

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

BILL 4-26: BUILDINGS – TASK FORCE ON DATA CENTERS – ESTABLISHED

SUMMARY

OLO finds the anticipated RESJ impact of Bill 4-26 is indeterminant. Several factors are unknown in determining how the proposed task force on data centers will impact racial and social inequities in the County.

PURPOSE OF RESJ IMPACT STATEMENTS

RESJ impact statements (RESJIS) evaluate the anticipated impact of legislation on racial equity and social justice in the County. RESJ is a **process** that focuses on centering the needs, leadership, and power of Black, Indigenous, and other People of Color (BIPOC) and communities with low incomes. RESJ is also a **goal** of eliminating racial and social inequities. Applying a RESJ lens is essential to achieve RESJ.¹ This involves seeing, thinking, and working differently to address the racial and social inequities that cause racial and social disparities.²

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.³ 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.⁴ Regionally, Loudoun County, Virginia is nicknamed the “data center capital of the world” with approximately 200 data centers and another 117 planned for development.⁵

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.⁶ The Bill aims to do this by:

- 1) Exploring the benefits and potential economic and environmental impacts of data center development;
- 2) Better understanding community concerns around data center development; and
- 3) Gathering community and stakeholder opinions to inform future planning and policy recommendations.⁷

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.⁸ Figure 1 in the Appendix describes the proposed composition of the task force and Table 1 lists the full requirements of the final report.

The Council introduced Bill 4-26 on January 20, 2026.⁹

This RESJIS builds on the following reports authored or commissioned by OLO:

- OLO Report 2024-8, [Community Engagement for Racial Equity and Social Justice](#) published in March 2024;¹⁰ and

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- Arcstratta’s [*Study on Member Selection for Montgomery County Citizen Boards, Commissions, and Committees*](#) published in February 2024.¹¹

COMMUNITY ENGAGEMENT, TASK FORCES, AND RACIAL EQUITY

Community engagement can be broadly defined as a range of methods used by governments that allow community members, including individual constituents, community organizations, businesses, special interest groups, and other stakeholders, to be more informed about and influence government decisions. Equitable community engagement centers the needs, leadership, and power of BIPOC community members and community members with low incomes. Equitable engagement practices are necessary to develop government policies and programs that address racial inequities and disparities and advance RESJ.¹²

Based on Facilitating Power’s *Spectrum of Community Engagement to Ownership* framework, OLO Report 2024-8 identified three broad levels of community engagement:

- **No community engagement**, where the government denies community members access to decision-making processes;
- **One-way community engagement**, where the government shares information with community members, but provides limited opportunities to shape decision-making; and
- **Two-way community engagement**, where community members have meaningful opportunities to shape policies, programs, and practices.¹³

Figure 2 in the Appendix illustrates this framework for understanding community engagement with examples of common community engagement practices used in the County.

Common engagement practices in the County generally foster stronger engagement among White community members than among BIPOC community members. Racial disparities in community engagement are rooted in a deep history of policies and practices that have structurally included White voices at all levels of government while structurally excluding BIPOC voices. As noted in OLO Report 2024-8:

“Throughout history, BIPOC were deprived of a voice in government through denial of citizenship and the right to vote. Since the government did not exist to serve BIPOC, government stakeholders did not engage BIPOC to influence government policies, programs, and practices. This legacy shapes structural racial inequities and disparities in community engagement today.”¹⁴

Task forces. In the County, publicly created task forces fall into the realm of boards, commissions, and committees (BCCs). BCCs are County-sponsored groups that provide feedback and advice to the County Executive or County Council “on matters related to policies and issues of concern to the community.”¹⁵ As of January 2026, the County has 98 BCCs, 54 of which are “advisory boards” that include members such as the general public, residents of a specific area, industry experts, and lived experience experts. Other types of BCCs act as coordinating or regulatory bodies related to County agency functions, or they may be governed by laws external to the County.¹⁶

BCCs are the most common two-way engagement channel in the County, providing a forum for ongoing and direct discussion between County stakeholders and community members. However, BCCs often reflect racial inequities that result in racial disparities in BCC participation, some of these include:

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- Privileging community members who have familiarity or comfort with navigating the complex appointment process for BCCs;
- Limited outreach to BIPOC community members to apply for BCC membership; and
- BCC meetings that do not accommodate needs that are more common among BIPOC community members, such as childcare and language accessibility, among others.¹⁷

Arcstratta's 2024 study of the County's BCCs found that four in ten BCC members did not report requested information on race and ethnicity. However, among members that did report, White and Black community members were overrepresented compared to their share of the County's population. Conversely, Latinx and Asian community members were underrepresented among BCC members.¹⁸ Additionally, a survey administered for the study found:

1. 50 percent of respondents stated their assigned BCCs have not implemented diversity, equity, and inclusion initiatives or best practices; and
2. 68 percent of respondents stated their BCCs do not track or monitor demographic composition of the membership.¹⁹

The study offered several recommendations to improve RESJ within BCCs, including:

- Strengthening data collection to systemically track and monitor the demographic composition of BCCs;
- Employing a broad, active outreach and recruitment strategy to engage underrepresented communities;
- Increasing accessibility and addressing barriers to participation to BCCs, including compensation, interpretation and translation services, and flexibility in meeting options; and
- Deliberately building inclusive climates where BCC members "from all walks of life feel welcomed and valued."²⁰

Including and centering BIPOC voices on task forces can amplify lived experiences that can supplement quantitative data to inform policy decisions. This approach works best when using equitable engagement principles: co-creation, trust-building, and centering those most impacted by racial inequities.²¹

ANTICIPATED RESJ IMPACTS

To consider the anticipated impact of Bill 4-26 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who would primarily benefit or be burdened by this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

Community members at-large would benefit from the creation of a task force to study data centers. Community members would benefit from the opportunity to engage in this topic through direct participation on the task force or through public engagement opportunities the task force may hold to inform its findings. Once the final report is published, community members would also benefit from having a deeper understanding of the benefits, costs, and impacts of data center development in the County.

However, there are several unanswered questions in determining how the task force on data centers will ultimately impact racial and social inequities. These include, but are not limited to:

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- What are the racial, ethnic, and socioeconomic demographics of community members who will be appointed to the task force?
- Will there be expertise on the task force to assess the RESJ impact of data centers?
- Will the task force provide community engagement opportunities? If so, will equitable principles be used?
- What recommendations will the task force make? To what extent could these recommendations worsen or improve racial and social inequities if adopted?

Taken together, OLO finds the anticipated RESJ impact of Bill 4-26 is indeterminate.

RECOMMENDED AMENDMENTS

The County's RESJ Act requires OLO to consider whether to recommend amendments to bills that could reduce racial and social inequities and advance RESJ.²² In the absence of information on community engagement methods and demographic data on task force members, OLO cannot discern the anticipated RESJ impact of Bill 4-26. However, should the Council seek to improve the RESJ impact of this Bill, OLO offers three policy options for Council consideration:

- **Require task force membership to reflect the racial and economic diversity of the County.** There is precedent for this type of language in current County policy. For example, public members on the County's Advisory Commission on Policing should "reflect a range of ethnicities, socioeconomic status, and places of origin" with emphasis on those disproportionately impacted by inequities.²³ The Council could add similar language to Bill 4-26 to ensure that racial and economic diversity is a consideration when the Council appoints members to the task force. To properly assess the potential RESJ impacts of data centers, it would be helpful for the membership of the task force to include BIPOC community members who are most impacted by data center development.
- **Require at least one representative of the task force have expertise in RESJ.** One of the duties of the task force is to study and assess the potential racial equity and social justice impacts of data center development, as well as any other community benefits or harms.²⁴ To ensure the task force produces a high-quality RESJ assessment, the Council could require at least one task force member to have expertise in RESJ. Task force members with RESJ expertise could also advise the group on using equitable engagement principles throughout its duration.
- **Require community engagement that follows equitable engagement principles.** The stated purpose of the Bill is to "better understand community concerns around data center development and gather community and stakeholder opinions to inform future planning and policy recommendations."²⁵ Public engagement events utilizing equitable engagement principles as described above and in [OLO Report 2024-8](#) could amplify the voices of BIPOC community members and those from lower-income backgrounds.

CAVEATS

Two caveats to this RESJIS should be noted. First, predicting the impact of bills on RESJ is challenging due to data limitations, uncertainty, and other factors. Second, this RESJIS is intended to inform the Council's decision-making process rather than determine it. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

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APPENDIX

Figure 1: Composition of the 15-Member Task Force by Category²⁶

Montgomery County Government

- 1 representative from the Montgomery County Planning Department
- 1 representative from the Department of Permitting Services
- 1 representative from the Department of Environmental Protection
- 1 representative from the Montgomery County Fire & Rescue Service

Environmental

- 2 representatives from an environmental group

Utilities

- 1 representative from an electric and gas utility
- 1 representative from a water utility company

Economic Development and Labor

- 1 representative from the Montgomery County Economic Development Corporation
- 2 representatives from the labor and trade industry

Industry Expert

- 2 representatives with professional experience in the data center industry

Civic and Community

- 2 representatives from a registered civic association

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Table 1: Data Center Task Force Final Report Elements²⁷

#	Report Elements
1.	A definition of "data center" specific to the County
2.	The potential impact of data centers on existing and future local energy demands and the County taxpayers' ability to meet future energy demands
3.	The potential environmental impact of data centers on air, water, and woodland quality and supply in the County, including recommended measures to mitigate negative impacts
4.	Recommendations related to potential locations and policies for the siting of data center uses
5.	Infrastructure capacity (power and site size)
6.	Impact on quality of life aspects of areas surrounding data centers, such as viewscales, open and green spaces, accessibility, urban mobility, and social or recreational facilities
7.	Emergency response considerations
8.	Potential racial equity and social justice impacts
9.	Any other community benefits or incentives

Figure 2. Spectrum of Community Engagement with Examples²⁸

No Community Engagement

- **Stage 0, Ignore:** Deny community access to decision-making processes.

One-Way Community Engagement

Examples: websites, press releases, e-newsletters, social media, presentations, print materials, MC311, public hearings, public meetings, and forums

- **Stage 1, Inform:** Provide the community with relevant information.
- **Stage 2, Consult:** Gather input from the community.

Two-Way Community Engagement

Examples: Boards, committees, commissions, and task forces

- **Stage 3, Involve:** Ensure community needs and assets are integrated into process and inform planning.
- **Stage 4, Collaborate:** Ensure community capacity to play a leadership role in the implementation of decisions.
- **Stage 5, Defer To:** Foster democratic participation and equity through community driven decision-making; bridge divide between community and governance

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¹ Definition of racial equity and social justice adopted from [Marlysa Gamblin et al., “Applying Racial Equity to U.S. Federal Nutrition Programs,” Bread for the World](#) and [Racial Equity Tools](#).

² Ibid.

³ [What is a Data Center? Meaning, Definition, Operations & Types | Fortinet](#)

⁴ [What’s Fueling the Data Center Boom? 5 Key Industry Insights | BOMA International](#), May 21, 2025.

⁵ Mike Turner, [Loudoun County, Virginia: Data Center Capital of the World](#), October 20, 2025.

⁶ Councilmember Evan Glass, [Introductory Remarks to Bill 4-26](#), Introduced during Council Session on January 20, 2026.

⁷ [Introduction Staff Report for Bill 4-26](#), Montgomery County Council, Introduced January 20, 2026.

⁸ Ibid.

⁹ Ibid.

¹⁰ J. Peña & C. Kalyandurg, [OLO Report 2024-8: Community Engagement for Racial Equity and Social Justice](#), Office of Legislative Oversight, March 12, 2024.

¹¹ M. Nemes & L. Woods, [Study on Member Selection for Montgomery County Citizen Boards, Commissions, and Committees](#), February 21, 2024.

¹² Peña & Kalyandurg, [OLO Report 2024-8](#), page i.

¹³ Ibid, page ii.

¹⁴ Ibid, page 22.

¹⁵ [Montgomery County Department of Health and Human Services – Home Page – Boards and Commissions](#)

¹⁶ [Committee Evaluation and Review Board Review and Evaluation of Montgomery County’s Boards, Committees, and Commissions Final Report](#), January 9, 2026, page 5.

¹⁷ Peña & Kalyandurg, [OLO Report 2024-8](#), page 31.

¹⁸ Nemes & Woods, [Study on Member Selection for County BCCs](#), page iii.

¹⁹ Ibid, page vi.

²⁰ Ibid, page vii.

²¹ J. Peña & C. Kalyandurg, [OLO Report 2024-8](#), pages 108-109.

²² [Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council.](#)

²³ Montgomery County Code, [§ 35-6\(A\), Advisory Commission on Policing.](#)

²⁴ [Introduction Staff Report for Bill 4-26](#), Montgomery County Council, Introduced January 20, 2026.

²⁵ Ibid.

²⁶ Ibid.

²⁷ Ibid.

²⁸ Peña & Kalyandurg, [OLO Report 2024-8](#), page ii. Table adapted from [The Spectrum of Community Engagement to Ownership](#), Facilitating Power, August, 2021.