

Committee: Economic Matters
Testimony on: HB0270 - Data Center Impact Analysis and Report
Submitting: Dave Arndt
Position: Favorable
Hearing Date: Jan. 25, 2024

Dear Mr. Chair and Committee Members:

Thank you for allowing my testimony today in strong support of HB0270, the Data Center Impact Analysis and Report.

Currently, in Maryland data center just happen, no one manages them at a state level and every county is approaching them differently. We do have the Data Center Maryland Sales and Use Tax Exemption Incentive Program; however, we don't know if it is working, is Maryland bring in new data centers because of it or is it just a corporate subsidy that provides no value to the tax payers of Maryland.

Other states are wrestling with this question, For example, here is a headline from Washington State: [How a Washington Tax Break for Data Centers Snowballed Into One of the State's Biggest Corporate Giveaways](#)¹ Here is a story from Ohio: [Indefensible tax breaks for data centers will cost Ohio](#)² These headlines could also be from Oregon, Minnesota, Indiana, Georgia, Illinois, Louisiana.

Loudoun County Virginia makes a lot of tax revenue on data centers but is it worth it? [Dominion Energy, data centers are fleecing Virginia ratepayers](#)³

In December, Virginia completed a study on data centers and it is spurring legislation: [Bipartisan legislative effort seeks to regulate data center construction in Virginia](#)⁴

Also, we know all this electrical use is going to effect electrical rates; who wins and losses in this scenario? [Data centers expected to spike electricity costs](#)⁵ and [Georgia Power says data center growth will cause electricity demands to triple in next decade](#)⁶

There is also the promise of jobs; are they real, temporary or even being preformed by in state residents? [A.I., the Electricians and the Boom Towns of Central Washington](#)⁷ and [The Mystery Impact of Data Centers on Local Economies Revealed](#)⁸

This is an industry that uses things as a massive scale that Maryland has never seen before and run by the wealthiest corporations in America's history. I am not against data centers, they are an integral part of today's modern society and economy, however we need to understand all of the ramifications to know how to proceed properly. Let's get ahead of our piece-meal implementation process and understand our decisions to make sure we know what we are doing so we can proactively manage the implementation to protect ratepayers and grow our economy.

For all of these reasons, I strongly support HB0270 and urge a **FAVORABLE** report in Committee.

Thank you,

Dave Arndt
Co-Chair Maryland Legislative Coalition – Climate Justice Wing

1. <https://www.propublica.org/article/washington-data-centers-tech-jobs-tax-break>
2. <https://www.policymattersohio.org/research-policy/fair-economy/work-wages/indefensible-tax-breaks-for-data-centers-will-cost-ohio>
3. https://richmond.com/opinion/column/dominion-energy-contracts-data-centers-fleece-virginians/article_74bc955a-aa6b-11ef-9011-172582735c49.html
4. https://cardinalnews.org/2025/01/15/bipartisan-legislative-effort-seeks-to-regulate-data-center-construction-in-virginia/?utm_medium=email
5. https://www.fauquier.com/news/data-centers-expected-to-spike-electricity-costs/article_29b519a8-b76b-11ef-b1c7-3b606a3073d4.html
6. <https://roughdraftatlanta.com/2024/12/02/georgia-power-data-center-expansion/>
7. https://www.nytimes.com/2024/12/25/technology/ai-data-centers-electricians.html?unlocked_article_code=1.kU4.uh7j.e_ay7TPnzwA&smid=url-share
8. <https://www.areadevelopment.com/data-centers/data-centers-q1-2015/impact-of-data-center-development-locally-2262766.shtml>