HB 1108

Department of Legislative Services

Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1108 (Delegates Stewart and Hornberger)
Government, Labor, and Elections

Labor and Employment - Greenhouse Workers - Collective Bargaining and Heat Protection

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This bill establishes collective bargaining rights to greenhouse employees (employees in a controlled-environment agricultural operation). The Secretary of Labor must adopt regulations and may investigate and enforce an alleged violation. Additionally, each employer who operates a controlled-environment agricultural operation must provide employees with paid rest breaks of at least five minutes for each hour that the heat index inside a controlled-environment agricultural operation reaches and maintains at least 90 degrees Fahrenheit.

Fiscal Summary

State Effect: General fund expenditures increase by at least $227,000 annually beginning in FY 2027. Out years reflect annualization and inflation. Revenues are not affected.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	$0	$0	$0	$0	$0
GF Expenditure	227,000	264,800	277,100	289,400	301,800
Net Effect	($227,000)	($264,800)	($277,100)	($289,400)	($301,800)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Local governments are not materially impacted. To the extent local governments operate greenhouses, they must provide employees with a five-minute break every hour while working inside a greenhouse with a temperature of at least 90 degrees Fahrenheit.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary:

Collective Bargaining for Greenhouse Employees

Collective bargaining must include all matters relating to wages, hours, and other terms and conditions of employment. The employer and the employee organization certified as the exclusive representative of greenhouse employees must meet at reasonable times, engage in collective bargaining in good faith, make reasonable efforts to conclude negotiations with a final written agreement, and reduce to writing all matters agreed on from negotiations. An employer may not interfere with, intimidate, restrain, or coerce an employee for exercising collective bargaining rights under the bill. The Secretary of Labor may not assess a monetary penalty when enforcing a violation relating to collective bargaining of greenhouse workers.

Rest Breaks for Greenhouse Workers

A rest period provided in accordance with the bill must be compensated as working time at the employee's regular pay rate unless the break coincides with an otherwise unpaid meal period. The rest break may be provided concurrently with any other rest break required under any other federal or State law. If a requirement established under the bill conflicts with a requirement established by the Commissioner of Labor and Industry under regulations for heat-stress, the requirement providing greater protections to an employee prevails.

Current Law: It is the policy of the State that negotiation of terms and conditions of employment should result from a voluntary agreement between employees and the employer and, thus, each individual worker must be fully free to associate, organize, and designate a representative for negotiation of terms and conditions of employment. This process must be free from coercion, interference, or restraint by an employer in (1) designation of a representative; (2) self-organization; and (3) other concerted activity for the purpose of collective bargaining or other mutual aid or protection. State law establishes a procedure for certifying a labor organization as the bargaining representative for a workplace, and a majority of employees must vote in favor of joining a union in order for a workplace to unionize.

National Labor Relations Act

In 1935, the U.S. Congress passed the National Labor Relations Act (NLRA), commonly known as the "Wagner Act," which set forth employees' rights to join unions and required employers to bargain collectively with unions selected by a majority of workers in an

appropriate bargaining unit. Under Section 7 of NLRA, employees have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and also have the right to refrain from any or all such activities. The NLRA generally applies to all employers involved in interstate commerce other than airlines, railroads, agriculture, and government.

The NLRA also established the National Labor Relations Board (NLRB), an independent federal agency, to enforce its provisions. The NLRB also acts to prevent and remedy unfair labor practices committed by private sector employers and unions, as well as conducts secret-ballot elections regarding union representation.

Maryland Occupational Safety and Health and Heat Stress Standards

The Division of Labor and Industry within Maryland Department of Labor (MD Labor) administers the Maryland Occupational Safety and Health (MOSH) program. The requirements of the MOSH program are codified by the MOSH Act. In general, these requirements parallel the safety standards established by the federal Occupational Safety and Health Administration (OSHA) within the U.S. Department of Labor. OSHA specifies that states may elect to assume the responsibility for development and management of a state occupational safety and health program as long as the standards under the state program are "at least as effective as" OSHA standards. Employers must provide each employee with a place of employment that is safe and healthful and free from each recognized hazard that is causing or likely to cause death or serious physical harm to the employee. The cost of administering the MOSH program is covered through an appropriation from the Workers' Compensation Commission.

Chapter 308 of 2020 required the Commissioner of Labor and Industry to adopt regulations that require employers to protect employers from heat-related illness caused by heat stress. MD Labor adopted regulations that generally apply to an employer whose employment activities, indoor or outdoor, expose employees to a heat index in the area where the employee is working that equals or exceeds 80 degrees Fahrenheit. An employer must develop, implement, and maintain an effective heat-related illness prevention and management plan in writing.

Additionally, an employer must implement high-heat procedures when the heat index reaches or exceeds 90 degrees Fahrenheit in the area where the work is being performed, which must include a work and rest schedule. The high-heat procedures must include: (1) a minimum rest of 10 minutes for every 2 hours worked where employees are exposed to a heat index between 90 and 100 degrees Fahrenheit and a minimum rest period of 15 minutes for every hour worked where employees are exposed to a heat index above 100 degrees Fahrenheit; or (2) a rest period as provided for in the current National Institute

for Occupational Safety and Health recommendations for work and rest schedules to manage heat exposures.

State Expenditures: NLRB generally administers and enforces private-sector collective bargaining, but agricultural workers, which are assumed to include greenhouse workers, are not under their jurisdiction. Under the bill, the Secretary of Labor must adopt regulations and may investigate and enforce violations regarding collective bargaining for greenhouse employees. MD Labor anticipates overseeing 9 or 10 elections under the bill and advises that it cannot implement the bill with existing resources.

Thus, general fund expenditures for MD Labor increase by $227,005 in fiscal 2027, which accounts for the bill's October 1, 2026 effective date. This estimate reflects the cost of hiring one administrator to hear and resolve disputes, one administrative officer to investigate disputes and assist with the administration of the program, and one part-time assistant Attorney General to draft regulations and provide legal advice. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions	2.5
Salaries and Fringe Benefits	$194,155
Operating Expenses	32,850
Total FY 2027 State Expenditures	**$227,005**

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses. To the extent that fewer than nine elections occur, MD Labor may be able to implement the bill with fewer resources.

To the extent that State agencies employ greenhouse employees, they must provide those employees with a five-minute break every hour while working inside a greenhouse of at least 90 degrees Fahrenheit. As these employees are already entitled to a 10 minute break every two hours, this requirement of the bill is not anticipated to have a material effect on the State, and MD Labor can enforce this provision with existing resources.

Small Business Effect: To the extent that small businesses employ greenhouse workers, they may be affected if those greenhouse workers opt to unionize. If greenhouse employees unionize, their employers may incur legal expenses and other operational costs in connection with negotiations and, to the extent that collective bargaining leads to higher wages, increased labor costs.

Providing a five minute break to greenhouse employees every hour does not have a material impact on small businesses as greenhouse employees are already entitled to a 10 minute break every two hours; the bill does not increase the total break time entitlement.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 887 (Senators Lam and McCray) - Finance.

Information Source(s): Maryland Department of Labor; National Labor Relations Board; Department of Legislative Services

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