any labor peace agreement or collective bargaining agreement made pursuant to Article 16, that 35% of its new hires would be graduates of apprenticeship programs approved by the State or pre-apprenticeship programs certified by the City, if a relevant program of either type existed. The ordinance (as originally introduced) would have further provided that, if graduates of such programs were not seeking employment in sufficient numbers to satisfy 35% of the cannabis business's new hiring needs, then the cannabis business would be required to hire such graduates to the extent feasible.

The November 28, 2018 Rules Committee amendments modify this apprentice-hiring requirement. Consistent with those amendments, the ordinance would require cannabis businesses to ensure that 35% of their new hires are registered apprentices enrolled in State-approved apprenticeship programs that have a memorandum of understanding (MOU) with one or more City-certified pre-apprenticeship programs, if a relevant State-approved apprenticeship program has such an MOU. Unlike the version of the ordinance originally introduced, the ordinance would not tie this requirement to a labor peace agreement or collective bargaining agreement.

Under the amended ordinance, if no State-approved apprenticeship program is relevant to a particular type of cannabis business (as set forth in Police Code Section 1607—for example, cultivation, manufacturing, or retail), or if no relevant State-approved apprenticeship program has an MOU with any City-certified pre-apprenticeship program, that type of cannabis business would not be subject to the ordinance's new apprentice-hiring requirement. If a type of cannabis business is subject to the ordinance's new apprentice-hiring requirement, but qualifying registered apprentices are not available in sufficient numbers to satisfy 35% of a cannabis business's new hiring needs, the cannabis business would be required to hire such registered apprentices to the extent feasible.

The Office of Economic and Workforce Development (OEWD) would be responsible for certifying pre-apprenticeship programs on behalf of the City. OEWD would also be responsible for maintaining and publicizing a list of State-approved apprenticeship programs that have an MOU with one or more City-certified pre-apprenticeship programs. The list would specify the type of cannabis business (as set forth in Police Code Section 1607) to which each such State-approved apprenticeship program is relevant.

If a cannabis business was subject to, and complied with, the ordinance's new apprentice-hiring requirement, that cannabis business would be exempt from the local-hire requirement in Police Code Section 1618(ff).

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