





March 19, 2025

FISCAL AND POLICY NOTE

TO: Jennifer A. Jenkins
Council Administrator

Colette R. Gresham, Esq.
Deputy Council Administrator

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: Roger G. Banegas 
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CR-016-2025 Qualified Data Center Task Force

CR-016-2025 (*Proposed by:* Council Member Burroughs)

Assigned to the Planning, Housing and Economic Development (PHED) Committee

A RESOLUTION CONCERNING QUALIFIED DATA CENTER TASK FORCE for the purpose of creating a Qualified Data Center Task Force to study the potential risks, community benefits, and revenue potential of Qualified Data Center uses in Prince George's County, to develop potential location and procedural policies for the siting of Qualified Data Center uses; to specify appointment qualifications for membership of the Task Force; to set forth reporting requirements for the Task force; and to provide for the administrative support of its work.

Fiscal Summary

Direct Impact:

Expenditures: No anticipated expenditure impact.

Revenues: No anticipated revenue impact.

Website: <https://pgccouncil.us> | Wayne K. Curry Administration Bldg.
Office: (301) 952-3431 | 1301 McCormick Drive, 3rd Floor
FAX: (301) 780-2097 | Largo, Maryland 20774

Indirect Impact:

No anticipated indirect impact.

Legislative Summary:

CR-016-2025¹, proposed by Council Member Burroughs and sponsored by Council Members Burroughs, Oriadha, Ivey, and Watson, was introduced on February 18, 2025, and referred to the Planning, Housing and Economic Development (PHED) Committee. CR-016-2025 would establish a Qualified Data Center Task Force to study the potential risks, community benefits, and revenue potential of Qualified Data Center uses in Prince George's County, to develop potential location and procedural policies for the siting of Qualified Data Center uses. It further specifies appointment qualifications for membership, as well as reporting requirements, and designation of administrative staff support.

Overview

The resolution would create a Qualified Data Center Task Force to study the potential risks, community benefits, and revenue potential of Qualified Data Center uses in Prince George's County, to develop potential location and procedural policies for the siting of Qualified Data Center uses; to specify appointment qualifications for membership of the Task Force; to set forth reporting requirements for the Task force; and to provide for the administrative support of its work.

Membership

The membership of the Task Force will be composed of eleven (11) members, to be appointed by the Vice Chair of the County Council, as follows:

- Two (2) representatives of the County Council, who shall serve as the Chair and Vice Chair of the Qualified Data Center Task Force
- One (1) representative from the Office of the County Executive;
- One (1) representative from the Office of Law;
- One (1) representative from the County Health Department;
- One (1) representative from the County Economic Development Corporation;
- One (1) representative from the Maryland Public Service Commission;
- Two (2) representatives from registered civic associations in the County; and
- Two (2) representatives from the business community of the County.;

Meetings and Reporting

The Task Force shall now be authorized to present a final written report and policy recommendations of its findings to the County Council on or before November 30, 2025.

¹ [CR-016-2025](#)

Staffing

The Council Administrator shall provide staffing for the Qualified Data Center Task Force.

Current Law/Background:

State Law

Under §11-239 of the Tax-General Article of the Annotated Code of Maryland², “data center” means a building or group of buildings used to house computer systems, computer storage equipment, and associated infrastructure that businesses or other organizations use to organize, process, store, and disseminate large amounts of data.

Last year, Governor Moore signed the Critical Infrastructure Streamlining Act of 2024³ to simplify the regulatory process for obtaining the approvals necessary to install backup power generators for data centers. The Administration bill allows generating units or facilities that meet specified requirements to be constructed without obtaining either (1) a Certificate of Public Convenience and Necessity (CPCN) or (2) approval to construct from the Public Service Commission (PSC) under the CPCN exemption process. The bill specifies related reporting requirements for owners or operators of those generating units or facilities and the Maryland Energy Administration (MEA). In addition, the Comptroller must distribute specified corporate income tax revenues attributable to qualified data centers that are operational on or after January 1, 2026, to the Strategic Energy Investment Fund (SEIF).

County Law

The County Council, with the help of the Planning Board, previously enacted CB-001-2021⁴ to amend the Zoning Ordinance to define a new use, Qualified Data Centers, in the Zoning Ordinance and permit the use in the R-R (Rural Residential), C-O (Commercial Office), C-S-C (Commercial Shopping Center), M-A-C (Major Activity Center), R-S (Residential Suburban Development), E-I-A (Employment and Industrial Area), M-X-T (Mixed Use -Transportation-Oriented), and Industrial Zones of Prince George’s County, under certain circumstances. Rather than repeating similar requirements pertaining to the Qualified Data Centers in multiple sections of the existing Zoning Ordinance, the Planning Board recommended that it would be best to create a new subsection in the Zoning Ordinance to (a) specify the procedural requirement for a site plan at the time of building permit and (b) contain regulations that will apply to the use.

The County Council also enacted CB-055-2020⁵ which established a personal property tax exemption on the personal property of a Qualified Data Center. The Bill eliminated or reduced the percentage of assessment of a qualified data center, which is subject to the Prince George’s County

² Md. Code, Tax-Gen. § 11-239

³ [Maryland General Assembly - SB0474](#)

⁴ [CB-001-2021](#)

⁵ [CB-055-2020](#)

personal property tax. The Bill also allowed the County to compete for data centers that could exceed \$1 billion in private investment and create new local jobs. It is estimated that the Bill will create 107 jobs, \$6.2 million in payments and benefits, and \$32.7 million in economic output.

CB-055-2020 also created the following tax breaks for qualified data centers:

- Projects with \$200 million or more of investments and create at least fifteen (15) jobs may qualify for a 15-year personal property tax reduction in assessment as follows:
 - Years one through five – up to 100% reduction in assessment in personal property tax.
 - Years six through ten – up to 50% reduction in assessment in personal property tax.
 - Years eleven through fifteen – up to 25% reduction in assessment in personal property tax.
- Projects with \$50 million or more of investments and create at least five (5) jobs may qualify for a 10-year personal property tax reduction in assessment as follows:
 - Years one through five – up to 90% reduction in assessment in personal property tax.
 - Years six through ten – up to 40% reduction in assessment in personal property tax.

Resource Personnel:

- Karen Zavakos, Associate Council Administrator
- Pleshette Monroe, Director of Operations, Council District 8

Discussion/Policy Analysis:

Qualified Data Centers (QDC) are energy-intensive and can hurt local ecosystems, water resources, and the land they are built on. One example of this is Northern Virginia, where the rapid expansion of data centers has raised concerns about degradation and increased noise pollution⁶. However, they can significantly boost local economies through tax revenues and the creation of jobs. In a report released by the Data Center Coalition (DCC) and conducted by PwC, between 2017 and 2021 national employment grew from 2.9 million jobs in 2017 to 3.5 million jobs in 2021, which is an increase of 20 percent⁷. The creation of a data center in the County will be costly before any benefits and incentives are seen.

The Maryland Chamber Foundation used a “hypothetical large data center” model based on information published by the U.S. Chamber of Commerce. In that large data center model, Prince George’s County would require about 20 Megawatts (MW), or 20 million watts (W), of electrical power capacity and a \$215 million investment in construction, exclusive of the cost of the server

⁶ [APNews - As data centers proliferate, conflict with local communities follows](#)

⁷ [Data centers contribute \\$2.1T to the U.S. economy](#)

computing equipment⁸. They assume that \$13.4 million would be spent on the acquisition of 20 acres of land plus the costs of permitting and site preparation; \$45.0 million on the construction of the shell of the building; and \$156.3 million would be spent for interior construction, cooling and control equipment (plus the installation, customization, and calibration of the equipment). The building would accommodate about 165,000 square feet of computing space. Construction of a data center of this scale would typically take 18 to 24 months⁹.

The creation of a Qualified Data Center Task Force would be a step in the right direction to really understand the impacts the development of a data center may have on the County. Should the Council adopt CR-014-2025, the Task Force may also consider the policy recommendations of the Planning Board's study on data centers once it is released around September 1, 2025.¹⁰

Fiscal Impact:

- *Direct Impact*

Adoption of CR-016-2025 is not likely to have any direct fiscal impact.

- *Indirect Impact*

Adoption of CR-016-2025 is not likely to have any indirect fiscal impact.

- *Appropriated in the Current Fiscal Year Budget*

No.

Effective Date of Proposed Legislation:

The proposed Resolution shall become effective as of the date of adoption.

If you require additional information, or have questions about this fiscal impact statement, please call me.

⁸ [Maryland Chamber Foundation - Potential Impact of Large Data Center Development In Maryland](#)

⁹ Ibid.

¹⁰ [CR-014-2025 would request that the Planning Department study the available data on the impacts of data centers in other jurisdictions.](#)