

2026
Board of Directors

Finn A. Bondeson
Jon Boynton
Kirsten Brewer
Tony Carter
Mehuman Ernst
Jennie Franceschi
Elizabeth Frazier
Leigh Hallett
Rhiannon Hampson
Larissa Holland
Haynes Johnston
Peter King
Jeff Levine
Zoe Miller
Olivia Mora
Danielle Moriarty
Stephen Oliver
Mark C. Weisendanger
Kyle Zieba, PhD

Daniel Hildreth
Emeritus
Evan Richert
Emeritus
Anna Marie Thron
Emeritus
David Webster
Emeritus

Maine's Rural Development Council



Testimony of Joe Oliva, Outreach and Communications Director of GrowSmart Maine in support of LD 713, “An Act to Exclude Data Centers from the Business Equipment Tax Exemption and Dirigo Business Incentives Programs and to Require the Maine Department of Economic and Community Development to Study Financial Incentives for Data Centers”

March 11, 2026

Senator Grohoski, Representative Sayre and distinguished members of the Committee On Taxation,

My name is Joe Oliva and I am the Outreach and Communications Director for GrowSmart Maine. We are a statewide non-partisan non-profit organization helping communities navigate change in alignment with smart growth. We advocate for comprehensive policies and funding for smart growth practices and outcomes.

[GrowSmart Maine recently released its first Community Guide on AI data centers](#), including a compilation of publicly available information and guiding questions for consideration, as well as an accompanying [Op-ed](#)¹ that further explains the importance of information-driven decision making related to AI data center development and siting.

LD 713 is pragmatic given the information available from other states, current trends in light of heightened public concern to data center development, and the apparent need for rebalancing the flow of financial benefit in relation to broader impacts on local and regional environmental resources, ratepayers, and land use.

Specifically:

- States that have been eager to attract data center development and either created or leveraged preexisting tax exemptions are experiencing outsized participation in these programs.
 - [“Georgia estimates \\$2.5 billion in losses to data center tax breaks in a single year”](#), 664% higher than the state’s previous estimate².

¹ “Are AI data centers an economic boon or environmental disaster?”

<https://www.bangordailynews.com/2026/01/05/opinion/ai-data-centers-economic-boon-environmental-disaster/>

² <https://goodjobsfirst.org/georgia-data-center-tax-breaks/>

- [“Virginia Tax Revenue Losses to Data Centers Soar to \\$1.6 Billion for FY25”](#), a 118% increase from the previous year³.
- As communities are becoming increasingly resistant⁴ to data center development around the country – even in Maine, as shown in the City of Lewiston⁵ – lawmakers are beginning to reconsider these types of incentives.
 - [Maryland](#)⁶ is considering rolling back a program it created in 2020 that exempts data centers from sales and use taxes if they provide at least five jobs within three years of applying to the program and invest at least \$2 million in data center personal property. The first four years of the program cost the state \$22 million – but \$11 million of that came in 2024 alone, as the costs grew. [Arizona](#)⁷ and [Georgia](#)⁸ are following suit with similar bills that would repeal or halt state incentives for data centers.
- Currently, the economic upside to building a data center is heavily tilted towards the owners and developers of the facility, while the host community bears the costs.
 - [A Business Insider analysis of construction permits, economic development deals, and company disclosures found that](#)⁹ “even the largest data centers generally employ fewer than 150 permanent workers, and some have as few as 25. Building those data centers also creates significant numbers of construction jobs, but those are short term, sometimes lasting less than a year – far shorter than the duration of the tax breaks the companies get, which often last a decade or longer.

That means the tax breaks given to developers can amount over time to more than \$2 million for every permanent, full-time job at an operational data center, Business Insider’s analysis found. That’s roughly eight times higher than the \$262,000 average per job that watchdog group Good Jobs First found in 18 economic development deals worth at least \$50 million awarded in 2023...

The costs to the public don’t end with tax subsidies. Data centers drive up electricity costs for other ratepayers as utility operators invest billions of dollars in new grid infrastructure to support escalating power demands.”

By closing the door for data centers to access the Business Equipment Tax Exemption and Dirigo Business Incentives Programs and directing DECD to find other preexisting financial incentives, LD 713 provides stability to developers. Dan Diorio, Vice President of State Policy at the [Data Center Coalition](#)¹⁰, [notes that](#)¹¹, “[w]hen states look at these policies or consider abrupt ends to programs, that creates significant market uncertainty... Industries are very responsive to market signals, and any kind of uncertainty will bring up a red flag because you’re looking to invest for the long haul.”

³ <https://goodjobsfirst.org/virginia-tax-revenue-losses-to-data-centers-soar-to-1-6-billion-for-fy25/>

⁴ <https://www.datacenterwatch.org/q22025>

⁵ <https://www.mainepublic.org/business-and-economy/2025-12-17/lewiston-city-council-shoots-down-data-center-proposal>

⁶ <https://stateline.org/2026/02/24/data-center-tax-breaks-are-on-the-chopping-block-in-some-states/>

⁷ <https://www.azleg.gov/legtext/57leg/2R/bills/SB1463P.htm>

⁸ <https://www.legis.ga.gov/legislation/72283>

⁹ <https://www.businessinsider.com/data-centers-tax-subsidies-jobs-ohio-2025-5>

¹⁰ <https://www.datacentercoalition.org/cpages/home>

¹¹ <https://stateline.org/2026/02/24/data-center-tax-breaks-are-on-the-chopping-block-in-some-states/>

From the public perspective, for every certainty provided in the data center development process, there are two unknowns. It's certain that data centers will have significant impact on local economies, the environment, and ratepayers; the extent to which those impacts can offset one another, nevermind represent an overall improvement in the communities they're sited in is unknown. Investment in AI companies and data center development has become a major macroeconomic force, [with some projections forecasting that companies will invest nearly \\$7 trillion dollar in data centers by 2030](#)¹² and the [valuations of AI companies ballooning into the billions, if not trillions, of dollars](#)¹³; what is less clear is the economic growth that occurs at the local level as a result of data center development, particularly after these facilities are built.

Community wellbeing relative to these projects is dependent on a robust and transparent public process that persistently contextualizes what's at stake for the community as a whole. GrowSmart Maine supports passage of LD 713 because it approaches the reality of data center development in Maine with an eye towards fairness to communities and developers alike.

¹²<https://www.mckinsey.com/industries/public-sector/our-insights/the-data-center-balance-how-us-states-can-navigate-the-opportunities-and-challenges>

¹³ <https://www.theguardian.com/technology/2025/nov/02/global-datacentre-boom-investment-debt>