

Sayers, Margery

From: DIANE BUTLER <politicodiane@msn.com>
Sent: Friday, July 24, 2020 2:32 PM
To: CouncilMail
Subject: HOW

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How can we exempt a business from personal property taxes? Can I ask to have my house exempted?

Council Bill 38-2020 - AN ACT establishing a personal property tax exemption on the personal property of a Qualified Data Center; defining certain terms; providing for certain amounts of property tax exemptions under certain conditions; requiring a certain report; providing for an application procedure; and generally relating to personal property tax exemptions. (Expires 9/14/20; 10/19/20 if extended; or 11/23/20 if extended twice.)

Diane Butler

Sayers, Margery

From: Leonardo McClarty <lmclarty@howardchamber.com>
Sent: Monday, July 20, 2020 11:09 AM
To: CouncilMail
Subject: Data Center Leg Support Letter_FINAL
Attachments: Data Center Leg Support Letter_FINAL.pdf

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County council members,

Please find attached a letter from the Chamber noting our support for CB 38.

Thanks

Leonardo McClarty



6240 Old Dobbin Lane ■ Suite 110 ■ Columbia, MD 21045

July 20, 2020

Ms. Deb Jung
Chairperson, Howard County Council
3430 Court House Drive
Ellicott City, MD 21043

RE: CB 38-2020 – Qualified Data Center Personal Property Tax Exemption

Dear Deb:

The Howard County Chamber is an organization that is dedicated to developing and promoting a positive and welcoming environment for businesses in Howard County. This often includes monitoring bills and resolutions that generate a positive impact on the business climate and economy of the county. Recently, the State of Maryland passed SB 397 which creates a new tax exemption for the sale of qualified computer technology to be used at Qualified Data Centers.

At this past Monday's County Council legislation session, a local version of SB397 was introduced. Should it pass, Council Bill 38, would create a personal property tax exemption on these Qualified Data Centers. The State of Maryland historically has garnered a reputation as having an "unfriendly business environment." This bill allows Howard County to be a pioneer in taking steps to erase that reputation thereby creating a favorable business climate. Thus, the Chamber is proud to put its full support behind CB-38.

The positive benefits of this bill like are plentiful. The state of Virginia has the largest data center market in the United States. In 2018 alone, the data center market in Virginia created 45,290 full time jobs, \$3.5 billion in associated pay and benefits, and \$10.1 billion in economic output. This includes both the direct investment from the data centers as well as the economic ripple effects that the direct investment generated. Virginia's Joint Legislative Audit and Review Commission (JLARC) concluded that 90 percent of the investment made by the data centers that received the tax exemption would not have occurred in Virginia had the tax exemption not been in place. Despite the personal property tax exemption that is in place that is like that of CB38, the data centers were responsible for generating \$600.1 million in state and local tax revenue.

The Maryland Chamber Foundation studied the potential impact of just one of these Qualified Data Centers in Howard County as well as a few other counties. They broke down the benefits and costs associated with a large data center in Howard County. The estimated annual tax revenue would amount to \$4,715,000, while the annual budgetary cost would be just \$223,000. This creates a benefit to cost ratio of 21.2 to 1.

The on-going operation of a Data Center in Howard County would also annually generate 103 jobs, \$7.5 million in pay and benefits, \$33.9 million in economic output, and \$4.7 million in county tax revenue. The one-time economic and fiscal impact of building this data center would create 1210 jobs, \$111 million in pay and benefits, \$229.4 million in economic output, and \$3.6 million in county tax revenue.

The Covid 19 pandemic has significantly impacted our local economies and government budgets. As we strive to recover, it is important our elected officials implement policies and solutions that lead to job creation and private investment. Council Bill 38 allows for Howard County to create jobs, economic output, and tax revenue that are plentiful and on-going.

Given the reasons that have been stated above, the Howard County Chamber is fully supportive of Council Bill 38 and requests that it receives a “yes” vote. If you have any questions regarding the position of the Chamber, I can be reached at 410-730-4111.

Respectfully,



Leonardo McClarty, CCE
President/CEO, Howard County Chamber

CC: Howard County Council
Howard County Executive
Howard County Chamber Board of Directors
Howard County Chamber Legislative Affairs Committee