



Bill 22-25, *Labor Peace Agreements - Hotel Development Projects*
Montgomery County Council
July 8, 2025
Oppose

As a united coalition of business organizations, we appreciate the opportunity to provide input on Bill 22-25, *Labor Peace Agreements - Hotel Development Projects*. We respectfully urge the Council to vote unfavorably on this legislation as currently drafted, which would require labor peace agreements (LPAs) as a condition of Montgomery County's economic participation in a hotel development project. Overall, our primary concern lies with the overly broad language in the bill and its implications for the economic landscape of Montgomery County.

While we advocate for the defeat of this bill as drafted, we support fair labor practices and are open to engaging in constructive dialogue with Councilmembers regarding alternative measures such as delayed implementation, a sunset provision, and a more narrowly tailored scope. A balanced approach is essential that upholds workers' rights while fostering economic growth.

Although we recognize the intent to promote labor stability and protect public investments, the bill in its current form raises significant concerns. Its overly broad scope could negatively impact local businesses and limit employee choice in the workplace. Notably, the bill seeks to alter agreements that both sides negotiated in good faith, which undermines trust and predictability in the County's business environment.

The bill's expansive definition of "economic participation" would apply even in cases where the County's involvement is minimal, indirect, or passive, such as through ground leases, tax increment financing, or limited loan guarantees. This overreach introduces regulatory uncertainty into standard development practices and risks deterring future investment. If enacted, Montgomery County would become an outlier among regional jurisdictions, weakening its competitiveness in attracting public-private partnerships that drive sustainable economic development.

While the bill does not explicitly mandate unionization, it effectively requires private employers to engage with third-party labor organizations as a condition of receiving County support. In practice, LPAs often include provisions that bypass the confidential, government-supervised election process established under federal law, instead relying on card check procedures. This undermines employee privacy and limits their ability to make informed, independent decisions about union representation.

Moreover, this initiative does not appear to be driven by local employees and seeks to solve a problem that does not exist. The bill pressures employers to enter into LPAs even in the absence of union activity, potentially violating federal labor law and inviting costly legal challenges under the National Labor Relations Act (NLRA).

Montgomery County's hospitality sector is a vital engine of tourism, tax revenue, job creation, and economic vitality. With two international hotel chains headquartered here and the Bethesda North Marriott serving as the County's only conference center, the hospitality industry is a strategic economic pillar. The Montgomery

County Economic Development Corporation (MCEDC) in its FY2024 Strategic Plan recognized the hospitality sector as an area of focus and targeted industry along with life sciences, technology, nonprofits, real estate, and entrepreneurship.

Thank you for your time and consideration. We look forward to working collaboratively on thoughtful, balanced policies that reflect the County's values while maintaining a stable, business-friendly environment that encourages investment and growth.

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