

**Committee:** Education, Energy, and the Environment  
**Testimony on:** SB116 - Data Center Impact Analysis and Report  
**Submitting:** Dave Arndt  
**Position:** Favorable  
**Hearing Date:** Feb. 13, 2025

Dear Mr. Chair and Committee Members:

Thank you for reading my testimony today in strong support of SB116, 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](#)<sup>1</sup> Here is a story from Ohio: [Indefensible tax breaks for data centers will cost Ohio](#)<sup>2</sup> 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](#)<sup>3</sup>

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](#)<sup>4</sup>

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

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](#)<sup>7</sup> and [The Mystery Impact of Data Centers on Local Economies Revealed](#)<sup>8</sup>

There are also environmental and climate concerns, what about all the pollution from the diesel generators, the greenhouse gas emissions from all this electrical usages and water usage for cooling. [Diesel pollution from data centers](#)<sup>9</sup>, [Google falling short of important climate target, cites electricity needs of AI](#)<sup>10</sup>, [US tech groups' water consumption soars in 'data centre alley'](#)<sup>11</sup>



