

July 7, 2025

The Montgomery County Council Council Office Building 100 Maryland Ave. Rockville, MD 20850

Re: Testimony – Bill 22-25 – Labor Peace Agreements – Hotel Development Projects

Dear President Stewart, Vice President Jawando and Honorable Members of the Council:

On behalf of the Maryland Hotel and Lodging Association, which represents hotel owners, operators, and hospitality professionals across the state, I write to express opposition to Bill 22-25, which would mandate labor peace agreements (LPAs) for hotel development projects involving economic participation by Montgomery County.

Our members support constructive labor relations and share the County's interest in ensuring the long-term success of publicly supported development. However, we believe this bill — as drafted — is overly broad, one-sided, and unfairly singles out the hospitality industry in a way that risks economic harm to hotels, workers, and the region's competitiveness.

Bill 22-25 applies exclusively to hotel and conference center development projects, even though the County partners with private entities across a wide range of industries. This selective approach sends a troubling signal that hotel businesses are being treated differently from all other private sector partners, despite being one of the hardest-hit industries during the pandemic and one of the most active in rehiring and rebuilding local employment.

The expansive scope of the bill will impose new obligations on projects with minimal County involvement, creating added complexity for developers, lenders, and operators. The result will have a chilling effect on future investment in hospitality and tourism-related projects where hotels often serve as anchors in larger mixed-use developments.

In the hospitality industry, LPAs restrict employer communication, limiting their ability to provide factual information - even in response to direct questions from employees. Such constraints not only interfere with employers' federally protected rights under the National Labor Relations Act, but also deny employees access to balanced information. When one side of an issue is silenced by law or policy, it creates an uneven environment that can lead to decisions made without full context or understanding.

Bill 22-25 provides no protection for employers who engage in good faith and cannot finalize an agreement due to unreasonable demands. The lack of employer safe harbor is



problematic and could unfairly penalize hotel operators navigating complex contracts or multi-party development agreements.

Neighboring jurisdictions have not adopted comparable mandates. If Montgomery County adopts this measure as written, it will become an outlier in hospitality development policy, making it harder to attract new hotel brands, destination infrastructure, and long-term economic development opportunities.

We urge the Council to carefully consider the long-term consequences of this policy. We appreciate your consideration of these issues and welcome further dialogue.

Respectfully submitted,

Amy W. Rohrer President & CEO