



CITY OF BALTIMORE
MAYOR BRANDON M. SCOTT

TO	The Honorable President and Members of the Baltimore City Council
FROM	Bob Cenname, Deputy Finance Director <i>Bob Cenname</i>
DATE	May 5 th , 2026
SUBJECT	26-0050R Informational Hearing – Data Centers – Community Impact and Use Standards

The Honorable President and
Members of the City Council
City Hall, Room 400

The Department of Finance is herein reporting on City Council Bill 26-0050R Informational Hearing – Data Centers – Community Impact and Use Standards, the purpose which is to discuss: (1) the impact a data center may have on Baltimore City’s infrastructure, environment, and its community as a whole; (2) best practices for data center zoning, use standards, and other development standards; and (3) which techniques and technologies are available to limit the public health and environmental impact of these increasingly common facilities.

Companies that operate data centers within Baltimore City are subject to utility, real property, and personal property taxes. Maryland authorizes localities to offer incentives to data centers, but the City does not have any incentives specific to data centers.

- **Real Property Tax:** Real property tax is assessed on commercial and residential properties by the State Department of Assessments and Taxation (SDAT) at a rate of \$2.248 per \$100 of assessed value.
- **Personal Property Tax:** Personal property tax is assessed on tangible business assets, such as computer equipment, vehicles and machinery, by SDAT at a rate of \$5.62 per \$100 of assessed value.
- **Water and Wastewater:** Consumption is charged in CCF (100 Cubic Feet) = 748 Gallons. The rate Fiscal 2026 charge for water is \$4.46 per CCF and the charge for wastewater is \$13.18 per CCF.
- **Energy Tax:** Energy tax is applied to electricity, gas, steam, fuel oil, and liquid petroleum gas, based on the number of units of energy delivered to users per energy type, as outlined below.

Fiscal 2026 - Energy Tax Rates (\$) by User Group and Energy Type
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User Group	Electricity (kWh)	Gas (therm)	Fuel Oil (gal)	LPG (gal)	Steam (lbs)
Commercial	0.010835	0.140112	0.160133	0.195429	0.003408
Residential	0.003470	0.041180	0.057795	0.061902	0.000979
Nonprofit	0.007597	0.111303	0.138206	0.169940	0.002016

The table below illustrates the estimated revenue impacts that an average data center consuming at least 10 MW of electricity would generate in the City from real property, personal property, electricity, and water and wastewater taxes. Of note, data centers require large amounts of electricity to power their operations, as well as substantial water usage for cooling.

Data Centers - Revenue Impact		
	Units	Taxes
Electricity Consumption (MW)	10	
Facility Size (SF)	75,000	
Assessment (Per SF)	\$110	
Property Taxes		\$186,000
Personal Property Assessment (Per SF)	\$25	
Personal Property Assessment	\$1,875,000	
Personal Property Taxes		\$106,000
Electricity Tax Rate (kWh)	0.011204	
Annual Electricity Taxes		\$969,000
Water/Sewer Consumption (Ccf - 4"-6" Meter)	30,875	
Water/Sewer Revenues		\$641,000
Total Potential Taxes		\$1,902,000

The Department of Finance will be in attendance at the hearing and will answer any questions as needed.

cc: Michael Mocksten
Nina Themelis