



During the 2020 legislative session, the Maryland Chamber of Commerce established a coalition focused on data centers, a group of 60 business organizations and other interested stakeholders united in support of Senate Bill 397: bipartisan legislation that would provide a sales-and-use tax exemption for the sale of equipment used at a qualified data center.



The coalition knew that, if the bill passed, it would level the playing field with neighboring states, attract data center business to Maryland, create jobs, provide a financial boost to local governments, and support the state as a leader in cyber innovation and investment. As a result, the coalition developed and implemented an aggressive grassroots advocacy campaign, and their hard work paid off. **The Maryland General Assembly passed SB 397 nearly unanimously, and in May, Governor Hogan signed the bill into law.**

This success story would not have been possible without the strong grassroots participation of Maryland Chamber members and the dedicated leadership of Chamber staff who very swiftly and nimbly achieved this goal, all within a short timeframe of three months.

**250+ emails**  
sent to  
legislators

**60 pieces**  
of favorable  
testimony  
submitted

**40+ meetings**  
with  
individual  
legislators

The coalition's grassroots campaign included commissioning an economic impact study to put hard data behind the positive impacts of SB 397. With the help of several key coalition partners, the Maryland Chamber Foundation executed a strong fundraising campaign and commissioned Mangum Economics to conduct the economic impact analysis.

According to the study, **the potential economic and fiscal impact of data centers in Maryland is overwhelmingly positive.** The study analyzed four Maryland counties for the economic and fiscal impact of just one large data center locating in their jurisdictions. In preliminary findings, analysts determined that a large data center would provide a very high benefit-to-cost ratio for these counties in terms of tax revenue generated relative to the government services provided to a data center and its employees.

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With the preliminary findings in hand, Maryland Chamber staff and coalition members began meeting with legislators on key committees to promote the positive economic impacts the data center bill would have on Maryland's economy. **A major component of the coalition's grassroots advocacy strategy was face-to-face meetings with members of the General Assembly.**

During the legislative public hearings, which took place in both the House and the Senate, the Maryland Chamber of Commerce and many members of the Maryland Data Center Coalition testified in support of the data center legislation.

The enactment of SB 397 into law is just one example of the dedicated work done on behalf of our members to make Maryland economically competitive in the region and throughout the country. We'd like to thank the coalition and all Chamber members who joined us in our efforts to advocate for SB 397 and a more prosperous future for Marylanders.

A study conducted by Mangum Economics on behalf of the Maryland Chamber Foundation on the impact of a single large-scale data center in select Maryland counties found:

- ▶ **A 32.9:1 benefit/cost ratio** for a typical large-scale data center in Baltimore County;
- ▶ **\$229 million in economic output** during the construction phase in Howard County; and
- ▶ **\$32 million in annual economic output** for the ongoing operation of a data center in Kent County.

According to the U.S. Chamber, one typical large-scale data center:

- ▶ **Creates \$7.8 million** in annual wages;
- ▶ **Injects \$32.5 million** into the local economy;
- ▶ **Generates \$1.1 million** in state and local revenue;
- ▶ **Pays on average 12.2% of annual operating expenditures** on property taxes; and
- ▶ **Supports 1,688 direct construction and indirect jobs** during the construction phase.

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