





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-014-2025 Community Housing Trust Task Force

---

---

**CR-014-2025** (*Proposed by*): The Council Chair at the Request of the Planning Board (*Introduced by*): Council Members Ivey, Watson, Oriadha, Harrison, Hawkins, and Fisher

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

---

A RESOLUTION CONCERNING DATA CENTERS for the purpose of directing the Maryland-National Capital Park and Planning Commission to prepare a study of data center buildings and uses and their impact on the County and its residents including, but not limited to, issues such as transportation; demands on energy, water, sewer and other public and private utilities; environmental impacts, employment, and tax revenue.

---

**Fiscal Summary**

**Direct Impact:**

*Expenditures:* No anticipated County expenditure impact.

*Revenues:* No anticipated County revenue impact.

**Indirect Impact:**

Likely favorable.

---

**Legislative Summary:**

CR-014-2025<sup>1</sup>, proposed by the Council Chair at the request of the Planning Board, was introduced by Council Members Ivey, Watson, Hawkins, Oriadha, Harrison, Hawkins, and Fisher on February 18, 2025, and referred to the Planning, Housing and Economic Development (PHED) Committee. CR-014-2025 would request that the Planning Department study the available data on the impacts of data centers in other jurisdictions. The potential development of data center projects in the County has raised a number of questions and concerns from the public as well as planners, developers, elected officials, and other stakeholders. In response, the Planning Department has been compiling a significant amount of information detailing issues associated with data center development, including matters such as the demand data centers impose on energy, water, sewer, and other public and private utilities, environmental impacts, employment, and tax revenues. This study will assist the County in developing the proper legislation and regulatory framework to address the future development and operation of such uses.

---

**Resource Personnel:**

- Lakisha Hull, Planning Director, Planning Department
- James Hunt, Deputy Planning Director, Planning Department

---

**Current Law/Background:**

*State Law*

Under §11-239 of the Tax-General Article of the Annotated Code of Maryland<sup>2</sup>, “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.

---

<sup>1</sup> [CR-014-2025](#)

<sup>2</sup> [Md. Code, Tax-Gen. § 11-239](#)

Last year, Governor Moore signed the Critical Infrastructure Streamlining Act of 2024<sup>3</sup> 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-001-2021<sup>4</sup> 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-055-2020<sup>5</sup> 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 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.

---

<sup>3</sup> [Maryland General Assembly - SB0474](#)

<sup>4</sup> [CB-001-2021](#)

<sup>5</sup> [CB-055-2020](#)

- 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.
- 

### **Discussion/Policy Analysis:**

CR-014-2025 would enable the Planning Department to study the available data on the impacts of data centers in other jurisdictions. The potential development of data center projects in the County has raised a number of questions and concerns from the public as well as planners, developers, elected officials, and other stakeholders. In response, the Planning Department has been compiling a significant amount of information detailing issues associated with data center development, including matters such as the demand data centers impose on energy, water, sewer, and other public and private utilities, environmental impacts, employment, and tax revenues.

Data centers are the core infrastructure that supports our increasingly digitized lives, including—but not limited to—finances, communications, recreation, health care, education, and transportation. Due to this, there is an increasing need for data centers. However, according to the U.S. Chamber of Commerce, data centers use large amounts of costly electricity, which averages about \$7.4 million per year<sup>6</sup>. Data centers are energy-intensive, with large demands for electricity to power servers and cool down the facility.

The growth of data centers in Prince George’s County presents a mix of opportunities and challenges. For opportunities, there could be significant economic benefits including job creation, increased tax revenues, and potential growth for local business activity. However, that could come at the cost of putting high demands on local infrastructure, such as power, water, and sewer systems. Additionally, it can lead to concerns on the environmental impact the data centers may have. The study requested from the Planning Board may help identify how to manage the development of a data center or centers in the County.

---

---

<sup>6</sup> [Maryland Chamber Foundation - Potential Impact of Large Data Center Development In Maryland](#)

**Fiscal Impact:**

*Direct Impact*

Adoption of CR-014-2025 is not likely to have any direct fiscal impact on the County.

*Indirect Impact*

Adoption of CR-014-2025 is not likely to have any indirect fiscal impact on the County.

*Appropriated in the Current Fiscal Year Budget*

No.

---

**Questions for Committee Consideration:**

1. Is the September 1, 2025, turnaround for the study too soon? Should the deadline be moved?
  2. What further research will be necessary to carry this through?
  3. Will the creation of a task force<sup>7</sup> essentially do the same job as this Study?
- 

**Effective Date of Proposed Legislation:**

The proposed Legislation shall be effective on the date of adoption.

---

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

---

<sup>7</sup> [CR-016-2025](#) 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.”