



TESTIMONY FOR HB1411 Data Center Planning and Transparency Act)

Bill Sponsor: Delegate Ruth

Committee: Environment and Transportation

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of HB1411 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists, and our Coalition supports well over 30,000 members.

Currently, data center development in Maryland is largely regulated at the local government level and nearly all local governments are ill-equipped to address the economic, energy, environmental, and climate impacts that data centers bring to their area. Local government planning staff that are pressed by a well-funded industry for quick regulatory approvals don't have the information, tools, or resources to effectively evaluate hyperscale data center projects, especially where there may be multiple developers, operators, and land development permits required for a single campus.

State level oversight is critically important due to the level of resources used by data centers. In fact, just collecting and publishing information that local governments need would help Maryland avoid some of the disasters that Virginia has already experienced. The Maryland Department of Commerce reports that data centers received the benefit of more than \$22 million in State tax incentives during the preceding five years, yet information about energy use, water consumption, backup diesel generators, projected noise levels, job creation, and other essential information related to data center construction and operation is not readily available.

HB1411 establishes the following important public reporting and local government planning requirements needed to sustainably manage data center development in Maryland:

- As a condition of receiving the current state sales and use tax incentive, HB 1411 requires large-scale data center owners or operators to submit disclosure reports to the Maryland Department of the Environment (MDE), the Maryland Energy Administration (MEA), and local agencies and elected officials. Those disclosures must include - community benefits; a signed utility interconnection agreement; size in square footage; projected daily electric use (MW) and sources of power; the need for transmission infrastructure; back-up generation; projected emissions; water use and sources; projected noise levels; construction plans and timeline; and the number of post-construction jobs.

- HB1411 requires MDE to publish the disclosure reports on its website.
- By June 30, 2027, each local jurisdiction with at least 10,000 residents is required to adopt by local law and submit to the Maryland Department of Planning a detailed plan, informed by public input, to govern large scale data center development within its jurisdiction.

Currently, there are 12 newly proposed data centers in Maryland, which are projected to use 200 times the estimated power of the existing Maryland data centers, the equivalent of doubling the State's total household electricity consumption. Based on Virginia's experience, we know that new transmission and distribution infrastructure will likely be required to serve these data centers. *We don't know* how these new projects will impact electricity rates, water resources, renewable energy targets, or climate goals in Maryland. Without transparency, detailed information, and proper planning, sound management of data center growth is not possible at the State or local government levels.

HB1411 is a first step toward responsible management of data center projects, requiring local planning with community input and statewide reporting. By conditioning eligibility for exemption from the State sales and use tax, this bill will incentivize data center developers to provide the key information that Maryland agencies and local governments need to make informed decisions.

We strongly support this bill and recommend a **FAVORABLE** report in committee.