



GREATER WASHINGTON  
Board of Trade

HB905– Sales and Use Tax Exemption – Qualified Data Center Personal Property – Eligibility  
Ways and Means

Position: **UNFAVORABLE**

Greater Washington Board of Trade

February 26<sup>th</sup>, 2024

Dear Chair Atterbeary and Committee Members,

The Greater Washington Board of Trade is a pro-business and non-partisan organization supporting all industry sectors in the District of Columbia, suburban Maryland, and Northern Virginia, having done so for the last 134 years. We oppose HB905.

The data center industry, dependent, regionally, on proximity to one of the world's most important internet exchanges in Ashburn, represents a nascent driver for employment and revenue; one which should be nurtured and encouraged to develop. The imposition of onerous, anti-free market prerequisites on qualification for incentives fundamentally runs contrary to that end.

Anti-market regulations like those proposed in HB905, setting minimum rates for contractors and subcontractors stand to substantially shift the value proposition of building these centers in Maryland while requirements for battery storage capacity in backup energy mixes stand to force an underdeveloped and costly technology into the market before maturity, again, fundamentally changing the cost of construction and maintenance of data centers. Further, the imposition of short timelines for hiring after the submission of applications for tax exemption, especially during uncertain regulatory and economic times, creates the potential for non-viable employment situations in which highly skilled and paid employees sit idle for extended periods not contributing to the region's development at anywhere near their potential capacity.

Ensuring that Marylanders are paid a fair wage and that the state continues to move toward its environmental goals are vital to the region, the nation, and the world, but doing so in such a way as to force the industry into less onerously regulatory environments runs contrary not only to those goals but to the economic development of the region.

The Greater Washington Board of Trade respectfully opposes this legislation and asks that you vote no on this amendment, supporting the development of the region and the state by maintaining a healthy business environment and driving long-term revenue increases which can be put to much better use to achieve these same ends. We urge you to oppose HB905.