

## **Testimony in Support of Senate Bill 427**

### **Position: Favorable with Strong Local Planning Considerations**

#### **Property Taxes - Authority of Counties to Establish a Subclass and Set a Special Rate for Personal Property of Data Centers**

Chair Guzzone, Vice Chair Rosapepe, and Members of the Budget and Taxation Committee,

Thank you for the opportunity to testify in support of Senate Bill 427 as a resident and community advocate in Frederick County, Maryland, where decisions about data center development are no longer abstract policy discussions; they are active land use battles with real consequences for our farms, schools, and electric grid.

SB427 enables counties with a critical tool: the authority to ensure that data center development contributes fairly to the communities it impacts. In fast-growing regions like Frederick County, this authority is not simply helpful, it is essential to meet this moment of technological disruption.

Frederick County sits at the intersection of agricultural preservation and rapid growth. Productive farmland and protected rural landscapes are not incidental to our economy; they are central to it. Yet proposals for large-scale data center campuses increasingly target rural and agricultural-zoned land because it offers the acreage and transmission access these facilities require. Without thoughtful tax structures and local leverage, counties risk losing farmland not to housing or community-serving development, but to facilities that generate minimal employment while permanently altering the landscape.

This is not opposition to technology or innovation. This is about striking a balance.

Data centers are uniquely infrastructure-intensive. They demand massive electrical capacity, often requiring new substations, transmission lines, and grid upgrades while the underlying technology changes at break-neck pace. These upgrades are rarely confined to the data center site; they ripple outward, affecting reliability and cost for surrounding communities. In Frederick County, residents are already raising concerns about whether energy demand from proposed data center projects could strain the grid, increase utility costs, or divert infrastructure investment away from residential and small-business needs.

At the same time, counties must plan for school construction, road maintenance, emergency services, and water systems to support population growth. When large industrial projects receive substantial tax advantages without careful structuring, the fiscal burden of growth shifts onto homeowners and small businesses. SB427 gives counties the ability to prevent that outcome by ensuring that tax policy reflects true public costs.

This bill does not mandate incentives; it ensures local negotiating power. It allows counties to:

- Preserve farmland by discouraging speculative industrial land conversion
- Ensure that grid and infrastructure costs are not the burden of residents

- Structure tax rates so large industrial users contribute to schools and public services
- Align economic development with long-term community sustainability

In short, SB427 recognizes that one-size-fits-all state policy cannot account for local land use realities. By allowing counties to establish a data center personal property subclass and special rate, the bill gives local governments the flexibility needed to protect agricultural economies, infrastructure reliability, and school funding stability.

In Frederick County and across Maryland, we welcome responsible economic growth. But responsible growth requires tools that ensure development strengthens communities rather than overwhelming them. Senate Bill 427 provides exactly that tool.

For these reasons, I respectfully urge a favorable report.

Thank you for your time and consideration.

Respectfully submitted,

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Frederick County Council District 2 Candidate (By Authority: Friends of Jamie Shopland,  
Elizabeth Heaney, Treasurer)