



Senate Bill 427

*Property Taxes - Authority of Counties to Establish a Subclass and Set a Special Rate
for Personal Property of Data Centers*

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: February 18, 2026

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 427, which authorizes county governments and Baltimore City to create a separate personal property subclass for qualified data center personal property and to apply a special tax rate.

Counties have limited tools to respond when large-scale development brings real local costs and service demands. SB 427 takes a practical approach by giving counties the option to set local tax policy through local law, based on local conditions and priorities.

Data center projects can create substantial local impacts on roads, public safety, infrastructure capacity, and long-term service obligations. These projects often require significant local planning and coordination, including transportation improvements, emergency response readiness, and long-term infrastructure investments that fall largely on local governments.

Counties need the flexibility to evaluate these projects holistically and decide whether and how local tax policy should reflect local costs and responsibilities. This bill allows counties to make those decisions locally, rather than forcing a one-size-fits-all approach statewide.

Municipalities already have similar authority under current law. SB 427 extends that same flexibility to counties and Baltimore City, creating a consistent framework as data center demands grow across Maryland.

For these reasons, MACo urges the Committee to issue a **FAVORABLE** report on SB 427.