



## House Bill 120

Date: February 3, 2026

Committee: Environment & Transportation

**Position: Unfavorable**

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Founded in 1968, the Maryland Chamber of Commerce (the Chamber) is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees, and families.

House Bill 120 (HB 120) would prohibit the construction of a data center in Maryland unless the General Assembly enacts separate legislation regarding the co-location of data centers with a new or existing natural gas power generation facility, nuclear power facility, or small module reactor.

HB 120 establishes a blanket prohibition on an entire category of economic development based on the possibility of future legislative action. Rather than setting clear standards or policy objectives, the bill conditions whether a lawful business activity may occur on the enactment of separate legislation that does not currently exist. This creates profound uncertainty for businesses, investors, utilities, and local governments and undermines Maryland's predictability as a place to invest.

Additionally, as drafted, the prohibition applies broadly and could capture a wide range of existing and future facilities, including smaller data centers located at corporate headquarters, government-adjacent facilities, and installations supporting national security and defense operations. Maryland currently hosts dozens of data centers of varying sizes, many of which are not the large, "hyperscale" facilities that are often assumed when the term "data center" is used. Data centers support critical business, government, and cybersecurity functions.

By halting new development until undefined future legislation is enacted, HB 120 effectively places Maryland at a competitive disadvantage relative to neighboring states. Data centers are increasingly mobile investments, and prolonged uncertainty will almost certainly redirect capital, infrastructure investment, and associated job creation to other jurisdictions with clearer regulatory frameworks.

Finally, the Chamber is concerned that the bill attempts to predetermine the outcome of future energy policy debates by mandating specific generation technologies as a prerequisite for

development, rather than allowing those issues to be considered holistically through Maryland's established energy planning and regulatory processes.

For these reasons, the Maryland Chamber of Commerce respectfully requests an **unfavorable report on HB 120**.