



March 3, 2026

The Honorable Brian J. Feldman, Chair
Senate Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
Annapolis, Maryland 21401

The Honorable Pamela Beidle, Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

Unfavorable: SB 853 – Economic Development Activity - Nondisclosure Agreements

Dear Chair, Feldman, Chair Beidle and Committee Members:

The NAIOP Maryland Chapters represent approximately 700 companies involved in all aspects of commercial, industrial, and mixed-use real estate. On behalf of our member companies, I am writing to recommend your unfavorable report on SB 853.

Overview of SB 853

SB 853 would prohibit State and local officials, legislators, and their staff from entering into nondisclosure agreements (NDAs) with any entity engaged in an economic development activity—including companies seeking to establish or expand facilities such as data centers, logistics hubs, manufacturing operations, life-science facilities, or headquarters projects.

SB 853 would severely weaken Maryland’s economic competitiveness by eliminating the standard confidentiality tools used in every state to evaluate potential projects. Companies cannot share proprietary information without NDAs, and economic development officials cannot perform due-diligence without access to that information.

By prohibiting NDAs, the bill will stop many projects before they ever reach a publicly transparent stage—resulting in lost jobs, lost tax base, and fewer opportunities for communities across the State.

Rationale for NAIOP’s Position

- While transparency in government is essential, SB 853 eliminates the primary mechanism that allows businesses to share proprietary information, market-sensitive data, and site-specific requirements necessary for Maryland to compete for major investment. Without the ability to secure confidential discussions, companies will be forced to exclude Maryland from consideration long before a project becomes public.
- Companies must disclose highly proprietary information during site evaluation. To evaluate a project, firms must share details such as: customer contracts and demand forecasts; supply-chain vulnerabilities; intellectual property; workforce and automation strategies; risk assessments and regulatory exposure; and capital expenditure structures not yet reported to shareholders. This information cannot be shared without enforceable confidentiality protections. Without NDAs, most companies cannot legally or competitively disclose the data needed for due-diligence with State or local officials.
- Economic development officials rely on NDAs to perform accurate site analysis. State and local practitioners routinely need precise power, water, and infrastructure requirements; confidential site layouts and engineering drawings; prospective job classifications and wage modeling; anticipated land acquisition or lease terms; and scenario planning rooted in competitively sensitive data. Without NDAs, Maryland officials will be

unable to model incentives, infrastructure upgrades, permit sequencing, or workforce programs with accuracy—placing the State at a structural disadvantage.

- Removing confidentiality will eliminate Maryland from competitive project pipelines. Most major corporate site searches—particularly for data centers, advanced manufacturing, logistics operations, or R&D facilities—require signed NDAs before the first conversation. Multi-state searches already move at high speed and with strict confidentiality protocols. A statutory ban would send a clear message to site selectors and corporate decision-makers that Maryland cannot protect proprietary information. Companies will simply eliminate Maryland at the outset rather than risk public disclosure.
- Transparency is already preserved at the appropriate stage. NDAs apply only during early exploratory discussions. Once a company selects a community and moves into permitting, incentive agreements, and final approvals, project terms become public under the Public Information Act and open-meeting requirements. SB 853 does not improve public transparency at the decisive stage of a project—it only blocks Maryland officials from doing the due-diligence necessary to win projects in the first place.
- Data centers and other high-demand industries require even greater confidentiality. SB 853 specifically references data centers, which operate under strict security and cybersecurity requirements. These companies must disclose: electrical distribution and resiliency designs; fiber routing details; security postures and vulnerabilities; vendor procurement chains; and server load profiles. These materials cannot be legally released publicly and cannot be shared absent an NDA. Maryland has already struggled to compete for large-scale digital infrastructure projects; this bill would effectively remove the State from consideration.
- Economic harm to local jurisdictions would be immediate and significant. Counties and municipalities depend on confidential negotiations to: assemble land; coordinate infrastructure upgrades; negotiate PILOT agreements; secure interconnection commitments; and prevent speculator activity that drives up land prices. SB 853 would deprive local governments of the tools they need to responsibly manage project-level economic development.

For these reasons, NAIOP respectfully requests your unfavorable report on SB 853.

Sincerely,



Tom Ballentine, Vice President for Policy

NAIOP – Maryland Chapters, *The Association for Commercial Real Estate*

cc: Education, Energy, and the Environment Committee Members
Finance Committee Members
Nick Manis – Manis, Canning Assoc.