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THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

The Honorable C.T. Wilson, Chair  
Economic Matters Committee  
Maryland House of Delegates  
Annapolis, MD 21401

January 23, 2025

**Testimony in Support of HB0270: Data Center Impact Analysis and Report**

Chair Wilson and esteemed members of this committee,

HB0270 commissions a study of the likely environmental, energy, and economic impacts of data center development in the state of Maryland. The legislation is inspired by a similar study conducted by Virginia's government.

Over the past few years, the General Assembly has deliberated extensively over the future of data centers in our state. Legislation has been passed to both attract data centers and ease the process of siting them. Data centers have been promised to bring economic development to the regions they call home. However, many have raised concerns that the claims of data center's significant financial and economic benefits may not be authentic or could be exaggerated.

With the anticipated growth of the data center industry in Maryland, policymakers and Maryland residents need to ensure that the benefits promised by data centers are real and not imagined. Especially as initial reports begin to show that other states are having minimal returns on their investment, Maryland must have a complete understanding of the trade-offs of data centers, especially when considering the state's economic and energy needs.

To conduct the study, HB0270 brings together multiple agencies of government. The bill leverages the resources of the Department of the Environment to focus on the environmental impacts of data centers on such resources as air and water quality. HB0270 also calls upon the Department of the Environment to investigate the impacts on Maryland's ability to meet certain environmental objectives, such as the Chesapeake Bay restoration project goals. Further, the study will include a vital section that will outline the availability of technologies that could mitigate the environmental impacts of data centers.

HB0270 also addresses one of the most debated questions regarding data centers: the impact on energy demand and supply in Maryland. With the expertise of the Maryland Energy Administration, this bill will evaluate the energy requirements of data centers and

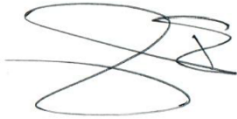
identify how those energy requirements will impact ratepayers. The bill also commissions the University of Maryland's School of Business to assess data centers' economic and fiscal impact. The use of UMD's Business School will ensure objectivity and provide educational opportunities to students at UMD.

These institutions will use the Joint Legislative Audit and Review Commission from Virginia as a model for the Maryland study. It should be noted that Maryland's study will be tailored to explore our state's unique needs. The Department of Legislative Services will oversee the project as the manager of the study.

As new technologies demand new levels of computation power, energy, storage, and networks, Maryland must be strategic in its approach to the data center industry. If Maryland wants to bring the data century industry to our state, we must ensure that the economic promises of data centers are not illusionary. HB0270 is a simple effort to study the real impact of data centers on the state so that policymakers and Maryland residents alike know what we're signing up for.

Thank you for your consideration of this legislation, I urge a favorable report.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Crosby". The signature is fluid and cursive, with a large loop at the beginning and a smaller loop at the end.

Delegate Brian Crosby  
District 29B, St. Mary's County