



**Testimony on:** SB0427– Property Taxes - Authority of Counties to Establish a Subclass and Set a Special Rate for Personal Property of Data Centers  
**Committee:** Budget and Taxation  
**Organization:** Maryland Legislative Coalition Climate Justice Wing  
**Submitting:** Dave Arndt  
**Position:** Favorable  
**Hearing Date:** February 18, 2026

Dear Chair Guzzone and Committee Members:

Thank you for allowing our testimony today in support of SB0427, Property Taxes - Authority of Counties to Establish a Subclass and Set a Special Rate for Personal Property of Data Centers. The Maryland Legislative Coalition Climate Justice Wing, a statewide coalition of 32 grassroots and professional organizations, urges you to vote favorably on SB0427.

The bill authorizes the Mayor and City Council of Baltimore City or the governing body of a county to establish, by law, a subclass of personal property consisting of all the personal property of qualified data centers and set a special tax rate for that subclass that would apply to all taxable years after June 30, 2026. This is important because local governments and residents will bear many of the costs associated with data centers.

Data centers are the foundation of the internet and our modern IT infrastructure. In light of future growth in data centers, including “hyperscale” data centers to support new technologies like AI and cryptocurrency operations, Maryland faces significant challenges in managing this new industry while pursuing its goals towards reducing climate emissions, greening the electric grid, and protecting public health.

Furthermore, MD residents are concerned about the high cost of living (and especially utility bills) and Maryland faces a tight budget, making business development and income growth top priorities. Data centers are exacerbating our affordability crisis by driving up electrical rates.

If a local jurisdiction like Fredrick County decides to allow 20 plus data centers at a specific location using an estimated 3GW of power, they should be allowed to offset this impact by setting up a special tax rate for the personal property of data centers. This bill does not force a governing body to do this; it just gives them an option in how they implement data center governance.

Accordingly, we urge this committee to issue a FAVORABLE report.

350MoCo  
Adat Shalom Climate Action

Cedar Lane Unitarian Universalist Church Environmental Justice Ministry  
Chesapeake Earth Holders  
Chesapeake Physicians for Social Responsibility  
Climate Communications Coalition  
Climate Parents of Prince George's  
Climate Reality Greater Maryland  
ClimateXChange  
Coming Clean Network, Union of Concerned Scientists  
DoTheMostGood Montgomery County  
Echotopia  
Elders Climate Action Maryland  
Fix Maryland Rail  
Glen Echo Heights Mobilization  
Greenbelt Climate Action Network  
HoCoClimateAction  
Howard County Indivisible  
Maryland Legislative Coalition  
Maryland Energy Advocates  
Maryland Third Act  
Mizrahi Family Charitable Fund  
Mobilize Frederick  
Montgomery County Faith Alliance for Climate Solutions  
Montgomery Countryside Alliance  
Mountain Maryland Movement  
Nuclear Information & Resource Service  
Progressive Maryland  
Safe & Healthy Playing Fields  
Sierra Club Maryland Chapter  
Takoma Park Mobilization Environment Committee  
The Climate Mobilization MoCo Chapter  
Unitarian Universalist Legislative Ministry of Maryland