



Committee: Joint
Committee Review: At a future date
Staff: Ludeen McCartney-Green, Legislative Attorney
Purpose: To receive testimony – no vote expected
Keywords: #datacentertaskforce

AGENDA ITEM #4
February 24, 2026
Public Hearing

SUBJECT

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

Lead Sponsor: Councilmember Glass

EXPECTED ATTENDEES

Members of the Public

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- To receive public testimony

DESCRIPTION/ISSUE

Bill 4-26 would:

- (1) establish a task force to study the potential risks and benefits of data centers in the County;
- (2) require the task force to produce a report that identifies the impacts of data centers and evaluates the feasibility of potential legislative, policy, or zoning changes; and
- (3) generally amend the law regarding data centers in the County.

SUMMARY OF KEY DISCUSSION POINTS

- N/A

This report contains:

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MEMORANDUM

February 19, 2026

TO: County Council

FROM: Ludeen McCartney-Green, Legislative Attorney

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

PURPOSE: Public Hearing – to receive public testimony

Bill 4-26, Buildings – Task Force on Data Centers – Established, sponsored by Lead Sponsor Councilmember Glass, was introduced on January 20, 2026. A public hearing is scheduled for February 24 at 1:30 p.m., and a joint committee worksession with Economic Development (ECON) and Transportation and Environment (TE) will be held on March 9, 2026.

Bill 4-26 would:

- (1) establish a task force to study the potential risks and benefits of data centers in the County;
- (2) require the task force to produce a report that identifies the impacts of data centers and evaluates the feasibility of potential legislative, policy, or zoning changes; and
- (3) generally amend the law regarding data centers in the County.

PURPOSE

The purpose of Bill 4-26 is to explore the benefits and potential economic and environmental impacts of data center development in the County. To better understand community concerns around data center development and gather community and stakeholder opinions to inform future planning and policy recommendations.

BILL SPECIFICS

Bill 4-26 would establish a task force on data centers that consists of 15 voting members. The task force would study the impact of data centers in the County to advise the County Council and District Council. Specifically, the task force would study, assess, and produce a report that includes the following:

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 viewscapes, open and green spaces, accessibility, urban mobility, and social or recreational facilities;
7. emergency-response considerations;
8. potential racial equity and social justice impacts; and
9. any other community benefit or incentives.

The task force must provide an initial report within 6 months after its first meeting, and the final report is due within 12 months after the first meeting. The report must include recommendations for legislative, policy, or zoning changes that the Council should consider. The bill sunsets one year after the final report is presented to the Council. The task force would be staffed by a County Council staff member for support and planning purposes.

SUMMARY OF IMPACT STATEMENT

Economic Impact

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. In addition, OLO cannot predict the nature of the recommendations, nor the Council's willingness to adopt them. © 6

Racial Equity and Social Justice

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. © 9

Climate Assessment

OLO cannot anticipate the impact of Bill 4-26, as it is proposing the creation of a task force to study the potential risks and benefits of data centers in the County, which would inform future planning and policy recommendations. OLO cannot anticipate what findings and recommendations would come from the task force's study. However, there are environmental and climate impacts associated with the development and operations of data centers. © 16

Fiscal Impact

Overall, the fiscal impact on the County is minimal and can be absorbed within existing resources. Any impact is limited to participation by designated representatives and administrative support for task force meetings and reporting. © 8

<u>This packet contains:</u>	<u>Circle #</u>
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Bill No. 4-26
Concerning: Buildings – Task Force on
Data Centers – Established
Revised: 1/13/2026 Draft No. 2
Introduced: January 20, 2026
Expires: December 7, 2026
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: _____
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Glass

AN ACT to:

- (1) establish a task force to study the potential risks and benefits of data centers in the County;
- (2) require the task force to produce a report that identifies the impacts of data centers and evaluates the feasibility of potential legislative, policy, or zoning changes; and
- (3) generally amend the law regarding data centers in the County.

By adding

Montgomery County Code
Chapter 8, Buildings
Article IX
Sections 8-58, 8-59, 8-60, and 8-61

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec 1. Sections 8-58, 8-59, 8-60, and 8-61 of Article IX are added as follows:**

2 **Article IX. Task Force on Data Centers.**

3 **8-58. Statement of purpose.**

4 (a) The purpose of this Article is to:

5 (1) establish a task force on data centers to study and evaluate the
6 potential risks, community benefits, and economic impacts of data
7 centers in the County, including:

8 (A) the energy and space requirements necessary to ensure
9 compatibility with neighboring properties and residents;

10 (B) water usage required for cooling;

11 (C) potential environmental noise impacts; and

12 (D) the economic benefits associated with data center
13 development, including job creation and tax revenue; and

14 (2) recommend any potential changes to laws, ordinances, policies, or
15 procedures.

16 **8-59. Task force on data centers – established and membership.**

17 (a) Definitions. For purposes of this Section, data center has the meaning
18 stated under Section 11-239 of the Tax-General Article of the Maryland
19 Code, as amended.

20 (b) Established. The County Council establishes an advisory task force on
21 data centers to assist the Council and District Council in considering
22 legislation, zoning text amendments, policies, regulations, and potential
23 impacts.

24 (c) Membership. The task force must consist of 15 voting members
25 appointed by the County Council. The task force includes:

- 26 (1) one representative from the Montgomery County Planning
- 27 Department;
- 28 (2) one representative from the Department of Permitting Services;
- 29 (3) one representative from the Department of Environmental
- 30 Protection;
- 31 (4) one representative from the Montgomery County Fire & Rescue
- 32 Service;
- 33 (5) one representative from the Montgomery County Economic
- 34 Development Corporation;
- 35 (6) one representative from an electric and gas utility;
- 36 (7) one representative from a water utility company;
- 37 (8) two representatives from a registered civic association;
- 38 (9) two representatives from an environmental group;
- 39 (10) two representatives with professional experience in the data center
- 40 industry; and
- 41 (11) two representatives from the labor and trade industry.

42 (d) Meetings.

- 43 (1) The task force must hold monthly meetings.
- 44 (2) The members of the task force must select a chair at the first
- 45 meeting.
- 46 (3) The Council will provide staff support for meetings.
- 47 (4) Meetings of the task force are subject to the Maryland Open
- 48 Meetings Act.

49 (e) Compensation. The members of the task force serve without

50 compensation but may receive reimbursement for travel expenses as

51 allowed under law.

52 **8-60. Data center task force – duties and responsibilities.**

- 53 (a) The task force must conduct a study and prepare a report that includes:
- 54 (1) a definition of "data center" specific to the County;
- 55 (2) the potential impact of data centers on existing and future local
- 56 energy demands and the County taxpayers' ability to meet future
- 57 energy demands;
- 58 (3) the potential environmental impact of data centers on air, water,
- 59 and woodland quality and supply in the County, including
- 60 recommended measures to mitigate negative impacts;
- 61 (4) recommendations related to potential locations and policies for the
- 62 siting of data center uses;
- 63 (5) infrastructure capacity (power and site size);
- 64 (6) impact on quality of life aspects of areas surrounding data centers,
- 65 such as viewsapes, open and green spaces, accessibility, urban
- 66 mobility, and social or recreational facilities;
- 67 (7) emergency-response considerations;
- 68 (8) potential racial equity and social justice impacts; and
- 69 (9) any other community benefit or incentives.

70 **8-61. Report.**

- 71 (a) Interim report. Within 6 months after the first task force meeting, the task
- 72 force must provide an interim report to the Council and the District
- 73 Council that summarizes its progress and findings, including
- 74 identification of key issues.
- 75 (b) Final report. The task force must submit and present its final report to the
- 76 Council on or before one year after the first task force meeting, including
- 77 recommendations for potential amendments to laws, zoning

78 requirements, or regulations, along with the rationale for each
79 recommendation.

80 **Sec 2. Sunset clause.** This Act must expire one year after the task force presents
81 its final report to the Council, with no further force or effect of law.

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.



Fiscal Impact Statement

Office of Management and Budget

Bill 4-26

Task Force on Data Centers - Established

Bill Summary

Bill 4-26 establishes a temporary advisory Task Force on Data Centers to study the economic, environmental, infrastructure, and community impacts of data center development in Montgomery County and to provide policy and zoning recommendations to the County Council and District Council. The legislation does not create new regulatory or operational responsibilities for County departments. Impacts are limited to staff participation and administrative support.

Fiscal Impact Summary

Overall, the fiscal impact to the County is minimal and can be absorbed within existing resources. Any impact is limited to participation by designated representatives and administrative support for task force meetings and reporting.

Fiscal Impact Analysis

The bill establishes a temporary advisory task force to study potential impacts of data center development and provide recommendations to the County Council and District Council. The legislation does not create new regulatory requirements, new programs, or ongoing operational responsibilities for County departments. Department of Permitting Services, Department of Environmental Protection, Department of General Services, Fire and Rescue Service, and Montgomery County Economic Development Corporation reported no fiscal impact beyond routine participation, support of stakeholder meetings, risk assessment and categorization, as well as development of emergency response policy and planning considerations related to facilities. These activities can be accommodated within existing resources. The task force will be supported administratively by County Council staff. Accordingly, the overall fiscal impact is minimal and does not require additional appropriations, staffing, or capital investment.

Staff Impact

The bill is not expected to impact staff time or duties.

Actuarial Analysis

The bill is not expected to impact retiree pension or group insurance costs.

Information Technology Impact

The bill is not expected to impact the County Information Technology (IT) or Enterprise Resource Planning (ERP) systems.

Other Information

Later actions that may impact revenue or expenditures if future spending is projected

The bill does not authorize future spending.

Sources of information

Office of Management and Budget, Department of Permitting Services, Department of Environmental Protection, Department of General Services, Montgomery County Fire and Rescue Service, Montgomery County Economic Development Corporation, County Council Staff

Contributors

Julie Knight, Office of Management and Budget
Vicky Wan, Department of Environmental Protection
Craig Howard, County Council
Barbara Suter, Department of Permitting Services



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 views, 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.

Climate Assessment

Office of Legislative Oversight

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

SUMMARY

The Office of Legislative Oversight (OLO) cannot anticipate the impact of Bill 4-26 as it is proposing the creation of a task force to study the potential risks and benefits of data centers in the County which would inform future planning and policy recommendations. OLO cannot anticipate what findings and recommendations would come from the task force’s study. However, there are environmental and climate impacts associated with development and operations of data centers.

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.⁴ 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 recommendations⁵

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.⁶

Figure 1 in the Appendix lists the full requirements of the final report and Table 1 describes the proposed composition of the task force. Figure 2 describes the spectrum of community engagement.

The Council introduced Bill 4-26 on January 20, 2026.⁷

ANTICIPATED IMPACTS

Data centers require significant power and water for their daily operations, which has an impact on both the environment and future climate conditions. Environmental and climate impacts include:

- **Significant amounts of water used in operations of data centers** – A mid-sized data center consumes an estimated 300,000 gallons of water a day, about as much water as 1,000 U.S. households consume on average.⁸ Large data centers can consume up to 500,000 gallons a day.⁹
- **Significant greenhouse gas emissions from consumption of electricity** – In 2023, data centers were responsible for about 4.4% of all electricity consumption in the United States.¹⁰ Consumption of electricity by data centers is expected to increase in the future and is projected energy associated with AI will increase by 21% by 2030.¹¹ Currently, 50% of the County’s emissions are associated with energy use in the residential and commercial sector.¹²
- **Climate change is increasing the duration and frequency of droughts** - With a decreasing supply of water, the amount of water needed to operate data centers can further exacerbate diminishing water supplies.¹³

Data centers can also have an impact on community climate resilience. The risk of drought is anticipated to increase in the future due to increasing temperatures caused by climate change, both in Montgomery County and surrounding regions.¹⁴ Assuring that residents will continue to have access to clean drinking water is an essential component of a community’s climate resilience.¹⁵ Further, noise pollution is another concern with data centers. Exposure to noise pollution can negatively impact an individual’s health and health outcomes of a community are tied to a community’s resilience – improving health outcomes can increase community resilience and vice versa.¹⁶

OLO cannot anticipate the impact Bill 4-26 may have on the County’s contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptive capacity. The Bill is proposing the creation of a task force to study the potential risks and benefits of data centers in the County which would inform future planning and policy recommendations. OLO cannot anticipate what findings and recommendations would come from this study. However, there are significant environmental and climate impacts associated with development and operations of data centers.

RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.¹⁷ OLO does not offer recommendations or amendments as the impact of Bill 4-26 on the County’s contribution to addressing climate change cannot be anticipated.

CAVEATS

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. 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.

PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County’s contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County’s contribution to addressing climate change, specifically upon the County’s contribution to greenhouse gas emissions and how actions suggested by legislation could help improve the County’s adaptative capacity to climate change, and therefore, increase community resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

APPENDIX

Figure 1: Composition of the 15-Member Task Force by Category¹⁸

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

Table 1: Data Center Task Force Final Report Elements

#	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

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

Figure 2. Spectrum of Community Engagement with Examples¹⁹

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

¹ Fortinet, "Data Center: Key Components and Their Role in Cybersecurity", Accessed 2/2/2025.

² BOMA International, "What's Fueling the Data Center Boom? 5 Key Industry Insights", May 21, 2025.

³ Loudoun County, VA Board of Supervisors, "Loudoun County, Virginia: Data Center Capital of the World "A Strategy for a Changing Paradigm", October 20, 2025.

⁴ Councilmember Evan Glass, Introductory Remarks to Bill 4-26, Introduced January 20, 2026.

⁵ Introduction Staff Report for Bill 4-26, Montgomery County Council, Introduced January 20, 2026.

⁶ Ibid.

⁷ Ibid.

⁸ NPR, "Data centers, backbone of the digital economy, face water scarcity and climate risk", August 30, 2022.

⁹ New York Times, "Their Water Taps Ran Dry When Meta Built Next Door", July, 14, 2025.

¹⁰ Brookings Institute, "The future of data centers", November 5, 2025.

¹¹ MIT Management Sloan School, "AI has high data center energy costs - but there are solutions", January 7, 2025.

¹² Montgomery County Government "Montgomery County Climate Action Plan", June 2021.

¹³ Bloomberg, "AI is Draining Water from Areas That Need It Most", May 8, 2025.; Brookings Institute, "The future of data centers", November 5, 2025.

¹⁴ Interstate Commission on the Potomac River Basin, "News Release: New report exposes the vulnerabilities of the Washington metropolitan area's water supply", December 5, 2025.

¹⁵ National League of Cities, "Invest in Water and Climate Resilience", May 11, 2021.

¹⁶ Hammer, M. S., Swinburn, T. K., and Neitzel, R. L., "Environmental Noise Pollution in the United States: Developing an Effective Public Health Response", Environmental Health Perspectives, December 5, 2013.; NOAA, "Perceptions of Community Resilience: A Maryland Community Pilot Study", 2016.

¹⁷ Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022

¹⁸ Introduction Staff Report for Bill 4-26, Montgomery County Council, Introduced January 20, 2026.

¹⁹ Peña & Kalyandurg, OLO Report 2024-8, page ii. Table adapted from The Spectrum of Community Engagement to Ownership, Facilitating Power, August, 2021.