



House of Representatives

General Assembly

File No. 507

January Session, 2025

Substitute House Bill No. 6842

House of Representatives, April 3, 2025

The Committee on Labor and Public Employees reported through REP. SANCHEZ, E. of the 24th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE MINIMUM FAIR WAGE AND PERSONS EMPLOYED AT CANNABIS ESTABLISHMENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 21a-421d of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2025*):

3 (a) As used in this section:

4 (1) "Bona fide labor organization" means (A) with respect to a labor
5 peace agreement entered into on or before September 30, 2023, a labor
6 union that (i) represents employees in this state with regard to wages,
7 hours and working conditions, (ii) whose officers have been elected by
8 a secret ballot or otherwise in a manner consistent with federal law, (iii)
9 is free of domination or interference by any employer and has received
10 no improper assistance or support from any employer, and (iv) is
11 actively seeking to represent cannabis workers in the state, and (B) with
12 respect to a labor peace agreement entered into on or after October 1,

13 2023, a labor union that is included on the list established and
14 periodically updated by the department pursuant to subsection (b) of
15 this section;

16 (2) "Labor peace agreement" means an agreement between a cannabis
17 establishment and a bona fide labor organization under this section
18 pursuant to which the owners and management of the cannabis
19 establishment agree not to lock out employees and that prohibits the
20 bona fide labor organization from engaging in picketing, work
21 stoppages or boycotts against the cannabis establishment;

22 (3) "Cannabis establishment", "dispensary facility" and "producer"
23 have the same meanings as provided in section 21a-420; and

24 (4) "Licensee" means a cannabis establishment licensee, dispensary
25 facility or producer.

26 (b) (1) Not later than October 1, 2023, the department shall establish
27 and periodically update a list of labor unions that (A) are actively
28 seeking to represent cannabis workers in this state, and (B) satisfy the
29 criteria established in subdivision (2) of this subsection.

30 (2) Not later than September 1, 2023, the department shall accept
31 applications for inclusion on the list established pursuant to subdivision
32 (1) of this subsection. Any labor union that wishes to be included on
33 such list shall submit an application to the department, in a form and
34 manner prescribed by the department. As part of such application, such
35 labor union shall attest, under penalty of false statement, that such labor
36 union:

37 (A) Is actively seeking to represent cannabis workers in this state;

38 (B) Satisfies at least two of the following criteria:

39 (i) Such labor union represents employees in this state with regard to
40 wages, hours and working conditions;

41 (ii) Such labor union has been recognized or certified as the

42 bargaining representative for cannabis employees employed at cannabis
43 establishments in this state;

44 (iii) Such labor union has executed one or more collective bargaining
45 agreements with cannabis establishment employers in this state, which
46 agreement or agreements remain effective on the date of such labor
47 union's application under this subsection; or

48 (iv) Such labor union has spent resources as part of one or more
49 attempts to organize and represent cannabis workers employed at
50 cannabis establishments in the state, which attempt or attempts remain
51 active on the date of such labor union's application under this
52 subsection;

53 (C) Has filed the annual report required by 29 USC 431(b) for the
54 three years immediately preceding the date of such labor union's
55 application under this subsection;

56 (D) Has audited financial reports covering the three years
57 immediately preceding the date of such labor union's application under
58 this subsection;

59 (E) Was governed by a written constitution or bylaws for the three
60 years immediately preceding the date of such labor union's application
61 under this subsection;

62 (F) Is affiliated with regional or national associations of unions,
63 including, but not limited to, central labor councils;

64 (G) Is overseen by officers elected by secret ballot or otherwise in a
65 manner consistent with federal law;

66 (H) Is free from domination or interference by any employer; and

67 (I) Has not received any improper assistance or support from any
68 employer.

69 (3) In the event of any change in the information that a labor union
70 submits to the department under this subsection, the labor union shall

71 correct or update such information, in a form and manner prescribed by
72 the department, not later than thirty days after the date of such change.

73 (4) In the event that a labor union no longer satisfies the criteria
74 established in subdivision (2) of this subsection, the labor union shall
75 notify the department, in a form and manner prescribed by the
76 department and not later than thirty days after such labor union no
77 longer satisfies such criteria, that such labor union no longer satisfies
78 such criteria. The department shall remove such labor union from the
79 list prepared pursuant to subdivision (1) of this subsection.

80 (c) Any provisional cannabis establishment licensee, dispensary
81 facility or producer shall, as a condition of its final license approval,
82 license conversion or approval for expanded authorization,
83 respectively, enter into a labor peace agreement with a bona fide labor
84 organization. Any such labor peace agreement shall contain a clause
85 that the parties agree that final and binding arbitration by a neutral
86 arbitrator will be the exclusive remedy for any violation of such
87 agreement.

88 (d) Notwithstanding the provisions of chapter 54, if an arbitrator
89 finds that a licensee failed to comply with an order issued by the
90 arbitrator to correct a failure to abide by such agreement, upon receipt
91 of a written copy of such finding, the department shall suspend the
92 licensee's license without further administrative proceedings or formal
93 hearing.

94 (e) A licensee or bona fide labor organization may commence a civil
95 action in the Superior Court in the judicial district where the facility
96 used in the operation of a cannabis establishment is located to enforce
97 the arbitration award or to lift the license suspension. The license shall
98 remain suspended until such time that: (1) The arbitrator notifies, or
99 both of the parties to the arbitration notify, the department that the
100 licensee is in compliance with the arbitration award; (2) both of the
101 parties to the arbitration notify the department that they have
102 satisfactorily resolved their dispute; (3) the court, after hearing, lifts the
103 suspension; or (4) the court, after hearing, orders alternative remedies,

104 which may include, but need not be limited to, ordering the department
 105 to revoke the license or ordering the appointment of a receiver to
 106 properly dispose of any cannabis inventory. Except as provided in
 107 subsection ~~[(f)]~~ (g) of this section, during such time that a license is
 108 suspended pursuant to this section, the licensee may engage in conduct
 109 necessary to maintain and secure the cannabis inventory, but may not
 110 sell, transport or transfer cannabis to another cannabis establishment,
 111 consumer or laboratory, unless such sale or transfer is associated with a
 112 voluntary surrender of license and a cannabis disposition plan
 113 approved by the commissioner.

114 (f) In no event shall the Labor Commissioner recognize, as part of the
 115 minimum fair wage, gratuities for persons employed at a cannabis
 116 establishment, dispensary facility or producer. Any cannabis
 117 establishment, dispensary facility or producer who pays or agrees to
 118 pay an employee less than the minimum fair wage shall be in violation
 119 of section 31-60. For purposes of this subsection, "minimum fair wage"
 120 has the same meaning as provided in section 31-58.

121 ~~[(f)]~~ (g) A producer, cultivator or micro-cultivator may sell, transport
 122 or transfer cannabis to a product packager, food or beverage
 123 manufacturer, product manufacturer, dispensary facility or hybrid
 124 retailer for the sale of products to qualified patients or caregivers, which
 125 products shall be labeled "For Medical Use Only".

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2025	21a-421d

LAB *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note**State Impact:** None**Municipal Impact:** None**Explanation**

The bill, which clarifies that gratuities shall not be recognized as part of the fair minimum wage for employees of a cannabis establishment, dispensary facility or producer, does not result in any fiscal impact as it conforms with current Labor Department practice.

The Out Years**State Impact:** None**Municipal Impact:** None

OLR Bill Analysis**sHB 6842*****AN ACT CONCERNING THE MINIMUM FAIR WAGE AND PERSONS EMPLOYED AT CANNABIS ESTABLISHMENTS.*****SUMMARY**

This bill explicitly prohibits the labor commissioner from counting tips as part of the minimum wage requirement for employees of cannabis establishments, dispensaries, or producers. It also specifies that any cannabis establishment, dispensary, or producer that pays an employee less than the state minimum wage is violating the minimum wage law.

The state's existing "tip credit" law, unchanged by the bill, generally allows employers to pay less than the minimum wage to bartenders and hotel and restaurant staff who customarily and regularly receive tips, as long as their tips make up the difference (CGS § 31-60(b)).

EFFECTIVE DATE: October 1, 2025

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 9 Nay 4 (03/18/2025)