

Economic Impact Statement

Montgomery County, Maryland

Bill 4-26: Buildings – Task Force on Data Centers – Established

Summary

The Office of Legislative Oversight (OLO) anticipates that Bill 4-26 would have an insignificant *direct* impact on economic conditions in the County, as measured by the Council's priority economic indicators. The Bill would establish a task force to provide policy and zoning recommendations related to data centers to the County Executive and County Council. While the Bill may have *indirect* effects on economic indicators in the future, OLO cannot predict the nature of the recommendations, nor the Council's willingness to adopt them.

Background and Purpose of Bill 4-26

Data centers house networks of servers that store, manage, and process digital information. Data centers are essential for internet sites, streaming services, global communications, and more.¹ Recently, demand for data centers has grown by 20 percent each year. This is due to increased internet traffic, widespread cloud storage use, and the rapid adoption of artificial intelligence (AI) models that require significant computing power.² Regionally, Loudoun County, Virginia is nicknamed the “data center capital of the world” with approximately 200 data centers and another 117 planned for development.³

In Maryland, Prince George's County and Frederick County have both created task forces to study the impact of data center development and provide recommendations on building location and design standards. According to its lead sponsor, the purpose of Bill 4-26 is to begin a countywide conversation to determine an approach to data center development, learning from neighboring jurisdictions. The Bill aims to do this by:

- exploring the benefits and potential economic and environmental impacts of data center development;
- better understanding community concerns around data center development; and
- gathering community and stakeholder opinions to inform future planning and policy recommendations⁴

If enacted, Bill 4-26 would establish a temporary 15-member task force on data centers. This task force would be responsible for studying the impact of data centers on the environment, energy demand, and racial equity and social justice in the County. It would also be required to publish a final report with policy and zoning recommendations related to data centers within 12 months of its first meeting.⁵

The Council introduced Bill 4-26 on January 20, 2026.⁶

¹ Fortinet, "[What Is a Data Center?](#)", accessed February 4, 2026

² Ella Krygiel, "[What's Fueling the Data Center Boom? 5 Key Industry Insights](#)," BOMA International, May 21, 2025.

³ Loudoun County, Virginia, "[Data Center Capital of the World: A Strategy for a Changing Paradigm](#)," October 20, 2025.

⁴ Montgomery County Council, [Introduction Staff Report for Bill 4-26, Buildings – Task Force on Data Centers – Established](#), January 20, 2025.

⁵ Ibid.

⁶ Ibid.

Information Sources, Methodologies, and Assumptions

As required by 2-81B of the Montgomery County Code, this Economic Impact Statement evaluates the impacts of Bill 4-26 on residents and private organizations, using the Council's priority economic indicators as the measure. In doing so, it examines whether the Bill would have a net positive or negative impact on overall economic conditions in the County.⁷

By providing policy and zoning recommendations related to data centers to the County Executive and County Council, the task force on data centers could have *indirect* effects⁸ on the Council's priority indicators—in other words, effects on these indicators that are mediated by one or more variables like the Council's willingness to adopt any of its recommendations. OLO cannot, however, predict the nature of the recommendations, nor the Council's willingness to adopt them. For this reason, OLO anticipates that the Bill would have an insignificant *direct* impact on private organizations, residents, and overall economic conditions in the County in terms of the Council's priority indicators.

Variables

Not applicable

Impacts

WORKFORCE ▪ TAXATION POLICY ▪ PROPERTY VALUES ▪ INCOMES ▪ OPERATING COSTS ▪ PRIVATE SECTOR CAPITAL INVESTMENT ▪ ECONOMIC DEVELOPMENT ▪ COMPETITIVENESS

Not applicable

Discussion Items

Not applicable

Caveats

Two caveats to the economic impact analysis conducted here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis performed here is intended to *inform* the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the Bill under consideration.

Contributions

Stephen Roblin, PhD (OLO) prepared this report.

⁷ Montgomery County Code, "[Sec. 2-81B, Economic Impact Statements.](#)"

⁸ A direct causal effect is an effect on a variable that is not mediated by one or more variables.