



House Environment and Transportation Committee  
February 3, 2026

House Bill 120 – *Moratorium on Construction of New Data Centers – Co-Location and Generation Contingency*  
**POSITION: OPPOSE**

The Maryland Tech Council (MTC), with over 800 members, is the State’s largest association of technology companies. Our vision is to propel Maryland to be the country’s number one innovation economy for life sciences and technology. MTC brings the State’s life sciences and technology communities into a single, united organization that empowers members to achieve their goals through advocacy, networking, and education. On behalf of MTC, we submit this letter of **opposition** for House Bill 120.

House Bill 120 would prohibit the construction of new data centers in Maryland unless legislation is enacted that would require all new data centers to be co-located with a new or existing natural gas power generation facility, nuclear power generation facility, or small module reactor and the construction at the co-located power generation facility of additional power generation capacity meets or exceeds the data center’s power needs.

The MTC opposes this bill because it is overly restrictive of data center development and hinders the enormous economic potential the data center development industry can bring to Maryland. Further, this bill sends the wrong message nationally that Maryland is not welcoming to investment in the burgeoning digital economy.

MTC has launched the Data Center Alliance of Maryland (DCA-MD), a coalition of partners dedicated to informing and educating Marylanders about the potential contributions of data center industry growth. DCA-MD is working to inform Marylanders and policymakers that the digital economy presents Maryland with a historic opportunity to create thousands of family-sustaining jobs and invest in public services like K-12 public education. The need for additional revenue is further underscored by the fact that Maryland is again facing a \$1.5 billion budget deficit, with even larger deficits looming in the coming years.

At the heart of the digital revolution is the critical infrastructure that enables it: data centers. With the private sector planning more than \$1 trillion in capital investments in the U.S., communities that proactively plan for data centers will position themselves for decades of economic prosperity and community strength. Yet, the impacts often associated with data centers – visual, environmental, or operational – are widely misunderstood, and in many cases, overstated.

Data centers are the libraries of the internet. They store and process vast amounts of data that society depends on, including electronic health records, fraud detection systems, websites, and video streaming platforms. They are the digital infrastructure that enables online life and commerce. As integrated technology parks, data centers create immediate construction jobs that

often provide five years of work and permanent career paths in their communities. In addition, state tax revenues from a typical data center could pay the equivalent of 165 average teacher salaries annually. The community benefits from data centers are clear:

- Thousands of Maryland jobs for Maryland workers.
- Massive new tax revenue to invest in world-class schools, police, and other public services we depend on.

Consider this: a recent [economic analysis](#) found that a typical data center project in Maryland would:

- Support 5,000 direct and indirect jobs and \$775 million in economic activity and generate approximately \$18 million in state tax revenues during construction, alongside substantial local tax revenues.
- Once operational, the data center would support nearly 500 permanent jobs and generate \$14 million in state tax revenue annually, plus substantial local tax revenues.

While MTC acknowledges the potential energy consumption ramifications of data center development, the State has already taken some steps to address this challenge. Data center operators pay for the electricity they consume. Additionally, Maryland enacted the Next Generation Energy Act in 2025, making it the first state in the nation to require large data centers to pay a special electricity rate to finance electric grid improvements. The power transmission grid will actually be strengthened as data centers fund improvements. Further, the data center has significantly improved its energy efficiency. These statements are further backed up by a study from [Energy and Environmental Economics](#) (E3), which found that large loads from data centers can provide meaningful grid, societal, and economic development benefits.

The MTC encourages the General Assembly to continue taking a more collaborative approach to charting a path for data center development and related energy demand that balances the enormous economic potential of Maryland's digital economy. For these reasons, we request an **unfavorable** report on House Bill 120.

**For more information call:**

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