

TO: Chairman Miller, Chairwoman Pennycuik, and members of the Senate Communications and Technology Committee

FROM: Jennie Shade, Senior Director of Government Relations 

DATE: September 28, 2026

SUBJECT: Support of SB 1408 P.N. 1891

I am writing on behalf of the Pennsylvania Municipal Authorities Association (PMAA), which represents nearly 700 municipal authorities across the Commonwealth serving over six million residents. These authorities provide essential public services, including drinking water, wastewater treatment, stormwater management, and other critical community infrastructure. Collectively, these services protect public health, safeguard the environment, support economic development, and promote the overall well-being of Pennsylvania and its citizens.

PMAA **supports** SB 1408 P.N. 1891, which would create the Data Center Nondisclosure Agreement Prohibition Act and would prohibit a public agency from entering into an agreement with a data center owner, operator, or person acting on behalf of a data center that restricts the agency from disclosing information concerning the data center, its construction, development, location, or the agreement itself. Our members believe this legislation promotes appropriate transparency and public participation in matters of substantial public interest.

At its core, SB 1408 recognizes that public agencies should not be contractually prohibited from communicating with the public about significant projects and decisions affecting their communities and public infrastructure. This principle is particularly important for municipal authorities, which frequently own and operate essential public infrastructure and make decisions that have long-term impacts on the communities they serve.

This same transparency principle is relevant to another issue of significant importance to our members: the acquisition of municipal authority water and wastewater systems by investor-owned utilities (IOUs). PMAA has expressed significant concern about situations in which an IOU seeking to acquire a municipal authority requires the authority and/or the municipality that created the authority to execute a nondisclosure agreement as a condition of entering into acquisition discussions.

The proposed sale of a municipal authority water or wastewater system is fundamentally a matter of public interest. Such a transaction can affect the ownership and control of critical public infrastructure, the future

provision of water or wastewater service, rates paid by customers, capital investment, and the long-term interests of the community. Accordingly, our members believe that a private entity seeking to purchase a municipal authority should not be able to condition negotiations on a public agency's agreement to restrict public discussion of the proposed acquisition.

We recognize that SB 1408 is narrowly directed toward data-center development and does not address municipal authority/IOU acquisition transactions. Nevertheless, the underlying transparency principle is consistent. Whether the subject is a proposed data center or the proposed sale of a municipal authority, the public should not be prevented from learning that a significant transaction is being considered or from participating meaningfully in the public decision-making process because a private party requires a nondisclosure agreement.

For these reasons, PMAA supports SB 1408 and encourages the General Assembly to extend this transparency principle to transactions involving the proposed acquisition of municipal authority water and wastewater systems by IOUs.

On behalf of our members, we respectfully ask that you **support** SB 1408 P.N. 1891. We view this legislation as a positive, targeted step toward promoting transparency when public agencies are engaged in significant projects and transactions affecting their communities.

PMAA further encourages the General Assembly to build upon this principle by ensuring that municipal authorities and municipalities are not required to surrender their ability to communicate with the public as a condition of negotiating the potential sale of publicly owned water, wastewater, or other essential infrastructure to an IOU. We look forward to working with the General Assembly to promote transparency, public participation, and the preservation of local decision-making power in transactions involving municipal authority infrastructure.

Thank you for your consideration of this important issue. We also extend our appreciation to Chairwoman Pennycuik for her leadership on the matter.