



February 3, 2026

The Honorable Marc Korman  
Chairman, Environment and Transportation Committee  
Maryland House of Delegates  
HB 0120 – Moratorium on Construction of New Data Centers – Co-Location and Generation  
Contingency

Chairman Korman and Members of the Environment and Transportation Committee:

On behalf of the Goldwater Institute, I am writing to submit public comment in respectful opposition to HB 0120. The Goldwater Institute works nationwide to protect individual liberty and promote free-market solutions to modern challenges. This legislation proposes a statewide moratorium on the construction of new data centers, establishing a generation contingency that would effectively paralyze digital infrastructure development in Maryland.

Data centers are the industrial backbone of modern life, supporting everything from national security and financial transactions to the rapid advancement of artificial intelligence. These facilities are no different in principle from the railroads or energy networks of the last century and are the essential machinery of our era. Prohibiting their construction ignores a fundamental economic reality: demand for digital services does not disappear because a state chooses to stop building. Instead, the investment, high-paying jobs, and tax revenue simply migrate to states that embrace the future.

Maryland currently ranks 40th in the nation in five-year job growth and faces a projected \$3 billion structural deficit by Fiscal Year 2030.<sup>1</sup> According to the Maryland Tech Council, a typical 800,000-square-foot data center project generates roughly \$775 million in economic activity and \$18 million in state tax revenue during its construction phase alone.<sup>2</sup> Once operational, a single facility can support nearly 500 permanent jobs with salaries 55% above the statewide average. In Prince George's County, the annual tax revenue from one mid-sized data center is estimated to fund the total compensation for 175 police officers, 158 firefighters, or 176 public school teachers.<sup>3</sup> HB 120 would forfeit these benefits in favor of a central-planning approach that undermines fundamental property rights.

Our research, *Data Centers: A Free Market Model for the Digital Future*, shows that electricity prices are a policy choice, not a data center problem.<sup>4</sup> High rates are the predictable outcome of state mandates that sideline reliable power. In contrast, large-scale users like data centers provide the steady, predictable demand necessary to fund grid upgrades, creating economies of scale that can lower costs systemwide. Regarding resource scarcity, the market is already driving the industry toward efficiency. Many new facilities utilize air-cooled or closed-loop designs that eliminate the need for potable water, proving that economic expansion and environmental stewardship are not mutually exclusive.

We believe that the state's long-term prosperity is best served by a policy environment that favors innovation over restriction and property rights over central planning. We urge the Committee to report HB 0120 unfavorably and move toward a framework that welcomes growth rather than postponing it.

Sincerely,

Brian Norman  
Director of State Affairs  
Goldwater Institute

1: Maryland Tech Council, *Data Centers Can Accelerate Maryland's Job Growth and Bridge State's Budget Gap*, Aug. 14, 2025; see also WUSA9, *Maryland faces \$1.5B deficit by 2027, shortfall could near \$4B by 2030*, Nov. 18,

2: Maryland Tech Council, *The Economic & Fiscal Benefits of Data Center Developments in Maryland*, prepared by Sage Policy Group, 2025.

3: Maryland Tech Council, *Economic & Fiscal Impacts of Data Center Development in Prince George's County*, 2025; see also Maryland Tech Council, *The Opportunity: How Maryland Wins with Data Centers*

4: Goldwater Institute, *Data Centers: A Free Market Model for the Digital Future*, Jan. 2026.