



***Via Electronic Mail***

July 8, 2025

The Honorable Kate Stewart  
President, Montgomery County Council  
100 Maryland Avenue  
Rockville, MD 20850

The Honorable Natali Fani-González  
Member, Montgomery County Council  
100 Maryland Avenue  
Rockville, MD 20850

Dear President Stewart and Councilwoman Fani- González:

Founded in 1968, the Maryland Chamber of Commerce (“Chamber”) is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members working to develop and promote strong public policy that ensures sustained economic growth and opportunity for Maryland businesses, employees, and families.

The Chamber opposes Council Bill 22-25 (“CB 22-25”), which onerously requires employers involved in hotel development projects to enter into labor peace agreements (“LPAs”) with each labor organization that represents, *or seeks to represent*, the employer’s employees at the project. *CB 22-25, Pg. 6, Lines 133-134*. If enacted, CB 22-25’s overly broad scope and rigid requirements would discourage development, limit job growth, and further reduce Maryland’s competitiveness with neighboring jurisdictions.

**I. Unbalanced Regulatory Framework**

CB 22-25 creates an unbalanced regulatory framework and interferes with standard labor negotiation practices by solely burdening employers with producing an LPA as a prerequisite to participating in County involved hotel development projects. Moreover, CB 22-25 would establish an arbitrary 60-day LPA deadline that, if not met, would unduly prohibit employers from participating in the project and subject employers to vague enforcement provisions. To be clear, CB 22-25’s unbalanced regulatory framework and arbitrary LPA deadline will create project delays, general additional costs, and ultimately reduce investment, development, and job creation in Maryland.

Maryland’s economy benefits from sound regulatory frameworks that clearly define expectations, foster compliance, and promote economic growth. CB 22-25 will subject employers to rounds of LPA negotiations from each labor organization that seeks to represent their employees, subject those LPA negotiations to arbitrary and overly expeditious timeframes, and leave employers open to broad enforcement mechanisms. For example, CB 22-25 authorizes the County to include any “...appropriate sanctions and remedies against an employer for a violation of the requirements of [CB 22-25] in any contract, lease, loan,

guarantee, or other written instrument related to the hotel development.” *CB 22-25, Pg. 8, Lines 168-171.*

As a result of the unbalanced regulatory framework created by CB 22-25, any employer who works in partnership with the County on a covered project will be left in a precarious situation – subject to rounds of overly expedited LPA negotiations from any and all labor organizations that need only seek to represent their employees and subject to any sanctions deemed appropriate by the County if the employer does not enter the LPAs.

## **II. Overly Broad and Vague Application**

CB 22-25 includes exceptionally vague criteria that will further complicate and delay development efforts in the County. For example, CB 22-25 would force the County’s Chief Administrative Officer to require LPAs for hotel development projects when, “the County has a significant ongoing economic and nonregulatory interest that is at risk in the project’s financial success and is likely to be adversely affected by labor-management conflict...” *CB 22-25, Pg. 6, Lines 111-118.* As a result, employers will be left to guess whether the County’s Chief Administrative Officer will determine the County’s involvement in a project is “significant” enough to warrant an LPA requirement, which would subsequently trigger a requirement for employers to enter LPAs with any and all labor organizations that seek to represent their employees. *CB 22-25, Pg. 6, Lines 133-134.*

In addition to vague criteria, CB 22-25 includes overly broad definitions of terms, like “economic participation,” that will result in application to development projects where the County has no operational control or involvement in employment decisions. Therefore, CB 22-25 extends beyond just County development projects and injects LPA requirements into projects that include exceptionally limited County involvement. As a result, CB 22-25’s overreach will make the County an outlier among regional jurisdictions, disincentivize investment, and reduce economic opportunity in the State of Maryland.

## **III. Potential Federal Infringement**

The Chamber is aware that jurisdictions like Baltimore City and Prince George’s County have enacted statutes that are similar in title to CB 22-25. However, CB 22-25 more broadly defines county involvement and would include a wider scope of projects, partnerships, and arrangements than laws in other jurisdictions. Additionally, unlike other jurisdictions, CB 22-25 would apply to wider array of existing projects due to language that incorporates express application to amended, renewed, and extended projects. *CB 22-25, Pg. 7, Lines 136-142.* Finally, CB 22-25 more aggressively regulates LPAs through rigid timelines and limited exceptions, which would materially infringe upon an employer’s ability to negotiate.



To be clear, federal labor law ensures both employees and employers can engage freely, lawfully, and transparently in the organizing process. However, LPAs generally limit an employer's ability to communicate, including restricting an employer from providing information to employees regarding union representation at the request of employees. As a result, CB 22-25 may restrict the federally protected rights of employers to communicate with employees and infringe upon additional federal protections enjoyed by both employers and employees.

#### **IV. Conclusion**

Maryland needs more investment, business creation, and job growth. Mandating LPAs as a precondition to participate in County projects further burdens employers who are already complying with complex financing, zoning, and labor requirements established under federal, state, and county law. As such, CB 22-25's burdensome requirements will drive investment and development away from Maryland and result in less economic opportunity for residents. **For these reasons, the Chamber respectfully opposes CB 22-25.**

Sincerely,

A handwritten signature in black ink that reads "Mary Kane". The signature is fluid and cursive, with the first name "Mary" and last name "Kane" clearly distinguishable.

Mary Kane  
President & CEO  
Maryland Chamber of Commerce