

HOUSE BILL 1595

Q1

6lr3575
CF SB 427

By: **Delegates Hornberger and Palakovich Carr**

Introduced and read first time: February 15, 2026

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Property Taxes – Authority of Counties to Establish a Subclass and Set a**
3 **Special Rate for Personal Property of Data Centers**

4 FOR the purpose of authorizing the Mayor and City Council of Baltimore City or the
5 governing body of a county to establish, by law, a subclass of personal property
6 consisting of all the personal property of certain qualified data centers and set a
7 special personal property tax rate for the subclass; and generally relating to the
8 authority of counties to establish a subclass and set a special tax rate for the personal
9 property of data centers.

10 BY repealing and reenacting, without amendments,
11 Article – Tax – General
12 Section 11–239(a)(1), (2), and (5)
13 Annotated Code of Maryland
14 (2022 Replacement Volume and 2025 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Tax – Property
17 Section 6–202.1 and 6–302(b)
18 Annotated Code of Maryland
19 (2019 Replacement Volume and 2025 Supplement)

20 BY adding to
21 Article – Tax – Property
22 Section 6–302(e)
23 Annotated Code of Maryland
24 (2019 Replacement Volume and 2025 Supplement)

25 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
26 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Article – Tax – General**

2 11–239.

3 (a) (1) In this section the following words have the meanings indicated.

4 (2) “Data center” means a building or group of buildings used to house
5 computer systems, computer storage equipment, and associated infrastructure that
6 businesses or other organizations use to organize, process, store, and disseminate large
7 amounts of data.

8 (5) (i) “Qualified data center” means a data center located in the State
9 in which an individual or a corporation, within 3 years after submitting an application for
10 the sales and use tax exemption under this section, has:

11 1. for a data center located within a Tier I area, invested at
12 least \$2,000,000 in qualified data center personal property and created at least five
13 qualified positions; or

14 2. for a data center located in any other area of the State,
15 invested at least \$5,000,000 in qualified data center personal property and created at least
16 five qualified positions.

17 (ii) “Qualified data center” includes:

18 1. a data center that is a co-located or hosting data center
19 where equipment, space, and bandwidth are available to lease to multiple customers; and

20 2. an enterprise data center owned and operated by the
21 company it supports.

22 **Article – Tax – Property**

23 6–202.1.

24 (A) The Mayor and City Council of Baltimore City or the governing body of a
25 county may establish, by law, a subclass of real property consisting of vacant lots or
26 improved property cited as vacant and unfit for habitation or other authorized use on a
27 housing or building violation notice.

28 (B) **THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE**
29 **GOVERNING BODY OF A COUNTY MAY ESTABLISH, BY LAW, A SUBCLASS OF PERSONAL**
30 **PROPERTY CONSISTING OF ALL THE PERSONAL PROPERTY OF A QUALIFIED DATA**
31 **CENTER AS DEFINED IN § 11–239 OF THE TAX – GENERAL ARTICLE.**

32 6–302.

1 (b) (1) Except as provided in [subsection] **SUBSECTIONS (c) AND (E)** of this
2 section and §§ 6–305 and 6–306 of this subtitle:

3 (i) there shall be a single county property tax rate for all real
4 property subject to county property tax except for operating real property described in §
5 8–109(c) of this article; and

6 (ii) the county tax rate applicable to personal property and the
7 operating real property described in § 8–109(c) of this article shall be no more than 2.5
8 times the rate for real property.

9 (2) Paragraph (1) of this subsection does not affect a special rate prevailing
10 in a taxing district or part of a county.

11 **(E) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE**
12 **GOVERNING BODY OF A COUNTY MAY SET A SINGLE SPECIAL PERSONAL PROPERTY**
13 **TAX RATE FOR ALL THE PERSONAL PROPERTY OF A QUALIFIED DATA CENTER AS**
14 **DEFINED IN § 11–239 OF THE TAX – GENERAL ARTICLE.**

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
16 1, 2026, and shall be applicable to all taxable years beginning after June 30, 2026.