

February 18, 2026

The Honorable Guy Guzzone
Chair, Senate Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis, Maryland 21401

RE: MBIA Letter of Opposition SB 427 Property Taxes - Authority of Counties to Establish Subclasses and Set Separate Rates for Data Centers

The Maryland Building Industry Association is submitting testimony in opposition to SB427. The proposed legislation would authorize the Mayor and City Council of Baltimore City and county to establish, by law, a subclass of personal property consisting of all the personal property of certain qualified data centers and set a special personal property tax rate for the subclass.

Providing preferential tax treatment to a single industry creates an uneven playing field. Other businesses—including small manufacturers, local service providers, and traditional industries—receive no similar relief, shifting the burden to them or to residents.

Creating a special subclass reduces predictable local revenue. Municipalities rely on stable tax streams to fund schools, public safety, and infrastructure. Preferential rates for a narrow property class jeopardize that stability. There is also no oversight for counties to enforce such a policy.

For these reasons, I respectfully urge the Committee to issue an unfavorable report. While economic development is critical, targeted tax exemptions for a narrow class of property introduce fairness, revenue, and administrative challenges that outweigh potential benefits.
report.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the Senate Budget and Taxation Committee