

Racial Equity and Social Justice (RESJ) Impact Statement

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 positive impact on racial equity and social justice (RESJ) in the County. Latinx community members could disproportionately benefit from decreasing barriers to organize unions in County-supported hotel development projects. The economic benefits of union formation could help reduce economic disparities experienced by Latinx community members in the County.

PURPOSE OF RESJ IMPACT STATEMENTS

RESJ impact statements (RESJIS) evaluate the anticipated impact of legislation on racial equity and social justice in the County. RESJ is a **process** that focuses on centering the needs, leadership, and power of Black, Indigenous, and other People of Color (BIPOC) and communities with low incomes. RESJ is also a **goal** of eliminating racial and social inequities. Applying a RESJ lens is important to achieve RESJ.¹ This involves seeing, thinking, and working differently to address the racial and social inequities that cause racial and social disparities.²

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.³

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.⁴ For example, the County is the leasehold owner of the land where the Montgomery County Conference Center and Bethesda North Marriott Hotel are located. The County shares costs and revenues with Marriott International for the operation of both businesses.⁵

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.⁶ 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."⁷ An employer could 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."⁸ If enacted, the LPA requirement for County-supported hotel development projects would apply after the Bill's effective date.⁹

Bill 22-25 was introduced following recent calls from a local union for a consumer boycott of the Montgomery County Conference Center.¹⁰ 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.¹¹

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

ANTICIPATED RESJ IMPACTS

To consider the anticipated impact of Bill 22-25 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who would primarily benefit or be burdened by this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

OLO identified the following groups who would be impacted by Bill 22-25:

- **Employees of County-supported hotel development projects** would benefit from having fewer barriers to organize labor unions that could economically benefit them. Research suggests union membership is associated with increases in wages, access to benefits, and wealth for union members.¹²

As shown in Table A (Appendix), Latinx community members are more likely to work in the arts, entertainment, and recreation, and accommodation and food services industry that employs hotel workers. Black community members are equally as likely to be employed in this industry, while White and Asian community members are slightly less likely. Of note, because of economic inequities like occupational segregation and the racial wealth gap,¹³ Black and Latinx families in the County have the lowest median incomes and experience poverty at high rates (Table B, Appendix).

- **Employers of County-supported hotel development projects** would benefit from decreased disruptions to business operations from labor disputes over union formation. However, these benefits could be offset by potential increases to labor costs (e.g., from increases to wages, insurance benefits, paid time off, etc.) to fulfill collective bargaining agreements after a union is formed. Nonetheless, assuming that corporate employers like Marriott International are most likely to be subject to this Bill, these costs would likely be negligible compared to the overall scale of their financial operations.¹⁴

Corporate entities like Marriott International are typically owned by shareholders via publicly traded stocks. Therefore, their ownership is not identifiable by race and ethnicity. However, national data suggests that White families are up to two times more likely to own stocks than Black and Latinx families.¹⁵ Therefore, to the extent that this Bill impacts a corporate employer's financial standing, White community members would likely be more affected than Black and Latinx community members.

- **Community members at large** would benefit from improving the stability of revenue from County-supported hotel development projects by minimizing disruptions from labor disputes over union formation. However, after a union is formed, increased labor costs from collective bargaining could decrease the County's revenue from this source.

Most revenue from hotel development projects like the Montgomery County Conference Center are deposited in the County's general fund.¹⁶ The general fund supports all County programs and services. Thus, OLO anticipates that all community members would proportionately be affected by changes to revenue from hotel development projects by race and ethnicity.

Overall, OLO anticipates Bill 22-25 will have a positive impact on RESJ in the County. Latinx community members could disproportionately benefit from decreasing barriers to organize unions in County-supported hotel development projects.

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Further, the economic benefits of union formation could help reduce economic disparities experienced by Latinx community members in the County.

RECOMMENDED AMENDMENTS

The Racial Equity and Social Justice Act requires OLO to consider whether recommended amendments to bills aimed at narrowing racial and social inequities are warranted in developing RESJ impact statements.¹⁷ OLO anticipates Bill 22-25 will have a positive impact on RESJ in the County. As such, OLO does not offer recommended amendments.

CAVEATS

Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of legislation on racial equity and social justice is a challenging analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement is intended to inform the legislative process rather than 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.

APPENDIX

Table A. Share of Community Members Employed in Arts, Entertainment, and Recreation, and Accommodation and Food Services Industry by Race and Ethnicity, Montgomery County

Race or ethnicity ¹⁸	Share of Community Members Employed in Industry
Asian	7.7
Black	8.1
White	6.2
Latinx	11.8
County	8.0

Source: [Table S0201, 2023 American Community Survey 1-Year Estimates, Census Bureau](#).

Table B. Median Household Income and Poverty Rates by Race and Ethnicity, Montgomery County

Race or ethnicity	Median Income	Percent Below Poverty Level
Asian	\$144,493	6.0
Black	\$89,362	11.4
Native American	\$105,952	9.1
Pacific Islander	\$142,589	10.9
White	\$159,895	4.0
Latinx	\$94,619	10.7
County	\$128,733	7.1

Source: [Table S1903](#) and [Table S1701](#), 2023 American Community Survey 5-Year Estimates, Census Bureau.

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¹ Definition of racial equity and social justice adopted from [Marlysa Gamblin et al., “Applying Racial Equity to U.S. Federal Nutrition Programs,” Bread for the World](#) and [Racial Equity Tools](#).

² Ibid.

³ [“Labor Peace Agreements \(LPA\),” Labor and Employment Law Program, Cornell University School of Industrial and Labor Relations.](#)

⁴ [Introduction Staff Report for Bill 22-25, Montgomery County Council, Introduced June 17, 2025, pg. 1.](#)

⁵ [“Marriott Conference Center Management Agreement Cost and Revenue Sharing Audit,” Office of Internal Audit, Office of the County Executive, August 28, 2023.](#)

⁶ Introduction Staff Report for Bill 22-25, pgs. 1-2.

⁷ Bill 22-25, Introduction Staff Report for Bill 22-25, pg. (3).

⁸ Introduction Staff Report for Bill 22-25, pg. 2.

⁹ Ibid.

¹⁰ [Ginny Bixby, “Workers union pauses boycott of North Bethesda Marriot conference center,” Bethesda Today, June 20, 2025.](#)

¹¹ [“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.](#)

¹² [Aurelia Glass and David Madland, “How Unions Are Crucial for Building Working-Class Economic Power,” Center for American Progress, June 21, 2023.](#)

¹³ [Danyelle Solomon, et al., “Systematic Inequality and Economic Opportunity,” Center for American Progress, August 7, 2019.](#)

¹⁴ For example, in the fourth quarter of 2024, Marriott International reported an operating income of \$752 million. Refer to [“Marriott International, Inc. \(Nasdaq: MAR\) today reported fourth quarter full year 2024 results,” Marriot International, February 11, 2025.](#)

¹⁵ [Drew Desilver, “A booming U.S. stock market doesn’t benefit all racial and ethnic groups equally,” Pew Research Center, March 6, 2024.](#)

¹⁶ [Memo from Council IT Adviser to Economic Development Committee, “FY24 Operating Budget: Conference Center Non-Departmental Account \(NDA\),” Montgomery County Council, April 26, 2023, pg. 3.](#)

¹⁷ [Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council.](#)

¹⁸ For Tables A and B, race is inclusive of Latinx origin. Estimates for Native American and Pacific Islander community members are not available for all data points.