



Committee: Budget and Taxation

Testimony On: SB 427 – Property Taxes - Authority of Counties to Establish a Subclass and Set a Special Rate for Personal Property of Data Centers

Organization: Mobilize Frederick

Submitting: Kathy Kinsey

Position: Favorable

Hearing Date: February 18, 2026

Dear Chair Guzzone and Members of the Committee,

Thank you for the opportunity to provide testimony in support of SB 427 – Authority of Counties to Establish a Subclass and Set a Special Rate for Personal Property of Data Centers. Mobilize Frederick, a nonprofit community advocacy organization formed to assist with implementation of innovative local solutions to address climate change, strongly urges the Committee to issue a **favorable** report on SB 427, which would allow county governments to establish a subclass and set a special personal property tax rate for data centers.

The data center sector is a capital-intensive highly automated industry that, once built, requires only a small permanent workforce to maintain operations. Local governments don't realize a significant indirect economic benefit from local income or sales tax revenue that would otherwise be generated by a large number of new employees who buy or rent homes in the jurisdiction and shop locally.

At the same time, the impacts of data center development on communities are widely acknowledged. In Maryland and other PJM states, the unprecedented energy requirements of data centers are driving the need for deployment of new transmission infrastructure, which is contributing to sharply rising electricity prices for ratepayers. Growth of the data center sector will strain water resources and impact the ability of local governments to meet their renewable energy targets and climate goals. In Frederick County, for example, the recently released [Climate and Energy Action Plan](#) calls out data centers as the single biggest challenge to meeting the County's greenhouse gas reduction targets.

During a time of multi-year State structural budget deficits when local governments are faced with reductions in both federal and State funding across a wide range of programs and pressure to hold the line on real estate tax rate increases, providing local governments with the option to

assess personal property taxes on data centers to offset the impacts of data center development and fund local government needs is vitally important.

For these reasons, we respectfully request the Committee to issue a **favorable** report on SB 427.

Sincerely,

KATHY KINSEY
Chair, Government Affairs Committee

cc: Karen Cannon
Executive Director