

# Climate Assessment

## Office of Legislative Oversight

### **BILL 22-25: LABOR PEACE AGREEMENTS – HOTEL DEVELOPMENT PROJECTS**

#### **SUMMARY**

The Office of Legislative Oversight (OLO) anticipates Bill 22-25 will have a small, positive impact on the County's community climate resilience as labor peace agreements can promote job security, which can have a positive impact on community climate resilience. However, it is not guaranteed a union will form after a labor peace agreement is signed, so it is uncertain if the proposed changes would lead to a collective bargaining agreement that would increase job security and stability for employees. Further, the proposed changes only apply to hotel development projects where the County has a proprietary interest, so it would impact a small number of County employees.

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#### **BACKGROUND AND PURPOSE OF BILL 22-25**

A labor peace agreement (LPA) is a contract between an employer and a labor union. In an LPA, an employer agrees to not interfere with a campaign to organize a union in the workplace. In exchange, a union agrees to not engage in picketing, strikes, or other activities that would disrupt the employer's operations. LPAs do not automatically lead to the formation of a union. Even with an LPA, a majority of workers must still choose to be represented by a union. After a union is formed and its leaders are elected, it can negotiate a collective bargaining agreement with the employer.<sup>1</sup>

Occasionally, the County has a financial stake, or a proprietary interest, in hotel development projects. This happens when the County participates in a project as a property owner, lessor, proprietor, lender, or guarantor.<sup>2</sup> For example, the County is the leasehold owner of the land where the Montgomery County Conference Center and the Bethesda North Marriott Hotel are located. The County shares costs and revenues with Marriott International for the operation of both businesses.<sup>3</sup>

The purpose of Bill 22-25 is to require employers of hotel development projects to enter into LPAs with unions when the County has a proprietary interest in the project. The Bill would set guidelines for determining if the County has a proprietary interest that requires an LPA.<sup>4</sup> If required, the LPA would need to contain a provision that prohibits the union from "any picketing, work stoppage, boycott, or other economic interference with the employer's operations."<sup>5</sup> The Bill would allow an employer to satisfy the LPA requirement by providing copies of existing LPAs, documenting that no labor union requested an LPA, or documenting that the union "insisted on terms of an agreement that are arbitrary and capricious."<sup>6</sup> If enacted, the LPA requirement would apply after the Bill's effective date.<sup>7</sup>

Bill 22-25 was introduced following recent calls from a local union for a consumer boycott of the Montgomery County Conference Center.<sup>8</sup> The sponsors note the Bill is intended to minimize the County's financial risk by preventing similar labor disputes in County-supported hotel development projects in the future.<sup>9</sup>

The Council introduced Bill 22-25 on June 17, 2025.

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## METHODOLOGIES, ASSUMPTIONS, AND UNCERTAINTIES

**Methodology.** OLO reviewed literature on unions, collective bargaining agreements, and labor peace agreements (LPA) to assess their impact on job security and stability for unionized employees. OLO also reviewed literature on community climate resilience and how financial and human capital impact resilience.

**Assumptions.** OLO assumes the LPA will lead to an increase in job security and stability for employees belonging to a union in hotels where the County has a proprietary interest in.

**Uncertainties.** OLO is unable to ascertain the following: (1) How many jobs will be created from future hotel developments who would be required to enter into a LPA (2) How many unions will be created from the proposed LPA; and (3) How many employees would be represented by unions created from the proposed LPA.

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## UNIONS, COLLECTIVE BARGAINING AGREEMENTS, AND COMMUNITY RESILIENCE

Unions can lead to better pay, benefits, safer working conditions, and job stability for employees represented by unions.<sup>10</sup> Unions protect workers against wage theft and other workplace law violations. Researchers have found that higher average wages, lower labor market concentration, and a higher union coverage rate are all associated with fewer workplace violations.<sup>11</sup> Further, the Economic Policy Institute found on average, the seventeen U.S. states that have the highest union densities:

- Have state minimum wages that are approximately 19% higher than the national average and 40% higher than states with low-union densities;
- Have median annual incomes that are \$6,000 higher than the national average; and
- Have an uninsured populations that is 4.5% lower compared to states with low-union densities.<sup>12</sup>

Labor peace agreements (LPA) are an agreement between a union and an employer where both sides agree to certain terms, such as unions agreeing not to strike and employers agreeing not to interfere with the formation of unions.<sup>13</sup> The presence of a LPA does not necessarily mean a union will not form. However, LPAs help facilitate collective bargaining, which allows workers to negotiate for better wages, benefits, and safer working conditions.<sup>14</sup>

Labor peace agreement ordinances have passed in multiple jurisdictions including Washington D.C. and Baltimore, MD.<sup>15</sup> The goals of these ordinances are to compel employers to “grant organizing concessions to a union, concessions they otherwise would be unlikely to make.”<sup>16</sup> Further, labor peace ordinances can avoid strikes or other adverse economic actions which might affect a local government’s proprietary interests, such as the proposed legislation by the Montgomery County Council.<sup>17</sup>

Community climate resilience is measured by the ability to adapt and bounce back from an emergency or disaster, such as an extreme weather event, by both the community and individuals residing within the community.<sup>18</sup> On the individual level, a stable income which can come from stable employment with benefits, allows individuals and households to save money and have cash on hand to withstand shocks from extreme weather events, such as property damage.<sup>19</sup> As unions can allow workers to negotiate for better pay and benefits and provide stable employment, this can lead to individuals’ ability to withstand shocks from extreme weather events.

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## ANTICIPATED IMPACTS

According to 2023 Costar data presented by Montgomery Planning, there were 2,351 employees across the County’s 54 hotels.<sup>20</sup> This is a small percentage of the County’s workforce, which was reported by the Maryland Department of Labor as 461,817 for the 4<sup>th</sup> quarter in 2024.<sup>21</sup>

Further, while LPAs can promote job security and better wages by facilitating the formation of unions and collective bargaining agreements, it is not guaranteed a union will form after a LPA is signed. Also, the proposed changes would only apply to hotel development projects where the County has a proprietary interest, so overall these changes would impact a small number of individuals employed in the County.

For these reasons, OLO anticipates the Bill would have a small, positive impact on the County’s community climate resilience.

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## RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.<sup>22</sup> OLO does not offer recommendations or amendments as Bill 22-25 is likely to have a small, positive impact on the County’s contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptive capacity.

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## CAVEATS

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. Second, the analysis performed here is intended to inform the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

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## PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help improve the County's adaptive capacity to climate change, and therefore, increase community resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

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## CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

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<sup>1</sup> ["Labor Peace Agreements \(LPA\)," Labor and Employment Law Program, Cornell University School of Industrial and Labor Relations.](#)

<sup>2</sup> [Introduction Staff Report for Bill 22-25, Montgomery County Council, Introduced June 17, 2025, pg. 1.](#)

<sup>3</sup> ["Marriott Conference Center Management Agreement Cost and Revenue Sharing Audit," Office of Internal Audit, Office of the County Executive, August 28, 2023.](#)

<sup>4</sup> Introduction Staff Report for Bill 22-25, pgs. 1-2.

<sup>5</sup> Bill 22-25, Introduction Staff Report for Bill 22-25, pg. (3).

<sup>6</sup> Introduction Staff Report for Bill 22-25, pg. 2.

<sup>7</sup> Ibid.

<sup>8</sup> [Ginny Bixby, "Workers union pauses boycott of North Bethesda Marriott conference center," Bethesda Today, June 20, 2025.](#)

<sup>9</sup> ["Councilmembers to Introduce Bill to Require Labor Peace Agreements on Hotel Development Projects with County Economic Participation," Press Releases, Montgomery County Council, June 12, 2025.](#)

<sup>10</sup> [Banerjee, A., et. al., "Unions are not only good for workers, they're good for communities and democracy", Economic Policy Institute, December 15, 2021.](#)

<sup>11</sup> ["How Unions and Unionized Workplaces Advance the Mission of the Department of Labor", Department of Labor, Accessed 6/30/2025.](#)

<sup>12</sup> [Banerjee, A., et. al., "Unions are not only good for workers, they're good for communities and democracy", Economic Policy Institute, December 15, 2021.](#)

<sup>13</sup> [Smith, E. T., Kirsch, K., and Rockwell, LLP., "Preemption of Worker-Retention and Labor-Peace Agreements at Airports", 2017.](#)

<sup>14</sup> ["Labor Peace Agreements: Local Government as Union Advocate", U.S. Chamber of Commerce, 2016..](#)

<sup>15</sup> Ibid..

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<sup>16</sup> [Ibid.](#).

<sup>17</sup> [Introduction Staff Report for Bill 22-25, Montgomery County Council, Introduced June 17, 2025.](#)

<sup>18</sup> [Longstaff, P. H., et. al., "Building Resilient Communities: A Preliminary Framework for Assessment", Homeland Security Affairs Volume VI, No. 3, May 6, 2022.](#)

<sup>19</sup> [Cafer, A., "A Framework to Build Resilience", Community Psychology - Society for Community Research and Action, Accessed 6/30/2025.](#)

<sup>20</sup> ["Montgomery County Hotel Market Study", Montgomery Planning, October 10, 2024.](#)

<sup>21</sup> ["Montgomery County - Maryland's Quarterly Census of Employment and Wages", Maryland Department of Labor, Accessed 7/1/2025.](#)

<sup>22</sup> Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022