



The Cannabis Industry Alliance of Oregon
503-420-7441
info@ciaoforegon.org
ciaoforegon.org

Ballot Measure 119 (BM 119) Guide: **OLCC Licensing and Renewal Update**

There have been **significant developments recently** in the OLCCs understanding of how the law will affect the licensing process.

The information below can help Licensees avoid costly mistakes or unnecessary actions. This guidance is derived from **OLCC bulletins, communications with OLCC staff, and consultations with cannabis and labor lawyers.**

5 Key Points:

- BM 119 requires licensees to **submit a signed Labor Peace Agreement (LPA)** with a bona fide union for a **renewal to be considered complete.**
- **Licensees should submit their renewals on time—whether or not they have an LPA.** An LPA is not required to submit your renewal.
- Many licensees are adopting a **wait-and-see approach before signing and LPA.**
- **BM 119's LPA requirement applies to:** Retailers, processors, medical-only retailers and processors, research certificate holders, and labs.
- **BM 119 does NOT apply to:** Producers and wholesalers—they are exempt.

By the Industry, for the IndustryThe **Cannabis Industry Alliance of Oregon (CIAO)** is a member-driven trade association. This information was made possible by the support and dedication of our paying members.

CIAO's Members:

CIAO offers **free policy advice to our members** and has created a 13-page guide to assist businesses in understanding BM119 and NLRA compliance. Members should contact [Jesse Bontecou](#) for access. **Non-members** should [join CIAO](#) for this essential resource - **Membership starts at just \$35 a month.**

Critical Updates BM 119 Updates:

DISCLAIMER: I am not a lawyer, and this is not legal advice. While I am confident in the accuracy of this information, you should always consult legal counsel before making significant business decisions. This information is subject to change with new information or OLCC actions.

Essential FAQs About BM 119 Compliance

The most pressing questions on everyone's mind are:

- **Can/should I submit my renewal without an LPA?**
- **What happens if I don't submit an LPA with my renewal? Will I lose my license? Will I still be able to operate? Will I be fined?**
- **Are other licensees submitting renewals without LPAs? Why?**
- **How/where do I get an LPA?**
- **What if I don't agree with an LPA's terms?**

This guide goes through these questions step by step before addressing additional questions businesses have been asking, like what is a bona fide union, what is the difference between an LPA and a labor agreement, and what happens after I sign an LPA?

Can/should I submit my renewal without an LPA?

YES & YES - You should submit your renewal without an LPA.

- The **CAMP licensing system requires a file** to be uploaded in the LPA field, but it **does not have to be an actual LPA**.
- If you **do not have an LPA**, the OLCC **recommends submitting your renewal anyway**.
- Instead of an LPA, you **should submit a letter** explaining why you do not have one.

◆ **Important:** Submitting your renewal without an LPA **does not mean your renewal is complete**. However, **filing your renewal—even without an LPA—preserves your rights, options, and legal protections**.

What Happens if I Don't Submit an LPA with My Renewal?

Will I Lose My License? Will I Still Be Able to Operate? Will I Be Fined?

- **You CAN continue to operate** if you submit your renewal without an LPA **throughout the entire administrative process** until a final decision is issued. The full process, including a hearing, can take more than **eight months**.
- **If you submit a timely renewal without an LPA**, the OLCC will continue processing your application and follow the required administrative steps before making a final decision on your license. As a licensee, you have rights, including the opportunity for a hearing as part of this process.
- You will receive an email from the OLCC stating that your renewal cannot be processed until you submit a signed LPA or attestation. This is a standard part of the administrative process and **does not impact your ability to continue operating** while your renewal is under review.
- **A renewal without an LPA will then enter the OLCC investigation process.** If the OLCC proposes to deny your renewal, you will receive a **legal notice (charge letter)**—this typically takes **30 to 60 days**.
- **Once you receive a charge letter, you must respond and request a hearing.** Currently, hearings are being scheduled **8 to 10 months out**.
- If you **submit a valid LPA at any time before a final order is issued** by the administrative law judge, the **OLCC can approve your renewal and dismiss the charges**.

Important: You **will NOT be fined** for submitting a renewal without an LPA. However, you **must submit one eventually**, or the administrative law judge is likely to revoke your license.

To be clear: The **OLCC recommends submitting your renewal even if you don't have an LPA.** This can give you **eight months or more** to obtain and submit a valid LPA, **as long as you follow the administrative process.**

Are Other Licensees Submitting Renewals Without LPAs? Why?

Yes! Licensees are submitting renewals without LPAs. Here are some common reasons why:

- **Waiting for potential legislative changes** that could modify BM 119 requirements.
- **Waiting for more unions** to join the process and begin offering LPAs.
- **Taking time to explore different unions' LPAs** and negotiate better terms before signing an LPA.
- **Gathering insights from other licensees'** experiences to better understand the implications of signing an LPA.
- **General uncertainty and concerns** about how this requirement will impact their businesses, employees, and the fairness of contract terms.

All of these are valid reasons, and **many licensees are adopting a wait-and-see approach** to ensure they do not agree to unnecessary or unfavorable terms.

Please remember: Everyone's situation is unique, and you should consult with legal counsel before making any important business decisions.

How/where do I get an LPA?

- **Any bona fide labor organization** can sign an LPA with you. A bona fide labor organization is simply an active union engaged in representing or attempting to represent your employees.
- **OLCC does not provide a list of labor organizations.** The CIAO has identified two unions that are currently signing LPAs. We are actively researching and reaching out to unions to develop a comprehensive list of unions willing to sign LPAs.
- If you reach out to unions and **do not receive a response or are turned away**, document your attempts and **submit an explanation letter to OLCC.**

Beyond the minimum LPA requirements included in BM 119 (more info below), the terms of an LPA are technically negotiable. **You may want or need to negotiate specific terms before signing an LPA.**

What if I don't agree with an LPA's terms?

- **BM 119 only requires that you remain neutral** when employees communicate with a union—it does not mandate additional commitments. However, unions may require many other terms to be included for them to sign it.
- Some LPAs **may contain provisions that conflict with OLCC regulations** or require actions that violate OLCC rules (e.g., unrestricted access to licensed areas free from surveillance).
- **LPAs do not exempt you from complying with all OLCC rules**, and failing to follow these rules may result in fines or penalties.

If you don't like the terms in an LPA offered by a union, **you can look for another union** that offers more favorable terms.

Why does it cost \$700 to get an LPA?

LPA's are FREE - anyone charging for an LPA is scamming you. Capture all the scammers information and send it to us, asap - info@ciaoforegon.org.

Next Steps for License Holders

- **Talk to your legal counsel** about how to move forward in the best way for your business.
 - **CIAO Members:** CIAO offers **free policy advice**. Contact [Jesse Bontecou](#) with questions, concerns, feedback, or if you are willing to help conduct research.
-

- **Learn about NLRA Requirements:** The National Labor Relations Act (NLRA) regulates employer-employee communications relating to labor organizing. It is essential that owners and managers understand their responsibilities under the NLRA to prevent inadvertent violations while fulfilling LPA obligations. (See below for more details.)

As always please feel free to contact marijuana.licensing@olcc.oregon.gov for questions about licensing and review their BM 119 Bulletins:

- [CE2025-02: Measure 119 \(Part 3\)](#) (01/17/25)
 - [CE2025-01: Measure 119 \(Part 2\)](#) (01/14/25)
 - [CE2024-05: Measure 119 \(Part 1\)](#) - Updated 11/26/24 (Part 1)
 - [Ballot Measure 119 Text](#)
-

What Else Do I Need to Know?

What is a Labor Peace Agreement (LPA)?

An LPA is an agreement requiring a business to remain neutral while a bona fide labor organization communicates with employees about unionization. This neutrality is the core of an LPA and is the only requirement for an LPA under BM 119. However, unions may request additional terms or commitments before agreeing to sign.

- Signing an LPA **does not mean your employees are unionized** or that you must enter a collective bargaining agreement.

Does signing an LPA automatically unionize my employees?

No. Signing an LPA does not mean employees are unionized. Employees must still go through the formal organizing process, which includes a majority of qualifying employees voting to collectively bargain.

Does BM 119 affect wages, benefits, or other employment conditions?

No. BM 119 only requires employers to remain neutral regarding labor organizing. It does not mandate changes to wages, benefits, or other terms of employment.

What Happens After You Sign an LPA?

- Employers must abide by the terms outlined in the LPA (If the terms are compliant with OLCC Rules).
- Employees may choose to unionize, or they may not. If a majority votes to unionize, the employer must engage in collective bargaining negotiations.
- If an LPA is terminated, licensees must notify OLCC and secure a new agreement within 30 days.

What Happens If My LPA is Terminated?

After licensees initially sign and submit an LPA, they must maintain an active LPA. If an LPA is terminated, licensees are required to notify the OLCC within 10 business days and secure a new LPA within 30 days to remain compliant.

Failure to comply results in escalating penalties:

- 30 days: 10-day suspension or \$1,650 fine.
- 60 days: 30-day suspension or \$4,950 fine.
- 90 days: Additional 30-day suspension.
- 120 days: License revocation.

What's is a Collective Bargaining Agreement (CBA)

A Collective Bargaining Agreement (CBA) is a formal contract that establishes wages, benefits, and working conditions between an employer and a union representing its employees.

General Steps Leading to a CBA:

1. **Union Formation:** Employees must express interest in forming or joining a union.
2. **Union Election:** A majority of employees must vote in favor of union representation in a National Labor Relations Board (NLRB) election.
3. **Union Certification:** Once the NLRB certifies the union or the employer voluntarily recognizes it, it becomes the exclusive bargaining representative for the employees.
4. **Negotiation Process:** The employer and the union engage in good faith negotiations to establish terms of employment, such as wages, benefits, and working conditions.
5. **Agreement:** The final agreement is documented as a CBA and must be approved by both the employer and the union members.

What if my employees don't want to unionize or vote against unionizing?

If employees vote against union representation, you are not required to enter into a collective bargaining agreement (CBA). However, you will still be subject to the **NLRA** and any terms of a **signed Labor Peace Agreement (LPA)**, if applicable.

Under **BM 119**, you must still submit a **signed LPA** with a bona fide labor organization when renewing your license(s), even if your employees do not want to unionize.

Federal law does **bar another union election for 12 months** after a failed vote (the "**one-year election bar**"); however, if a union later gains majority support—either through a new election or voluntary recognition—the employer may be required to engage in collective bargaining.

Additional BM 119 FAQs and Facts

What types of licenses need an LPA?

- **BM 119's LPA Requirements Applies to:** All retailers, processors, medical-only retailers and processors, research certificate holders, and labs.
- **It Does NOT apply to:** Producers and wholesalers (they are exempt).

What If My Business is Vertically Integrated?

The OLCC only requires LPAs for Processors, Retailers, Labs, Research Certificates, Medical-only Processors, and Medical-only Retailers. However, a union may request an LPA includes all your licenses that have employees they could legally organize.

What if I Have Multiple Licenses with Different renewal Dates?

An LPA is only required by the OLCC to cover the license for which you are submitting a renewal. However, a union may require an LPA to cover all your affected licenses for them to sign it. A single LPA can apply to all your affected licenses if they are listed in the LPA.

Important: These penalties apply only after you have signed and submitted an LPA to the OLCC.

I Have No Employees; Do I Need an LPA?

Yes, affected licenses without employees still need to submit an LPA. BM119 does not have exceptions for applicants, licensees, or certificate holders that do not currently have employees.

Can I Terminate an LPA?

Yes. Either party can technically terminate an LPA. The terms for how and when a party can terminate an LPA or when an LPA expires should be established in the LPA itself.

Can I Sign an LPA with More Than One Union or Switch Unions?

Yes, you can sign LPAs with more than one union.

Yes, you can switch unions if you follow OLCC rules for terminating an LPA and adhere to the terms established in the LPA for termination.

What is OLCC's Role?

The OLCC does not enforce the terms of union agreements or interfere with the content of Labor Peace Agreements (LPAs). Instead, its role is to regulate compliance with state requirements, such as the submission of LPAs during the licensing and renewal process.

It's Not Just BM 119—You Must Comply with the NLRA

The National Labor Relations Act (NLRA) applies to all cannabis businesses with employees, regardless of whether they have a Labor Peace Agreement (LPA). Employers must understand their obligations to avoid legal risks and penalties. This includes understanding:

- **Employees' Rights:** Employees have the right to organize, discuss working conditions, and form unions without employer interference.
- **Employer Obligations:** Employers must comply with federal labor laws, even if they do not have an LPA.
- **Prohibited Conduct:** Retaliation, threats, or discouraging union activity can result in legal action by the National Labor Relations Board (NLRB).

CIAO's Member's Guide to BM 119 and the NLRA:

CIAO offers **free policy advice to our members** and has created a 13-page guide to assist businesses with understanding **BM119 and NLRA compliance**.

Members should contact Jesse Bontecou for access. **Non-members** should join CIAO for this essential resource - **Membership starts at just \$35 a month.**

Join the CIAO Today!

The Cannabis Industry Alliance of Oregon (CIAO) is your collective voice, dedicated to advancing Oregon's cannabis industry. Founded by licensees for licensees, we are the state's most effective cannabis trade association, representing over 500 licenses of all types and sizes across Oregon.

Empower Oregon's Cannabis Community

By joining CIAO, you're not just becoming a member; you're joining a movement. Together, we fight for a fair, respected, and thriving cannabis industry. With our united efforts, we can shape the future of cannabis in Oregon.

Scan the QR codes below to become a member today. **United, we thrive!**

Gold Level Membership - \$500/month



Silver Level Membership - \$100/month



Green Level Membership - \$35/month

