



Wes Moore | Governor
Aruna Miller | Lt. Governor
Harry Coker, Jr. | Secretary of Commerce

DATE: March 10, 2026
BILL NO: House Bill 1534
BILL TITLE: Data Centers - Standards for Operation and Siting
COMMITTEE: House Environment and Transportation Committee
POSITION: Oppose

The Maryland Department of Commerce (Commerce) opposes House Bill 1534 - Data Centers - Standards for Operation and Siting.

Bill Summary:

House Bill 1534 requires that if a data center is located within a certain radius of the boundary of a primary or secondary school property, the owner or operator of a data center must ensure electrical substations and overhead transmission lines that have a certain voltage carrying capacity maintain a minimum 1,000 foot setback from any playground or athletic field on the school property. It also must coordinate with the school regarding certain HVAC requirements and provide funding for annual costs related to HVAC filters at the request of the school.

The bill also requires regulations regarding sound levels, backup generators, and on-site battery energy storage. It prohibits local authorities from authorizing the construction of data centers under certain circumstances. Before a local authority approves an application for construction on land that has not previously been developed, an applicant must submit a report that verifies that the applicant evaluated decommissioned industrial or power plant sites before having submitted the application.

Rationale:

Commerce opposes this bill due to its extensive and disproportionate requirements on one specific industry. Local zoning and established zoning processes address many of the regulations that are being suggested and can be adopted during local zoning amendments or zoning decisions. Additional community benefits that are being suggested in this bill are typically negotiated during a community benefits agreement process that is site specific and addresses community needs. Disincentivizing sustainable data center development risks losing momentum in Maryland's advanced biohealth, quantum, and information technology industries. As Governor Moore has shown through his letter to the PJM Board of Managers as well as his work with the Northeast States Collaborative, the Moore-Miller Administration is committed to managing data center projects responsibly, and will not allow the cost of new data centers to be passed on to Maryland ratepayers. Thriving innovation industries require local digital infrastructure that minimizes latency and computing costs. If this is unavailable in Maryland, not only will the state and local jurisdictions risk losing direct revenue from data center jobs, property taxes, and capital expenditures, but jeopardize the future growth of lighthouse sectors that support tens of thousands of jobs statewide.

Furthermore, this bill would discourage new opportunities for small businesses if a data center investment is not made. Many local small businesses benefit from the opportunities data centers bring, such as construction, staffing, and operations.

Commerce respectfully requests an unfavorable report on House Bill 1534.