



TO: The Honorable Members of the PA House of Representatives

FROM: Aaron Riggleman, Director, Government Affairs

DATE: June 29, 2026

RE: **PA Chamber memo: Oppose H.B. 2359 - NDA Ban & Sales Tax Exemption Requirements**

The Pennsylvania Chamber of Business and Industry respectfully opposes H.B. 2359 which we understand may be considered this week.

H.B. 2359 would prohibit Commonwealth and local agencies from entering into confidentiality or nondisclosure agreements related to the development of data centers. Confidentiality during site selection and project development is a standard and widely accepted component of economic development projects. Developers frequently require confidentiality while evaluating potential sites, negotiating infrastructure needs, and assessing project feasibility. Restricting the use of nondisclosure agreements may discourage companies from engaging with local governments until later in the process or could lead projects toward states that provide greater flexibility for confidential business negotiations.

The bill would also impose extensive certification, disclosure, public engagement, reporting, and ongoing compliance requirements as conditions of eligibility for the sales tax exemption for computer data center equipment. These provisions create substantial new administrative burdens and inject uncertainty into the investment process.

The sales tax exemption was enacted with broad bipartisan support in 2021 to attract investment and is clearly functioning as intended. Businesses making long-term investment decisions rely on stability and certainty in economic development policy. Conditioning an existing incentive after companies have made investment decisions risks creating the perception that Pennsylvania's business climate is unreliable and unpredictable. At a time when states across the country are aggressively competing for these projects, imposing additional requirements on an existing incentive threatens to undermine the Commonwealth's competitiveness.

For these reasons, we respectfully urge a no vote on H.B. 2359. Please contact Aaron Riggleman at ariggleman@pachamber.org or 724-640-3290 with any questions or to discuss.