

Committee: Budget and Taxation
Testimony on: SB0427– Property Taxes - Authority of Counties to Establish a Subclass and Set a Special Rate for Personal Property of Data Centers
Submitting: Deborah A. Cohn
Position: Favorable
Hearing Date: February 18, 2026

Dear Chair Guzzone and Committee Members:

Thank you for considering my testimony in support of SB0427, Property Taxes - Authority of Counties to Establish a Subclass and Set a Special Rate for Personal Property of Data Centers.

Data centers support the internet and the significant business and personal devices on which we depend. Unprecedented investments in AI¹ and cryptocurrency operations could result in significant growth in hyperscale data centers. Because of its existing and potential availability of water, land and electrical power, Maryland has been attracting interest by data center developers. Maryland faces challenges in managing this new industry while pursuing its goals of reducing climate emissions, greening the electric grid, and protecting public health.

Meanwhile, Maryland residents are concerned about the high cost of living and Maryland faces a tight budget. Business development and income growth are top state priorities. Data centers, however, are exacerbating our affordability crisis by driving up electricity rates.

While the state assesses the likely environmental, energy and economic impacts of data center development in Maryland, data center development in the state continues. Local jurisdictions need appropriate tools now to offset the potential negative local impacts of data center development. SB0427 would provide local jurisdictions *the authority* to establish a special tax rate for the personal property of data centers *without any requirement to do so*. In short, local jurisdictions retain flexibility and control over how they implement data center governance so as to protect existing residents, businesses and economic development

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

¹ Meghan Bobrowsky, Drew An-Pham and Alana Pipe, “Big Tech’s AI Push Is Costing a Lot More Than the Moon Landing”, *Wall Street Journal* (February 7, 2026).