

February 3, 2026



Maryland General Assembly
Attn: Trish Gagnon, Assistant to Chair Korman
House Environment and Transportation Committee
250 Taylor House Office Building
Annapolis, MD 21401

RE: HB 120, “Moratorium on Construction of New Data Centers – Co-Location and Generation Contingency” (Unfavorable)

Dear Chair Korman and Members of the House Environment and Transportation Committee:

On behalf of the Data Center Coalition (DCC), I am writing to request an unfavorable report of HB 120. DCC is the national membership association for the data center industry, and our membership is comprised of leading data center owners and operators, as well as companies that lease large amounts of data center capacity.¹ Data centers provide the digital infrastructure that keeps us connected in our daily lives and supports many sectors of the 21st century innovation economy, including financial services, advanced manufacturing, cybersecurity, healthcare, artificial intelligence, and other key industries.

HB 120 would prohibit a unit of state or local government from approving a proposal for the construction of a data center in Maryland. While DCC appreciates that the legislation clarifies that this applies prospectively, excluding data center projects that have received federal, state, and local permits prior to the Act’s effective date, this would still send a strong negative signal to industry. Establishing a statewide moratorium would also prevent local economic development authorities from tailoring and pursuing strategies to attract jobs and investment that they see as beneficial to their communities.

Over the past several years, Maryland has advanced legislation seeking to establish a competitive market that provides the certainty and predictability required to attract and grow long-term data center capital investment and data center jobs in the state. HB 120 runs counter to those efforts just as new projects and investment are just beginning to land in Maryland. At a time when Maryland is experiencing lagging economic growth and facing significant budget constraints, HB 120 would send a signal to all industries, not just data centers, that Maryland may not stand behind its long-term economic development commitments.

¹ Public testimony and written comments submitted by DCC do not necessarily reflect the views of each individual DCC member. A list of current DCC members is accessible at <https://www.datacentercoalition.org/members>.

Data centers represent large capital investments and support a wide range of roles in the broader local service ecosystem, including construction professionals, engineers, HVAC technicians, electricians, and local hospitality and catering businesses. In fact, each job in a data center supports six jobs elsewhere in the economy. A report from PwC found that in 2023, the data center industry provided 7,780 direct jobs and supported 40,560 jobs in total when considering direct, indirect, and induced effects in Maryland. The report also found that over that same time, the data center industry contributed \$6.3 billion to Maryland GDP and directly and indirectly generated \$646 million in state and local tax revenues.² Establishing a moratorium jeopardizes the ability to capitalize on these revenues and job impacts and deters future growth.

We appreciate your consideration of these comments and stand ready to serve as a resource as the General Assembly considers legislation impacting the data center industry. We urge the Committee not to advance this legislation.

Respectfully,

Khara Boender
Director, State Policy
Data Center Coalition
khara@datacentercoalition.org

² PwC, "Economic Contributions of Data Centers in the United States, 2017-2023," February 2025, <https://www.centerofyourdigitalworld.org/2025-impact-study>.