



May 11th, 2023

TO: Members of the House Committee on Rules

FR: Derek Sangston, Oregon Business & Industry

RE: Opposition to HB 3183

Chair Fahey, Vice-Chair Breese-Iverson, Vice-Chair Kropf, members of the House Committee on Rules. I'm Derek Sangston, policy director and counsel for Oregon Business & Industry (OBI).

OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

Thank you for the opportunity to testify in opposition to both HB 3183, and as it would be amended by the -3 amendment. While current law already forbids employers from interfering with employees when they attempt to organize, HB 3183 goes a step further by requiring employers to be neutral whenever those attempts occur. Though it would narrowly apply to Oregon's cannabis industry, OBI opposes HB 3183 on general principle because it requires employers to surrender rights protected by federal law. For example, employers would not be allowed to provide alternative information to employees about an organizing effort.

Unlike typical labor peace agreements imposed by statute, HB 3183 also does not assert that the state has a "proprietary interest" in Oregon's cannabis businesses. A common proprietary interest found in these types of agreements would include providing financial assistance to the private-sector employer or its industry. Another example of that type of interest would be when the state acts as a market participant in the industry. In those situations, a labor peace agreement is often required by the government to protect its financial investment. HB 3183, however, does not assert that interest or any other interest. OBI is extremely concerned that the state would require a labor peace agreement without asserting its interests in doing so and by the precedent doing so in HB 3183 would set going forward.

Finally, the labor peace agreement contained in HB 3183 is almost certain to be the subject of litigation because it is likely preempted by the National Labor Relations Act (NLRA). Courts around the country have ruled certain labor peace agreements violate the NLRA, and the complete lack of an asserted "proprietary interest" for the one in HB 3183 is almost certain to be the subject of legal challenges on its own. Any litigation resulting from HB 3183 would only further bog down Oregon's court system.

OBI respectfully requests that this committee to reject HB 3183. Thank you for your consideration.
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