



Senate Bill 116

Data Center Impact Analysis and Report

MACo Position: **SUPPORT**
WITH AMENDMENTS

To: Education, Energy, and the Environment
Committee

Date: February 13, 2025

From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **SUPPORTS** SB 116 **WITH AMENDMENTS**. This bill requires certain departments within the State Administration to conduct an impact analysis of the data center industry on Maryland.

Data centers in neighboring Virginia have had a significant impact on that economy, providing predictable revenue streams, offering job opportunities, and driving technological growth. For Maryland, the sensibly managed growth of the data center industry may yield a similarly beneficial result. However, without a deeper understanding of this new industry's indirect effects, data centers' environmental and infrastructure challenges could outweigh their benefits over time. High energy and water consumption from data centers in Virginia are not only straining local resources but are now weighing heavily on neighboring jurisdictions. Balancing these factors is crucial for future sustainable development, especially for a state already grappling with the challenges of climate change.

Recognizing this need for a delicate balance, counties request the Maryland Department of the Environment's analysis also include a review on the impact of data centers on agricultural and conserved lands.

MACo Amendment:

On Page 1, After Line 23, Insert, **"(IV) THE POTENTIAL DIRECT AND INDIRECT IMPACTS ON AGRICULTURAL AND CONSERVED LANDS."**

Data Centers can prove to be a key to help unlock a future of prosperity for Marylanders, but without a more complete understanding of their impact, they could also prove to be a factor toward decline. For this reason, MACo urges the Committee to issue SB 116 a **FAVORABLE WITH AMENDMENTS** report.