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Data Center Policy Across the 50 States

A Survey of Incentives, Land Use, and Energy Regulation

Jillian Bommarito · Michael J. Bommarito II

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FIFTY-STATE SURVEY · POLICY RESEARCH

Data Center Policy Across the 50 States

A Survey of Incentives, Land Use, and Energy Regulation

DRAFT — COMMENTS WELCOME

Jillian Bommarito · Michael J. Bommarito II

The largest private infrastructure buildout in modern U.S. history is colliding with fifty different policy regimes at once. We map all of them—incentives, land use, energy, and environment—against project-level investment data and rank every state on a common scale.

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DATASET	890 documented projects, all 50 states (as of June 2026)
COVERAGE	Tax incentives · land use · energy & grid · environment · federal overlay
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The paradox in one line. The same states that offer multi-decade tax exemptions to attract data centers now host the localities that impose moratoria to slow them—while energy access, more than tax policy or subsidies, gates where projects can land, and local opposition decides whether they stay.

ABOUT THIS PAPER

By the Numbers

This Article is the first 50-state survey to combine five policy dimensions with project-level investment data and a state-by-state scorecard. Every headline figure below is traceable to the underlying dataset and the primary sources cited throughout.

DOCUMENTED PROJECTS

890

all 50 states, June 2026

ANNOUNCED INVESTMENT

$1.79T

active projects with disclosures

POWER CAPACITY

239.6 GW

active projects with disclosures

STATES WITH INCENTIVES

49

of 50; 38 with dedicated DC tax breaks

STATES WITH MORATORIA

34

208 localities in total

STATES ROLLING BACK

20

tightened incentives since 2024

How to read this paper

The survey is organized around five policy dimensions and five state case studies (**Virginia**, **Texas**, **Georgia**, **Michigan**, and **Arizona**). Throughout, exhibits carry a source line, and the cross-state typology in Appendix C scores every state on incentive generosity and restriction intensity. Figures reported in the text are drawn from the same project-level dataset described in Appendix B.

ABSTRACT

The rapid expansion of AI infrastructure has driven a wave of data center development across the United States. We draw on a dataset of 890 documented projects in all 50 states as of June 2026; among active projects with reported disclosures, announced investment is approximately $1.79 trillion and reported power capacity is approximately 240 GW. This Article presents the first 50-state survey to integrate five dimensions of data center policy with project-level investment data and a scored cross-state typology: (1) tax incentives and economic development programs, (2) zoning restrictions, moratoria, and local governance, (3) energy regulation and grid impacts, (4) environmental and resource constraints including water, noise, and air quality, and (5) federal regulatory developments at FERC and DOE. Drawing on a novel dataset of state legislation, public utility commission proceedings, and project-level data, we document near-universal incentive competition: 49 states use at least one data-center-relevant incentive mechanism, including 38 states with dedicated data center tax incentives. At the same time, 34 states contain localities with enacted data center moratoria (208 in total), and 20 states have enacted measures that roll back, pause, exclude, or materially tighten incentive eligibility since 2024. We identify a structural paradox: states compete aggressively for data center investment through multi-decade tax exemptions while localities move to impose moratoria and restrict by-right zoning. We read this paradox as the surface form of a vertical mismatch in fiscal federalism, in which the level of government that captures the benefits is not the level that bears or perceives the local costs. We further argue that energy access—interconnection timing, generation adequacy, and a defensible cost-allocation path—has become the gatekeeping constraint on data center siting, with tax policy operating mainly as a tiebreaker among sites that already have a credible power path. Case studies of Virginia, Texas, Georgia, Michigan, and Arizona illustrate how these dimensions interact in practice. We conclude by describing patterns of policy convergence that are emerging across states with different market structures and political contexts.

Keywords: data centers, artificial intelligence, state incentives, energy regulation, 50-state survey, power grid, zoning, tax policy, utility regulation, AI infrastructure

JEL Codes: H25, L94, Q48, R58, K32

AI disclosure. Portions of this work were prepared with assistance from large language models—for source discovery, data extraction, and typology construction, as detailed in Section B—and the cover and section-divider images were generated with AI image tools. The authors reviewed and validated the work and are solely responsible for all content, including any errors or omissions. No third-party copyrighted images are reproduced.

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SECTION 01

Introduction

The largest private infrastructure buildout in modern U.S. history, meeting fifty different policy regimes at once.

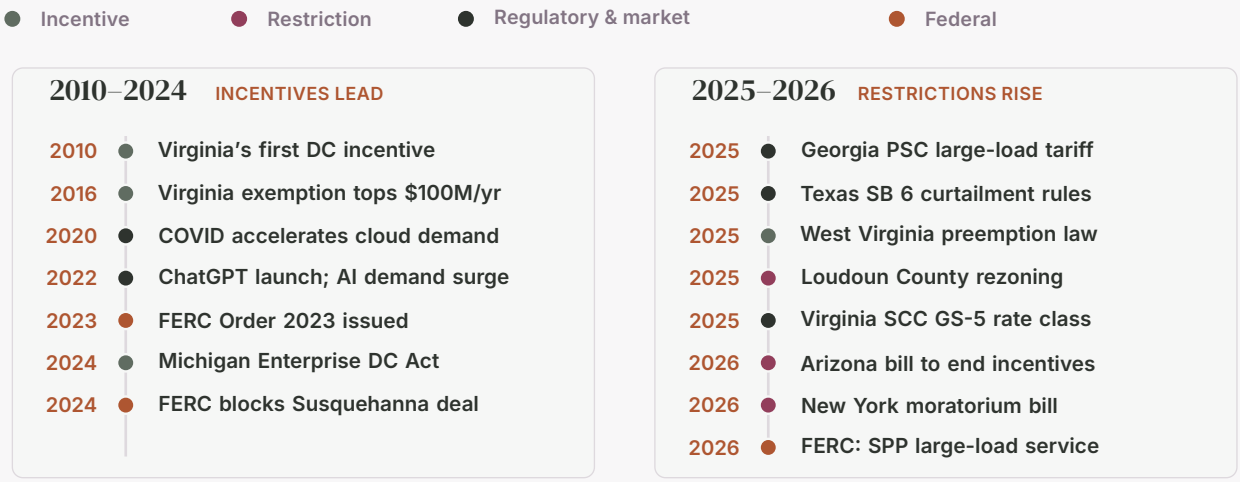


Exhibit 1. Policy activity has intensified and shifted from incentives toward energy oversight, 2010–2026

1 Introduction

The United States is in the midst of one of the largest private infrastructure buildouts in modern U.S. history. As of June 16, 2026, we track 890 documented data center projects across all 50 states; among active projects with reported disclosures, announced investment is approximately $1.79 trillion and reported electrical capacity is approximately 239.6 GW (Bommarito 2026). These figures, staggering on their own, understate the pace of change. Market estimates in 2026 put hyperscaler capital expenditures above $600 billion, much of it directed toward AI compute, data centers, and related infrastructure, driven primarily by the computational demands of large language models and other artificial intelligence workloads (Mills 2026; Patience 2026).

The policy response has been swift but fragmented. In 2025, state lawmakers considered 267 data center–related bills in more than 40 states, enacting more than 40 of them across 21 states (MultiState Associates 2025; MultiState 2026a). Activity continued into 2026, with energy, water, zoning, and tax issues active across multiple states; MultiState also identified state-level moratorium bills in 11 states and dozens of municipal construction pauses (MultiState 2026a). These measures span the full spectrum of governmental action: tax incentives to attract investment, zoning moratoria to slow it, ratepayer protections to allocate its costs, and environmental regulations to limit its externalities. No two states have adopted the same approach, and many states pursue contradictory policies simultaneously—offering generous tax exemptions at the state level while local governments impose building moratoria within the same jurisdiction.

Exhibit 1 illustrates the acceleration of policy activity over the past decade, showing how regulatory and legislative responses have intensified alongside the growth in data center investment.

Despite this surge of legislative activity, no existing work provides an integrated survey of data center policy across all 50 states. Remington and Carter (2024) catalog tax incentives for the National Association of Industrial and Office Properties but do not address restrictions, energy regulation, or

Exhibit 2. Five dimensions of enacted data center policy

local governance. Klass and Owen (2026) develop a demand-side framework for electricity allocation but focus on regulatory theory rather than enacted state policy. Congressional Research Service reports address federal permitting requirements (Congressional Research Service 2025a) and energy consumption patterns (Congressional Research Service 2025b) but treat state-level variation as background. Practitioner surveys from law firms and trade associations cover individual dimensions: Hogan Lovells (2025) on energy regulation, Gibson Dunn (2025) on state regulatory treatment, and National Conference of State Legislatures (2025) on incentive snapshots. None synthesizes the full picture. Closest to our effort, the University of Virginia's Data Center Policy Database catalogs more than 700 federal, state, and local policies and identifies the same directional shift from incentives toward restrictions (Bridges 2026). It is a valuable policy inventory, but it does not connect enacted policy to project-level investment data, to energy regulation and grid impacts, or to a scored cross-state typology.

This Article fills that gap. We present the first 50-state survey to integrate five dimensions of enacted data center policy with project-level investment data and a scored cross-state typology. The five dimensions, shown in Exhibit 2, are tax incentives, land-use restrictions and local governance, energy regulation and grid impacts, environmental and resource constraints, and federal regulatory overlay.

The survey draws on a project-level dataset of 890 facilities compiled from public announcements, regulatory filings, and news reporting, supplemented by a complete review of enacted legislation, pending bills, public utility commission orders, and utility integrated resource plans across all 50 states.

Four patterns emerge from the survey. First, states exhibit an **incentive–restriction paradox**: the same jurisdictions that offer multi-decade tax exemptions to attract data centers contain a growing number of localities that impose moratoria and restrictive zoning to slow them. We read this paradox as the surface form of a vertical mismatch in fiscal federalism, in which the tier of government that captures the benefits is not the tier that bears or perceives the local costs (Section 8.1). Second, energy access, more than tax policy, now gates where projects can land: interconnection timelines and generation adequacy shape siting at least as much as incentive generosity, a pattern we read as a cross-state association rather than a causal estimate. Third, the costs and benefits of data center development are distributed asymmetrically, with developers and state treasuries capturing concentrated benefits while ratepayers and host communities bear diffuse costs. Fourth, despite the

absence of federal coordination, states with very different market structures are converging on common policy mechanisms—most visibly large-load tariffs with minimum billing demand and long-term contract requirements.

The remainder of this Article proceeds as follows. Section 2 describes the current data center market, including geographic distribution, market structure, the construction workforce, and the effect of artificial intelligence on demand. Section 3 surveys state incentive programs, covering tax exemption types, eligibility thresholds, durations, competitive dynamics, and fiscal costs. Section 4 examines land-use restrictions, the legal authority underlying local action, moratoria, the tension between state preemption and local control, community benefit agreements, and permitting processes. Section 5 covers energy regulation, including grid architecture, interconnection queues, ratepayer protection mechanisms, generation adequacy, transmission planning, and federal regulatory developments. Section 6 addresses environmental and resource constraints (water consumption, noise, air quality, environmental justice, and climate considerations) that have come to shape siting decisions and community opposition. Section 7 presents case studies of five states—**Virginia**, **Texas**, **Georgia**, **Michigan**, and **Arizona**—selected to illustrate distinct policy approaches and the interactions among them. Section 8 develops the four cross-cutting patterns in detail. Section 9 concludes with limitations and directions for future research.

SECTION 02

The Data Center Sector

Where the buildout is landing, how big it has become, and what is driving the surge.

2 The Data Center Sector

Before examining state policy responses, we first describe the market they seek to regulate. This Section provides an overview of the U.S. data center sector as of June 16, 2026, covering geographic distribution, market structure, and the artificial intelligence–driven demand shift that has transformed the industry's scale and political salience.

2.1 Scale and Geographic Distribution

The U.S. data center pipeline as of June 16, 2026 comprises 890 tracked projects (816 active) across all 50 states (Bommarito 2026). Among active projects with reported disclosures—each value independently verified against primary sources—developers have announced approximately $1.79 trillion in investment and 239.6 GW of power capacity. Because some projects disclose only one of the two metrics, and others carry figures we could not confirm against primary sources and therefore record as research estimates rather than established disclosures, a fuller dataset total that also includes these estimated values reaches approximately $1.91 trillion and 264.3 GW (see Section B). To put the reported power figure in context, 239.6 GW is larger than the installed electricity-generating fleets reported for mainland France at the end of 2025 and Canada in 2025 (Bommarito 2026; RTE 2026; International Trade Administration 2026).

Investment is highly concentrated geographically. Using the complete active-pipeline estimate, the top five states by investment account for roughly 40 percent of estimated active-pipeline investment: **Missouri** ($198.3 billion), **Virginia** ($153.2 billion), **Texas** ($152.5 billion), **Georgia** ($136.0 billion), and **Pennsylvania** ($121.3 billion). The reported-disclosure ranking shifts only slightly: Missouri, Texas, Virginia, Georgia, and Pennsylvania, which together account for roughly 42 percent of disclosed investment. The geographic pattern reflects a shift away from the traditional Northern Virginia corridor. While Virginia remains the dominant legacy operational market (the Joint Legislative Audit and Review Commission, or JLARC, found that Northern Virginia accounted for 13 percent of global operational data center capacity and 25 percent of capacity in the Americas), the newest mega-scale projects favor states with lower land costs, available power, and fewer zoning constraints (Joint Legislative Audit and Review Commission 2024). A single $100 billion-class campus, such as Missouri's Project Kestrel or Virginia's Berry Hill megasite (each a 20-to-30-year multi-phase commitment), now rivals the entire active-pipeline investment estimate of all but a handful of states.

The distribution looks different when measured by complete planned electrical capacity rather than investment dollars. Texas leads with 32.1 GW, followed by **Utah** (25.1 GW), Pennsylvania (22.1 GW), **Ohio** (15.6 GW), and Virginia (12.7 GW). Power and investment rankings diverge: Ohio ranks fourth in planned capacity but seventh in investment dollars ($88.3 billion), reflecting a concentration of very large facilities relative to disclosed capital.

Exhibit 3 presents the top 15 states ranked by both complete active-pipeline metrics. The divergence between investment and power rankings reflects different project types: high-investment states attract

large financial commitments per facility, while high-power states host projects with greater electrical footprints relative to their capital cost.

Exhibit 3. Top 15 States by Complete Active-Pipeline Data Center Investment and Planned Power Capacity

By Investment				By Power Capacity			
State	Investment	GW	Projects	State	Investment	GW	Projects
MO	$198.3B	6.3	19	TX	$152.5B	32.1	51
VA	$153.2B	12.7	49	UT	$58.4B	25.1	19
TX	$152.5B	32.1	51	PA	$121.3B	22.1	24
GA	$136.0B	12.6	41	OH	$88.3B	15.6	19
PA	$121.3B	22.1	24	VA	$153.2B	12.7	49
AZ	$103.8B	9.4	24	GA	$136.0B	12.6	41
OH	$88.3B	15.6	19	IL	$48.3B	9.9	32
MS	$72.1B	2.9	16	AZ	$103.8B	9.4	24
IN	$66.3B	7.9	19	NM	$58.7B	9.3	7
NM	$58.7B	9.3	7	NV	$30.6B	8.0	23
UT	$58.4B	25.1	19	IN	$66.3B	7.9	19
WY	$53.0B	5.2	6	FL	$4.8B	7.4	18
IL	$48.3B	9.9	32	WV	$10.6B	7.3	14
MN	$44.2B	2.0	13	OK	$19.7B	6.5	16
OR	$40.7B	3.6	17	MO	$198.3B	6.3	19

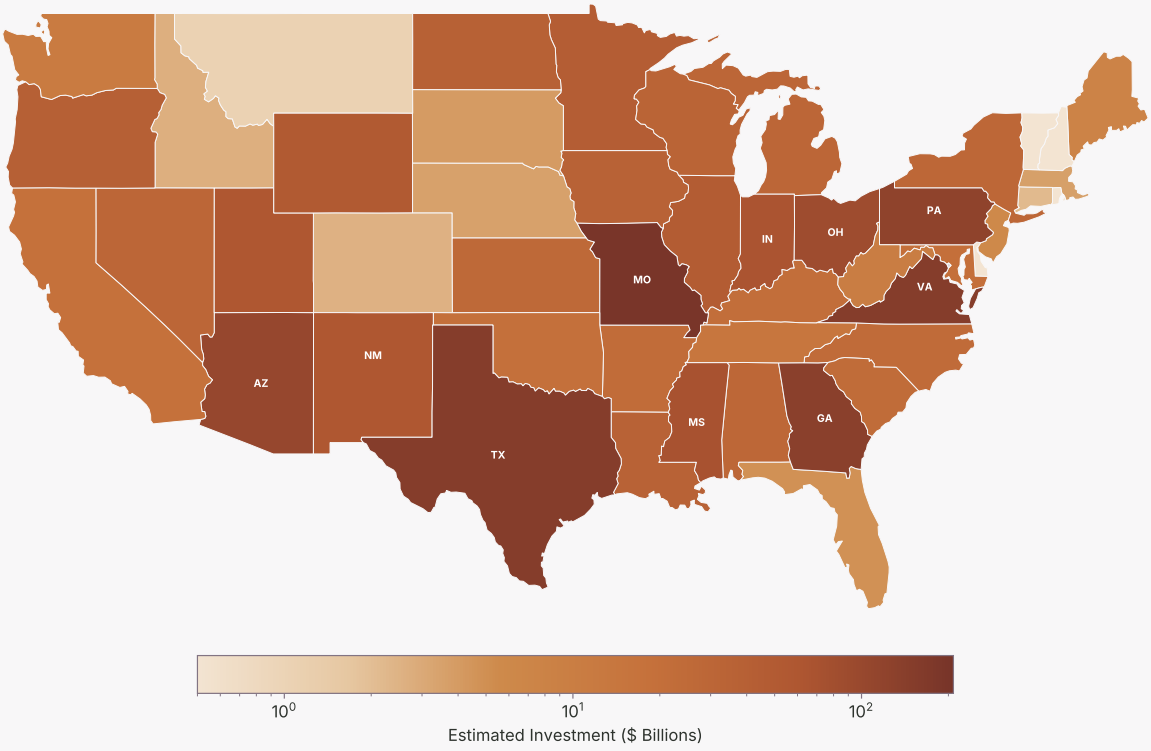
Note: Investment and power capacity reflect active project totals (reported values plus flagged research estimates) as of June 16, 2026. GW = gigawatts of planned electrical capacity. Data source: Bommarito (2026).

Exhibit 4 visualizes the geographic distribution of complete active-pipeline investment, showing the concentration in a handful of states alongside the emergence of new data center corridors in the central United States.

2.2 Market Structure and Key Players

The data center market comprises three distinct segments, each with different siting preferences, policy needs, and grid impacts.

Hyperscale operators build and operate their own facilities to serve internal workloads. In active project records, combining entity variations in the sponsor and operator fields, Google appears in 55 tracked projects, followed by Microsoft and Amazon Web Services (39 each) and Meta (32). These operators drive the largest individual projects—often exceeding $1 billion per site and 500 MW in power demand—and are the primary source of the investment figures that attract state policy attention. Hyperscaler siting decisions turn on power availability, fiber connectivity, and land, with tax incentives playing a secondary role.



Source: Authors' dataset of 890 data center projects (active pipeline, June 16, 2026).

Exhibit 4. A few states capture most announced data center investment (active pipeline, June 16, 2026)

Colocation providers build multi-tenant facilities and lease space and power to enterprise customers. Digital Realty (21 projects), QTS (21), CyrusOne (17), and Equinix (13) are the largest tracked operators in this segment. Colocation providers favor established markets with dense fiber networks and existing customer bases, making them more sensitive to local zoning rules and less likely to locate in greenfield sites.

A third category of **developers and investors**—including Tract (15 projects), Vantage Data Centers (13), T5 Data Centers (11), and Blackstone (10)—builds facilities on a speculative or build-to-suit basis. These entities are the most responsive to tax incentives because their business model depends on minimizing capital costs and maximizing returns for institutional investors. The distinction matters for policy: incentive programs designed for developers may not influence hyperscaler siting decisions, while zoning rules that burden colocation providers may have no effect on self-built campuses in rural areas.

2.3 The AI Inflection

The data center industry existed for decades before its current political moment. What changed is artificial intelligence.

Prior to 2020, a typical enterprise data center consumed 10 MW to 30 MW of power and occupied a single building on a few acres. Colocation campuses might reach 100 MW across multiple buildings. These facilities were largely invisible to their host communities—quiet, low-traffic, and modest in their grid demands.

The advent of large-scale AI training beginning in 2022–2023 transformed the industry's physical footprint. Training a frontier language model requires tens of thousands of GPUs operating continuously for months, consuming power at densities that exceed traditional data center designs by an order of magnitude. A single AI training cluster can draw 100 MW to 300 MW—comparable to a small city's total electrical load.

This shift is visible in our project data. The xAI Colossus facility in Memphis, **Tennessee**, went live with an initial 150 MW configuration that relied on gas turbines before a larger grid connection was available (Data Center Dynamics 2026). Meta's Hyperion campus in **Louisiana** is designed to deliver more than 2 GW of compute capacity across multiple phases, with Entergy planning three combined-cycle turbines totaling 2260 MW to serve the site and broader regional load (Meta Data Centers 2026; Entergy Louisiana 2024). OpenAI's Stargate program illustrates the same scale shift: Crusoe's Abilene, Texas, campus reached roughly 1.2 GW after a planned 600 MW expansion was scrapped in 2026, while the Saline Township, **Michigan**, Stargate campus secured $16 billion in financing and began active construction in 2026 (Crusoe 2026; Blackstone 2026; Oracle 2026b). Project Jupiter, the Oracle-anchored Stargate campus in Doña Ana County, **New Mexico**, shifted in 2026 to a power plan calling for up to 2.45 GW of on-site Bloom fuel-cell generation, replacing prior gas-turbine and diesel-generator plans (Oracle 2026a).

These projects are qualitatively different from their predecessors. They require dedicated generation resources, new transmission infrastructure, and water supplies measured in millions of gallons per day. They create construction workforces of thousands but permanent operating staffs of dozens.

They generate substantial tax revenue—or would, absent the incentive programs we examine in Section 3—while imposing costs on electrical grids, water systems, and local communities that existing regulatory frameworks were not designed to address.

2.4 Construction and Workforce

The employment profile of data center development differs fundamentally from most industrial investment. Construction workforces are large but temporary; permanent operational staffs are small but well-paid. This pattern—thousands of construction workers followed by dozens of operators—shapes both the political economy of data center incentives and the practical constraints on buildout pace.

A U.S. Chamber model estimates that a typical data center supports 1,688 direct, indirect, and induced jobs within the host state during an 18–24 month construction phase (U.S. Chamber of Commerce Technology Engagement Center 2017). Mega-scale projects far exceed this scale. Meta's Richland Parish campus in Louisiana employs 5,000 construction workers at peak (Meta Data Centers 2026). The Stargate project in Michigan has committed to 2,500 union construction jobs (Blackstone 2026; Oracle 2026b). Virginia's JLARC found that construction of a typical 250,000-square-foot data center lasts 12 to 18 months and employs approximately 1,500 workers at peak (Joint Legislative Audit and Review Commission 2024).

Data center construction is electrician-intensive. In Virginia, approximately 45 percent of data center construction jobs are electricians, with pipefitters, HVAC technicians, ironworkers, and concrete workers comprising the remainder (Dabbs 2023). IBEW Local 26, which represents electricians in the Washington, D.C., metropolitan area, grew from 7,500 to 12,000 members over the past decade specifically to meet data center demand (Dabbs 2023). One IBEW general foreman manages a crew of over 250 electricians on a single data center project in Loudoun County (Pala 2024).

Several states condition data center incentives on wage requirements. Michigan's SB 237 requires wages of at least 150 percent of the regional median for operational jobs. **Illinois** requires 120 percent of county median wages. **New Jersey** and Tennessee require 150 percent of state average wages. Federal Davis-Bacon prevailing wage requirements apply to projects receiving CHIPS Act funding or claiming the bonus Inflation Reduction Act (IRA) clean energy credit rates, which are five times the base rates. Most private data center construction, however, is not subject to these federal requirements.

Permanent operational employment is modest. A typical 250,000-square-foot data center employs about 50 full-time workers, with half being contractors (Joint Legislative Audit and Review Commission 2024). Across Virginia, data centers directly employed approximately 5,500 operational workers as of 2021, with an average salary of approximately $134,000 in 2020—more than double the state average (Mullin 2023). The resulting fiscal contrast is striking: CBRE's ballpark comparison found that a $1 billion data center could generate upward of $200 million in state and local tax revenue over ten years, roughly equivalent to a 1,700-job corporate headquarters with a $130,000 average salary and $40 million capital investment (Lenio 2015).

This pattern has generated criticism. JLARC found that data centers received 53 percent of Virginia's $5.2 billion in economic development incentive spending from fiscal years 2015 to 2024, despite generating relatively few long-term jobs. The employment debate is further complicated by

multiplier effects: data center advocates argue that each on-site job supports six to seven additional jobs in the broader economy through supply chains and induced spending, though few states disclose the data needed to test such claims (Section 3.5).

Recent county-level evidence complicates a purely pessimistic reading. A Brookings analysis applied synthetic-control methods to 93 counties that received their first large data center between 2008 and 2024, finding total private employment 4 to 5 percent higher after five to six years, roughly 2,000 to 4,000 additional jobs in a typical treated county. The largest gains were in construction and, around hyperscale clusters, a 22 percent rise in information-sector employment (Bahar and Wright 2026). These estimates and the operational headcounts cited above measure different things: an individual facility employs dozens directly, while a sustained buildout lifts county employment broadly through construction, supply chains, and agglomeration. The unresolved questions are whether the gains persist once construction ends and whether they justify the per-job fiscal cost of the incentives—questions the Brookings authors themselves flag and that the disclosure gaps documented in Section 3.5 make difficult to answer.

Workforce availability has become a practical constraint on buildout pace. Associated Builders and Contractors estimated that the construction industry must attract 349,000 net new workers in 2026 and 456,000 in 2027 to meet demand, with skilled trades such as electricians and pipefitters among the bottlenecks most relevant to data centers (Associated Builders and Contractors 2026). JLARC similarly found that the industry's Virginia economic benefits are concentrated in Northern Virginia and derive mostly from construction rather than ongoing operations (Joint Legislative Audit and Review Commission 2024). Data centers compete for the same skilled trades as semiconductor fabs receiving CHIPS Act funding, battery plants supported by the IRA, and transmission infrastructure—all expanding simultaneously. With hundreds of data centers under development and construction firms facing backlogs approaching a year, workforce constraints may pace the buildout more than power availability or permitting timelines.

The result is a policy environment in which state governments are simultaneously courting and constraining the fastest-growing category of industrial investment in the United States. The following sections examine each dimension of that policy response.

SECTION 03

State Incentive Programs

How states compete with multi-decade tax exemptions to win the next campus.

3 State Incentive Programs

In brief. Tax incentives are the most visible lever states pull: 49 states offer at least one data-center-relevant mechanism and 38 have dedicated programs. Eligibility conditions, sunset provisions, and fiscal disclosure, however, vary widely across them.

Tax incentives are the most visible tool that states deploy to attract data center investment. As of mid-2026, our broad inventory identifies 49 states with at least one incentive mechanism applicable to data centers; the National Conference of State Legislatures' (NCSL) narrower April 2026 survey counts 38 states with dedicated data-center tax incentives, with Kansas the newest entrant after its 2025 enactment (National Conference of State Legislatures 2026). This Section catalogs the principal incentive types, examines eligibility requirements and conditions, surveys duration and sunset provisions, and assesses the competitive dynamics that drive states to adopt ever-more-generous programs.

3.1 Taxonomy of Incentive Types

State data center incentives fall into five broad categories, often combined within a single program.

Sales and use tax exemptions are the most common instrument, offered in some form by 42 states in our broad inventory. NCSL's dedicated-program survey finds that every state with a data-center-specific tax incentive provides a sales tax exemption, and 14 states extend the exemption to electricity purchases (National Conference of State Legislatures 2026). These exemptions apply to the purchase of servers, cooling equipment, uninterruptible power supplies, and other qualifying **data center equipment**, a defined term that varies widely by jurisdiction. The exemption can represent substantial savings: a $1 billion facility with 60% of costs attributable to equipment could save $30 million to $60 million depending on the applicable sales tax rate. **Virginia**, **Georgia**, **Ohio**, and **Texas** all offer some form of sales tax exemption (Remington and Carter 2024; Cobler and Mahajan 2026).

Property tax abatements reduce or eliminate ad valorem taxes on data center real and personal property. Our broad inventory identifies property-tax abatements, preferential classifications, or locally administered property-tax tools in 36 states; NCSL's narrower count identifies 11 statewide data-center property-tax incentives (National Conference of State Legislatures 2026). These abatements typically range from 50% to 100% of assessed value and run for 10 to 30 years. Ohio offers abatements of 65% to 100% for 15 to 30 years, making it one of the most aggressive states in this category. Texas provides local property tax abatements under Chapter 312 of the Tax Code, with individual school district value limitations available through the Jobs, Energy, Technology, and Innovation (JETI) program. Property tax abatements are particularly consequential for local governments because they directly reduce the revenue available to fund schools, infrastructure, and services in host communities.

Investment tax credits allow data center operators to offset a percentage of qualifying capital expenditures against state income or franchise tax liability. These credits typically range from 1% to 5% of investment. Because many data center operators (particularly real estate investment trusts) have limited state tax liability, investment credits are often less valuable than sales or property tax exemptions in practice.

Economic development grants provide direct cash transfers, typically tied to job creation or capital investment milestones. These are less common for data centers than for manufacturing projects, in part because data centers create relatively few permanent jobs per dollar invested.

Infrastructure assistance (including expedited permitting, utility extensions, road improvements, and water/sewer capacity) is offered informally by many states but formally codified in fewer. **West Virginia**'s 2025 legislation includes a 14-day approval timeline for high-impact data center certifications, representing an unusually explicit commitment to permitting speed (West Virginia Legislature 2025).

Exhibit 5 summarizes the principal incentive types by state, showing the prevalence of sales tax exemptions and property tax abatements alongside the less common clean energy conditions.

3.2 Eligibility Requirements and Conditions

Every state incentive program imposes eligibility requirements that define the minimum scale of investment, employment, or both. These thresholds vary by more than two orders of magnitude across jurisdictions.

In our broad inventory, investment minimums range from $1 million in some smaller programs to $250 million for the largest recurring state thresholds. NCSL's dedicated-program survey reports a still wider statutory range, from $2 million in parts of **Maryland** to $450 million in populous parts of **Kentucky** (National Conference of State Legislatures 2026). Virginia requires $150 million in capital investment for its standard data center sales tax exemption, with additional tiers at $35 billion and $100 billion for extended "mega-scale" sunset dates. Texas sets its threshold at $200 million over five years. Georgia scales its investment minimum by county population tier, ranging from $25 million in rural counties to $250 million in metropolitan Atlanta.

Job creation requirements are uniformly modest relative to the investment involved. Virginia requires 50 qualifying jobs for its standard exemption. Texas requires 20 qualifying jobs. Ohio requires 20 to 50 jobs depending on the abatement level. **Alabama** focuses on job quality rather than quantity, requiring average compensation of $40,000 for its 20-job threshold. At the extreme, **Nevada** sets thresholds as low as 10 jobs for certain programs. NCSL's April 2026 survey finds 23 states with job-creation requirements and 11 with wage requirements in dedicated data-center incentive statutes (National Conference of State Legislatures 2026).

These requirements translate to strikingly low employment intensity. A $1 billion data center employing 50 permanent workers creates one job per $20 million of investment, far below the ratio for manufacturing ($200,000 to $500,000 per job), warehousing ($150,000 to $300,000), or office development ($100,000 to $200,000). Virginia's JLARC estimated that data centers supported 74,000 direct and indirect jobs statewide, but this figure includes construction employment and induced

Exhibit 5. State Tax Incentives Applicable to Data Centers

State	Sales Tax	Property Tax	Investment Credit	Job Credit	Duration (years)	Clean Energy
AL	•	•	•	—	30	—
TX	•	•	—	—	20	—
PA	•	•	•	—	25	•
MS	•	•	—	—	10	—
MI	•	•	•	—	12	•
NE	•	•	•	•	—	—
OH	•	•	—	•	30	—
OR	—	•	•	—	15	—
ND	•	•	•	—	5	—
LA	•	•	—	•	20	—
WV	•	•	•	—	—	—
ME	—	•	•	—	—	—
SD	—	•	—	—	5	—
VA	•	•	—	•	10	—
IL	•	•	—	•	20	•
MN	•	•	—	—	35	•
IA	•	•	—	—	23	—
KY	•	—	—	—	50	—
TN	•	•	—	•	—	—
ID	•	•	•	—	—	—
CO	•	—	—	—	15	•
IN	•	•	—	—	25	—
NM	—	•	—	—	—	•
NV	•	•	—	—	20	—
NY	•	•	—	—	—	—
OK	•	•	—	—	5	—
CA	•	—	•	—	—	•
NJ	—	•	•	•	30	—
MA	•	•	—	—	40	—
AK	•	•	—	—	5	—
DE	—	—	—	•	10	—
RI	•	—	•	•	30	•
VT	•	—	—	•	5	—
MO	•	•	—	—	15	—
WY	•	—	—	—	—	—
NC	•	•	—	—	20	—
CT	•	•	—	—	20	—
MT	—	•	—	—	10	—
HI	•	•	•	—	2	—
GA	•	•	—	—	7	—
AZ	•	—	—	—	—	•
KS	•	—	—	—	20	—
SC	•	•	—	—	30	—
AR	•	—	—	—	—	—
MD	•	•	—	—	—	—
WA	•	—	—	—	—	•
FL	•	•	—	—	20	—
UT	•	—	—	—	—	—
WI	•	—	—	—	—	—

Note: Sales Tax = sales/use tax exemption on equipment purchases. Property Tax = property tax abatement or exemption. Investment Credit = investment tax credit. Job Credit = job creation tax credit. Duration = maximum incentive period in years. Clean Energy = clean energy or renewable sourcing requirement attached to incentive. The table includes broad economic development incentives available to data centers. NCSL's narrower April 2026 survey counts 38 states with dedicated data-center tax incentives.
Source: Authors' compilation from state statutes and agency program documentation, with the dedicated-incentive count from National Conference of State Legislatures (2026).

spending, not just permanent data center operations (Joint Legislative Audit and Review Commission 2024).

A growing number of states attach energy or environmental conditions to their incentive programs. Our categorical inventory identifies ten states with clean-energy or renewable-sourcing conditions, while NCSL's broader energy-requirement category counts 12 states and includes uninterruptible-power, backup-generation, certification, utility-agreement, and fuel-source requirements (National Conference of State Legislatures 2026). **Michigan**'s 2024 legislation (SB 237) requires enterprise data center certificate holders to procure 90% of electricity from clean energy sources and obtain green building certification (Michigan Legislature 2024). Several states require data center operators to purchase renewable energy credits or enter power purchase agreements as a condition of incentive eligibility. These conditions represent an emerging policy tool for states seeking to mitigate the environmental impact of the load growth they are simultaneously subsidizing.

3.3 Duration and Sunset Provisions

The duration of data center incentives varies enormously: from 5-year abatements in some states to effectively permanent exemptions in others.

At the short end, several states offer incentives lasting 5 to 10 years. These programs provide initial construction-phase savings but leave operators exposed to full taxation over the facility's 20- to 30-year economic life. In NCSL's April 2026 survey, 18 states set separate statutory incentive-length requirements, most commonly 10 years, and 13 states set sunset dates for the underlying program (National Conference of State Legislatures 2026).

At the long end, Virginia's mega-scale provisions extend the sales tax exemption sunset to 2040 for investments exceeding $35 billion and to 2050 for investments exceeding $100 billion. Ohio offers property tax abatements of 15 to 30 years. Michigan's enterprise data center certificates run through December 31, 2050 (Michigan Legislature 2024). West Virginia's special property tax valuation applies to facilities placed in service after July 1, 2025 and sunsets December 31, 2055, a 30-year horizon (West Virginia Legislature 2025).

Sunset provisions create recurring political moments when incentive programs must be reauthorized. Virginia's standard data center exemption sunsets in 2035, requiring legislative action within the next decade. Sunset dates force periodic reassessment but also create uncertainty that developers cite as a factor in siting decisions. Georgia illustrates the risk: a 2024 repeal bill passed the legislature before being vetoed, an episode we return to in Section 3.5.

Clawback mechanisms (provisions that recapture incentive value if a recipient fails to meet investment or employment commitments) are present in some programs but are rarely exercised. Enforcement requires monitoring capacity and political will that few state agencies possess. When clawbacks exist, they typically apply only to the specific incentive tier that was not satisfied, not to the full value of benefits received.

3.4 State Competition Dynamics

The proliferation of data center incentives reflects a competitive dynamic among states. When one state enacts a generous program and secures a high-profile project, neighboring states face pressure to match or exceed the offer. The Kansas City metropolitan area, which straddles **Missouri** and **Kansas**, has a long history of cross-border incentive competition. Missouri's Port Authority of Kansas City authorized up to $10 billion in taxable revenue bonds for Google's Project Mica campus, along with a 25-year, 75% property tax exemption and 100% state and local sales tax exemptions on construction materials and equipment. Kansas, in turn, courts projects on its side of the state line with its own sales tax exemption and bond-lease structures (Port KC 2026; Keegan and Hartle 2026; National Conference of State Legislatures 2026).

The fiscal cost of this competition is substantial but poorly documented, a subject we examine in detail in Section 3.5. The competitive dynamic raises a question that few states have answered: whether data center incentives influence location decisions at the margin, or whether they simply transfer wealth from state treasuries to projects that would have been built regardless. The evidence from our dataset suggests that energy availability, grid interconnection timelines, and fiber connectivity drive the initial shortlist of candidate sites, while tax incentives influence the final selection among otherwise-comparable locations. We return to this question in Section 8.

3.5 Fiscal Impact

The fiscal cost of data center incentives is substantial, but only a handful of states have conducted rigorous analyses. JLARC produced the most detailed state evidence to date: its 2025 economic-development incentives report found that the data center sales and use tax exemption cost $1.02 billion in fiscal year 2024 and $2.73 billion across the four reported fiscal years 2021–2024 (Joint Legislative Audit and Review Commission 2025). Because Virginia's older exemption data were not reported under the same method, those four years alone accounted for 53 percent of Virginia's total economic development incentive spending over fiscal years 2015–2024, a remarkable concentration of state resources in a single industry (Joint Legislative Audit and Review Commission 2025). JLARC concluded that the exemption "does not pay for itself" through increased economic activity and tax revenue from other sources: the induced tax revenue from data center operations, supply chains, and employee spending does not offset the direct revenue loss from the exemption (Joint Legislative Audit and Review Commission 2024).

Local governments in data center corridors have developed deep fiscal dependence on the industry, creating political dynamics that complicate incentive reform. Loudoun County, Virginia (the nation's largest data center market) reports that data centers occupy approximately 4 percent of commercial parcels but yield 38 percent of county general fund revenue (Loudoun County 2026). This concentration means that any disruption to data center investment, or any change in state policy that affects local property tax receipts, would require substantial adjustment to county services and staffing. The fiscal dependency also shifts political power: data center operators become, in effect, the county's largest taxpayers, with corresponding influence over local land-use and regulatory decisions.

Other states show comparable fiscal exposure. Georgia's updated fiscal-year 2026 projection put

data center sales-tax exemption losses at $2.5 billion, including $1.1 billion in local sales-tax losses, while a separate state audit estimated $474 million in fiscal-year 2025 foregone revenue and found that 70 percent of data center projects would likely have located in Georgia without the subsidy (Tarczynska 2026). Ohio's sales-tax exemption cost reached approximately $1.6 billion in 2025, compared with an earlier state estimate of about $136 million, and newly released state data put approved long-term sales-tax exemptions at more than $2.3 billion (Zuckerman 2026a; Zuckerman 2026b). Texas is forgoing at least $1.3 billion in the current year and $3.2 billion over the next two years under its sales-tax exemption, which also covers electricity purchases (Cobler and Mahajan 2026). **Arizona**'s incentive cost grew from $1.4 million in fiscal year 2020 to $38.5 million in fiscal year 2025, with state analysts expecting at least $60 million by fiscal year 2027; Governor Katie Hobbs cited this trajectory in January 2026 when calling for repeal (Boehm and Duda 2026).

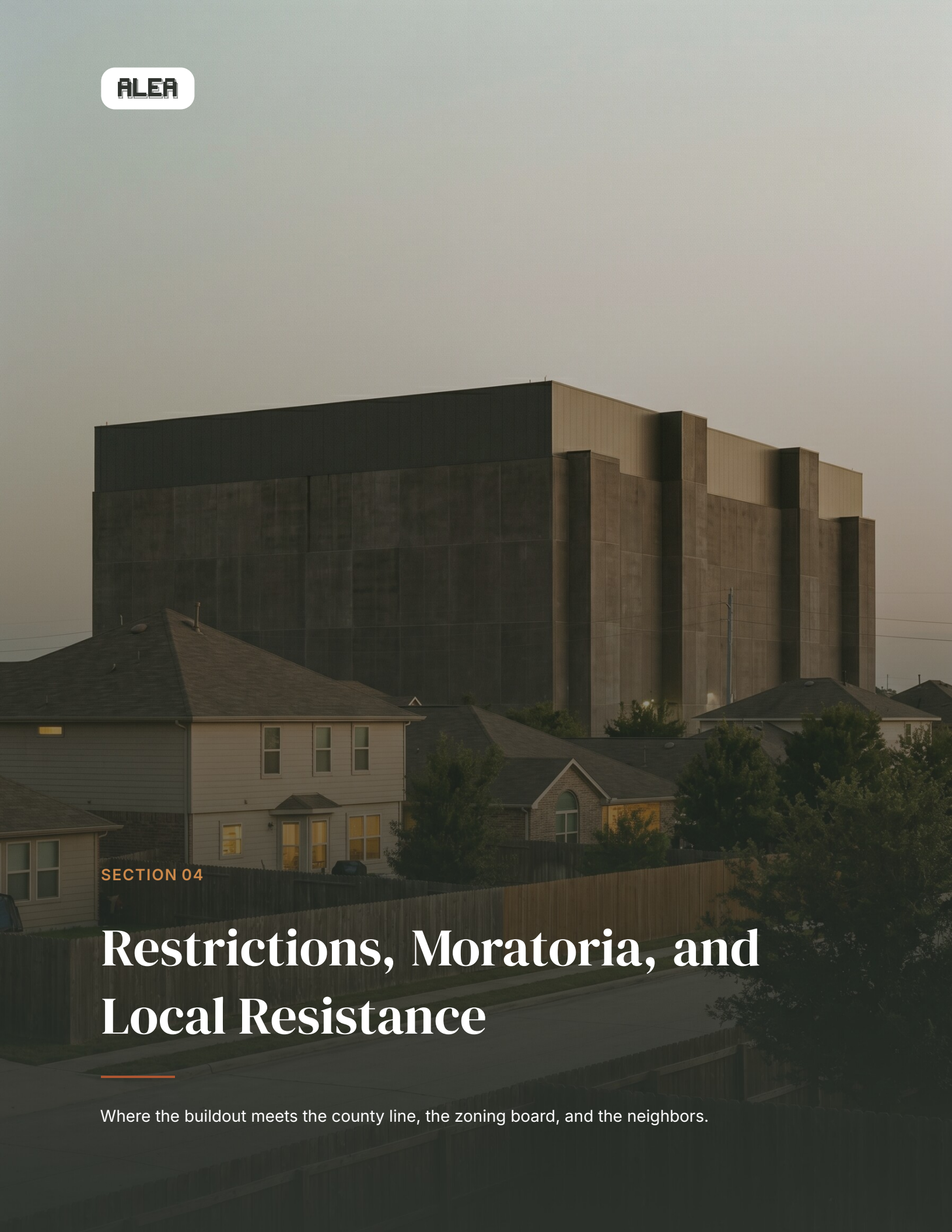
The political sustainability of data center incentives has grown uncertain. In 2024, the Georgia legislature passed HB 1192 to suspend new data center sales tax exemption certificates. Governor Brian Kemp vetoed the measure (Georgia General Assembly 2024), preserving the program, but the episode signals that fiscal cost is generating legislative resistance even in states actively recruiting data center investment. The 2026 sessions extended the retrenchment from proposal to enactment: across 2024–2026, 20 states enacted measures repealing, pausing, excluding, or materially tightening data center incentives, and repeal bills advanced through at least one chamber in six more. **Maine** excluded data centers from its business-development tax incentive programs in April 2026. **Illinois** (among the most aggressive incentive states of the prior decade) announced it would halt new data center tax-break applications effective July 2026, and Ohio paused new incentive approvals. **Washington** repealed replacement-equipment eligibility and refurbishment-based certificates under its data center exemption. Arizona enacted a three-year moratorium on new data center tax incentives in the budget Governor Katie Hobbs signed on June 13, 2026. Elsewhere the fights remain live: Virginia's 2026 budget negotiations remained unresolved in June over whether to phase out or condition its data center sales tax exemption, while repeal bills advanced but failed in Georgia (SB 410 passed the Senate before stalling) and remained pending in Maryland (Office of Governor Janet T. Mills 2026; Illinois Department of Commerce and Economic Opportunity 2026; Zuckerman 2026a; Washington State Legislature 2026; Office of Governor Katie Hobbs 2026; Gelman 2026; Georgia General Assembly 2026).

The fiscal stakes driving these fights are large and growing. Virginia's exemption, which JLARC priced at $1.02 billion in fiscal year 2024, had become a nearly $2 billion annual budget issue by the 2026 negotiations (Joint Legislative Audit and Review Commission 2025; Gelman 2026). Texas Comptroller data indicate that the state's annual loss is now running at least $1.3 billion, with $3.2 billion projected over the next two years (Cobler and Mahajan 2026). And Missouri, where the Port Authority of Kansas City granted a 25-year, 75% property tax exemption and sales-tax relief for Google's $10 billion Project Mica bond package, has published no fiscal impact analysis of the commitment. That gap may become politically salient as projects move from announcement to operation (Port KC 2026).

A rigorous fiscal impact analysis would compare revenue losses from incentives against revenue gains from induced economic activity. On the revenue side, data centers generate property taxes (where not abated), sales taxes during construction (where not exempted), corporate income taxes (limited, given operator structures), and induced economic activity from employee spending and supply

chain purchases. On the cost side, states and localities forego the direct revenue that would otherwise be collected and incur infrastructure costs (utility extensions, road improvements, water and sewer capacity) that benefit private facilities. Few states have conducted this analysis systematically. Good Jobs First's April 2026 review found that 14 states and scores of localities fail to disclose how much revenue they lose to data center tax abatements, and that local passive losses from state-awarded abatements are especially underreported (Good Jobs First 2026b).

Across the 26 states in our dataset that report or estimate annual foregone revenue, the median is approximately $53 million, but the distribution is heavily right-skewed: Virginia, Ohio, and Texas each forgo well over $1 billion per year. These figures understate total fiscal cost because they exclude most property tax abatements, which are administered locally and rarely aggregated at the state level. The combination of substantial fiscal cost, limited transparency, and uncertain return on investment suggests that data center incentive programs will face growing scrutiny in coming legislative sessions.



SECTION 04

Restrictions, Moratoria, and Local Resistance

Where the buildout meets the county line, the zoning board, and the neighbors.

4 Restrictions, Moratoria, and Local Resistance

In brief. As states compete to attract data centers, local governments move to constrain them—through zoning changes, building moratoria, and organized opposition—often within the very states that offer the most generous tax benefits.

While states compete to attract data center investment through the incentive programs described in Section 3, local governments work to constrain it. Zoning changes, building moratoria, and community opposition have emerged as serious barriers to data center development, often within the same states that offer the most generous tax benefits. This Section surveys the principal forms of local restriction, the state preemption strategies that some legislatures have adopted in response, community benefit agreements, and permitting processes. Environmental and resource constraints (water, noise, air quality, and environmental justice) are addressed separately in Section 6.

4.1 Local Authority: Dillon's Rule and Home Rule

The restrictions this Section describes do not arise on a blank slate. Whether a county or municipality may pause, condition, or reclassify data center development depends first on a structural question of state constitutional law: how much independent authority the state grants its local governments. That allocation varies sharply across the fifty states, and it explains much of the cross-state variation in restriction documented below.

Two rules for local power

Dillon's Rule: a locality may act only where the state has expressly or impliedly granted the power, and doubt is resolved against the locality. About thirty states apply some form. **Home rule:** a locality may act on local matters unless the state has prohibited it. Most states are hybrids, granting home rule to cities while governing counties or townships under Dillon's Rule. The rule a state applies shapes whether local opposition surfaces as a countable moratorium or as zoning reclassification and litigation.

Under **Dillon's Rule**, a local government possesses only those powers expressly granted by the state, those necessarily implied from an express grant, and those essential to its declared purposes; any reasonable doubt is resolved against the locality. The doctrine takes its name from Judge John Forrest Dillon of the Iowa Supreme Court, who articulated it in 1868, and the Supreme Court adopted it in *Hunter v. City of Pittsburgh*, which described municipalities as "political subdivisions of the State, created as convenient agencies" whose powers the State "may modify or withdraw" at its pleasure (Supreme Court of the United States 1907). About thirty states apply some form of Dillon's Rule today (Juergensmeyer et al. 2023). Under **home rule**, the question is reversed: the issue is not whether the state authorized a local action but whether it prohibited one. Home rule states grant local governments broad authority over their own affairs through a constitutional provision or a statutory grant, leaving

them free to act unless the legislature has occupied the field (Mandelker and Wolf 2015).

The classification is not binary, and treating it as such obscures the variation that matters for data centers. Most states are hybrids that apply different rules to different classes of local government, typically granting home rule to cities while governing counties or townships under Dillon's Rule or limited statutory authority (Juergensmeyer et al. 2023). **Michigan** is the clearest example: its cities and villages hold constitutional home rule, but its courts have consistently held that townships possess no inherent powers and may exercise only those the legislature confers (Michigan Court of Appeals 1971; Michigan Court of Appeals 2005). Township pauses there rest not on home rule but on the interim-ordinance authority of the Michigan Zoning Enabling Act (Michigan Legislature 2006). **Ohio** is similar: only municipalities hold constitutional home rule, while counties and townships operate under narrower statutory frameworks. The practical scale runs from strict Dillon's Rule states, where the absence of an express grant operates as a prohibition, through hybrid states that confer broad municipal authority, to the small group of states that apply home rule with no Dillon's Rule overlay.

This allocation of authority matters for data center policy because it determines which instrument local resistance takes. In home-rule and hybrid states, localities can reach directly for the moratorium, which is why the pauses cataloged in Section 4.3 concentrate in Michigan, Ohio, **Georgia**, and **Indiana**, where some class of local government holds authority broad enough to support a temporary pause. In strict Dillon's Rule states the same political pressure is channeled elsewhere. **Virginia** is the leading illustration. Its Supreme Court held in *Board of Supervisors of Fairfax County v. Horne* that the zoning enabling statutes conferred no express or implied authority for an emergency moratorium on the filing of site plans, and in *Matthews v. Board of Zoning Appeals of Greene County* it invalidated a county's interim single-district zoning as arbitrary (Supreme Court of Virginia 1975; Supreme Court of Virginia 1977). Together these decisions leave Virginia localities unable to freeze applications outright. Loudoun County, the world's densest data center market, accordingly concluded that it could not lawfully impose a blanket moratorium and instead pursued the slower route of eliminating by-right zoning and reclassifying data centers as a special-exception use, a process described in Section 4.2. The geography of restriction thus tracks the geography of local authority: the absence of countable moratoria in a state can reflect not weak resistance but a doctrine that diverts that resistance into zoning reclassification and litigation, a pattern we develop in Section 8.1.

Even broad local authority is not absolute. State legislatures retain the power to **preempt** local action, and a state that strips local authority by statute leaves home rule no role to play; **West Virginia**'s 2025 high-impact data center law is the most far-reaching example, which we examine in Section 4.4.

4.2 Zoning and Land Use Regulation

Data centers occupy an awkward position in traditional zoning classifications. They are industrial in their power consumption and infrastructure requirements but generate minimal truck traffic, no manufacturing emissions, and little visible activity. How a jurisdiction classifies data centers, and the approval process that classification entails, shapes both the speed and the certainty of development.

Under **by-right** zoning, data centers are permitted in designated zones without discretionary review. The developer need only demonstrate compliance with objective standards (setbacks, height limits,

impervious surface ratios) and can proceed to building permits without a public hearing. This approach dominated in Virginia's Loudoun County for two decades, enabling the county to become the world's densest data center market. Loudoun County's June 2026 strategy paper described approximately 250 built data centers and more than 100 in the development pipeline (Turner 2026).

Conditional use zoning requires a public hearing before the planning commission or board of supervisors but applies a presumption of approval if the applicant satisfies enumerated conditions. The hearing allows community input without conferring a veto. Many jurisdictions are transitioning from by-right to conditional use as a middle path between development speed and community control.

Special exception zoning imposes the highest bar, requiring the applicant to demonstrate that the proposed use is compatible with the surrounding area and will not adversely affect neighboring properties. The standard is discretionary, and denial rates are higher than for conditional use permits.

Classifying each state by the modal treatment a new hyperscale project faces in its active data center markets, we find discretionary review is now the dominant regime. In 22 states the major markets predominantly require conditional use permits, special exceptions, or other public hearings. Another 14 states show genuine mixed treatment, with meaningful by-right and discretionary markets coexisting, while in 12 states a substantial share of active markets prohibit data centers outright or are covered by enacted moratoria. Only **Oregon** still presents a predominantly by-right environment, and West Virginia stands alone in concentrating development where zoning does not meaningfully apply. The trend across jurisdictions with heavy data center activity is toward greater restriction. Virginia's Loudoun County adopted Phase 1 zoning amendments in March 2025 that ended by-right data center development, reclassifying data centers as a special exception use in the industrial districts where they had previously been allowed by right (Loudoun County Department of Planning and Zoning 2025). Phase 2 standards, covering noise, screening, landscaping, and setback requirements, remained under development as of June 14, 2026, with completion projected for early 2027. The shift reflects a political reality: residents who lived alongside a few dozen data centers tolerated them, but the prospect of hundreds more, each consuming 50 MW to 200 MW and occupying entire rural tracts, generated organized opposition.

4.3 Moratoria and Temporary Bans

When zoning amendments cannot keep pace with application volume, some jurisdictions impose **moratoria**: temporary bans on new data center applications, rezonings, or building permits. Moratoria provide a pause during which the jurisdiction can study impacts and develop permanent regulations. The instrument has spread quickly: Good Jobs First reported that, by March 9, 2026, at least 63 local data-center moratorium actions had been introduced, considered, or adopted, with 54 already passed, and that at least 12 in-session states had filed data-center moratorium bills. A June 2026 Rockefeller Institute update counted 14 states that had considered or were considering statewide moratoria (Good Jobs First 2026a; Scott 2026).

Georgia was an early epicenter: at least eight counties and cities adopted moratoria in 2025 while drafting tailored zoning ordinances for data center uses. DeKalb County's moratorium drew particular attention because the county is adjacent to Atlanta's growing data center corridor; the county extended

its pause into late 2026 while finalizing size- and impact-based regulations. Virginia, by contrast, illustrates that restriction need not take moratorium form: because Dillon's Rule (Section 4.1) leaves its localities doubting their authority to impose blanket pauses, Virginia jurisdictions have instead tightened zoning classifications, adopted noise ordinances, and denied or litigated individual projects.

Moratoria also emerged in less-expected jurisdictions. **Delaware** saw community opposition to "Project Washington," a proposed $10 billion data center campus, with residents raising concerns about water consumption, noise, and the transformation of agricultural land. Several Indiana and **Wisconsin** localities paused applications to assess grid and infrastructure impacts before committing to large-scale development. The wave accelerated through the first half of 2026: Denver, Seattle, and Charlotte adopted citywide moratoria; Hill County became the first **Texas** county to pause rural data center construction before rescinding the measure after developer litigation; and voters in Monterey Park, **California**, approved a permanent citywide prohibition by ballot measure in June 2026 (Government Technology 2026b; Seattle City Council 2026; City of Charlotte 2026; Goldenstein 2026; City of Monterey Park 2026; Betz 2026).

In 2026, the moratorium moved from the local to the state level. The **Maine** legislature passed an 18-month statewide moratorium on data centers exceeding 20 MW in April 2026; Governor Janet Mills vetoed the bill but simultaneously signed legislation excluding data centers from the state's business equipment tax exemption and Dirigo incentive program. In June 2026, the **New York** legislature passed a one-year statewide moratorium on new data centers of at least 20 MW, with required impact studies and applicant-funded public hearings; the bill had not been signed as of June 14, 2026 (New York State Senate 2026; Scott 2026). Michigan legislators introduced legislation to pause state and local data center approvals. Whether or not these measures survive, statewide moratorium legislation (unthinkable two years earlier) is now part of the policy repertoire.

The legal basis for moratoria follows the home-rule and Dillon's Rule distinction set out in Section 4.1: home-rule localities generally may impose temporary pauses under their police powers, while Dillon's Rule states permit them only narrowly. No reported case as of June 14, 2026 has invalidated a data center moratorium on legal grounds, but the threat of state preemption (discussed in the next subsection) constrains their use.

Exhibit 6 summarizes the 34 states with at least one enacted local moratorium as of June 14, 2026—208 enacted local pauses in total. The breadth is itself the finding: what was once concentrated in established markets such as Virginia and Georgia now spans states across every region and market-maturity tier. Michigan leads with more than 50 local moratoria covering some 1,500 square miles, followed closely by Ohio, where a June 2026 Statehouse News Bureau analysis likewise counted more than 50 local governments with data center moratoria; Indiana (13), **Kansas** (10), and **North Carolina** (8) follow (Government Technology 2026a; Donaldson 2026).

Exhibit 6. States with Data Center Moratoria (as of June 14, 2026)

State	Count	Key Jurisdictions
Michigan	**54**	Huron County; Filer Township; Ypsilanti Community Utilities Authority *(+51 more)*

Continued on next page

Exhibit 6. States with Data Center Moratoria (continued)

State	Count	Key Jurisdictions
Ohio	51	Jerome Township; Kent; Findlay; Williamsburg; Jackson Township *(+46 more)*
Indiana	13	Boone County; Marshall County (ban); Shelby County; Putnam County; White County; Starke County *(+7 more)*
Kansas	10	Harvey County; Sedgwick County; Wichita; Kingman County; McPherson County *(+5 more)*
North Carolina	8	Gates County; Chatham County; Orange County; Durham; Charlotte; Wendell *(+2 more)*
Kentucky	6	Oldham County; Meade County; Daviess County; Cave City; Lexington-Fayette *(+1 more)*
Minnesota	5	Carver; Eagan; Inver Grove Heights; Minneapolis; Wright County
California	5	Monterey Park; Coachella; Montebello; El Monte; Baldwin Park
Maine	5	Bangor; Sanford; Westbrook; Brunswick; Scarborough
Illinois	5	Aurora; Godfrey; Champaign County; Logan County; Morgan County
Wisconsin	5	Madison; Dane County; Hampden; Manitowoc County; Cassville
North Dakota	4	Morton County; Mercer County; Oliver County; Barnes County
Massachusetts	3	Lowell; Shutesbury; Gill
Tennessee	3	McMinnville; Cedar Hill; Washington County
Oklahoma	3	Oklahoma City; Tulsa; Edmond
Georgia	3	DeKalb County; Roswell; Coweta County
Alabama	2	Birmingham; Leeds
Connecticut	2	Morris; West Haven
Texas	2	Harlingen; Hill County
South Carolina	2	Newberry County; Chesterfield County
Nevada	2	Reno; Nye County
Missouri	2	City of St. Charles; City of Columbia
Maryland	2	Prince George's County; Baltimore County
Florida	1	Nassau County
Idaho	1	Kootenai County
Iowa	1	Dubuque County
Louisiana	1	New Orleans
Colorado	1	Denver
Nebraska	1	Otoe County
New Mexico	1	Socorro County
Pennsylvania	1	Hazle Township
Rhode Island	1	Smithfield
Utah	1	Iron County

Continued on next page

Exhibit 6. States with Data Center Moratoria (continued)

State	Count	Key Jurisdictions
Washington	1	Seattle

Note: Count includes active moratoria and zoning reclassifications that eliminate by-right data center development. Named jurisdictions are illustrative; "$+n$ more" indicates additional localities beyond those listed. *Source:* Authors' compilation from local ordinances, council actions, and news reporting.

4.4 State Preemption vs. Local Control

The tension between state incentive programs and local restrictions has produced a new front in the long-running debate over **state preemption** of local authority. Several states have enacted or considered legislation that limits local governments' ability to restrict data center development.

West Virginia adopted the most aggressive preemption approach in 2025 through its Power Generation and Consumption Act (West Virginia Legislature 2025). The statute preempts "all county and municipal regulation" of certified data center projects, including zoning, land use, noise, lighting, building permits, and local licensing. Local governments retain authority to collect business and occupation taxes, local sales taxes, and ad valorem property taxes, but cannot exercise regulatory control over facility siting, design, or operation. The preemption applies to projects with at least 90 MW of critical IT load that obtain a High Impact Data Center Certification—a process the statute requires to complete within 14 days.

Virginia considered but did not enact comparable preemption. During the 2025 legislative session, proposals to establish statewide zoning standards for data centers failed to advance; in 2026, the state instead enacted a modest overlay (HB 153/SB 94), requiring site assessments of sound and other impacts before high-energy-use facilities are approved while expressly preserving local zoning authority. Virginia's approach thus leaves counties and independent cities to develop their own data center regulations. The result is a patchwork: Loudoun County tightened its zoning while neighboring jurisdictions maintained by-right provisions, creating opportunities for developers to shift projects a few miles across county lines.

Texas has not enacted formal preemption, and for years it needed none: large land areas, low population density in data center corridors, and Chapter 312 abatement agreements (which give localities a direct financial stake in development) muted the opposition seen in Virginia and Georgia. That quiet has begun to break: Harlingen enacted an early municipal moratorium, Hill County imposed and then rescinded the first county pause after a developer filed a $100 million lawsuit, and Hood County's contested data-center review moved through rejection, litigation, and a later June 2026 concept-plan approval without added conditions (Government Technology 2026c; Goldenstein 2026; Martinez et al. 2026; Rivas Valenzuela 2026). Even so, Texas's strong property-rights tradition, counties' lack of general zoning power, and limited municipal extraterritorial jurisdiction constrain how far local regulation can reach.

The preemption question implicates competing values. Proponents argue that local restrictions create a patchwork of incompatible rules that increases costs and delays nationally important infrastructure. Opponents counter that data centers impose concentrated local costs (grid strain, noise,

water consumption, visual impact) that only local governments are positioned to evaluate and mitigate. The West Virginia model eliminates local regulatory friction but also eliminates the community input that can identify site-specific problems before they become disputes.

4.5 Community Benefit Agreements and Local Fiscal Impact

Community benefit agreements (CBAs) represent a negotiated middle ground between moratoria and by-right development. These contracts between developers and community groups require specific amenities or mitigation measures in exchange for community support or non-opposition. CBAs work best when developers still need zoning or land development approvals; the community's bargaining power disappears once approvals are granted.

Our dataset identifies only 10 of 50 states with documented CBAs for data center projects, and the reported commitments are small relative to project scale. **Iowa**'s CBAs total $54 million against $36.4 billion in investment; Ohio's reach $40 million; Michigan's $24 million; and **Pennsylvania**'s $20 million against $121.3 billion in announced investment—a ratio of less than 0.02 percent. Where both figures are reported, the median CBA represents well under one percent of total project investment: too small to systematically offset the scale of tax incentives or infrastructure impacts.

CBAs for data centers typically include four categories of commitments. **Employment and workforce provisions** include local hiring preferences, first-source hiring agreements with regional contractors, and apprenticeship programs for data center trades. **Financial contributions** support utility relief funds to help residents pay rising power bills, infrastructure improvements including broadband access, and first-responder funding. **Environmental protections** address siting restrictions, noise mitigation measures, and water quality commitments. **Monitoring provisions** establish reporting requirements, complaint mechanisms, and community oversight committees. The NAACP has developed a CBA template specifically for data center projects, and Good Jobs First has published guidance on negotiating such agreements.

Local fiscal dependence on data center revenue creates governance dynamics that complicate both incentive reform and CBA negotiations. Virginia's Loudoun County derives approximately 38 percent of its general fund revenue from data center property taxes as of fiscal year 2026—one of the highest concentrations in our dataset. This fiscal dependence gives data center operators, as the county's largest taxpayers, corresponding influence over land-use and regulatory decisions. Across the ten states reporting fiscal dependence data, the median share is roughly 29 percent, with Kansas coded at 60 percent and Oregon and Virginia both near 38 percent. These concentrations create budget stability risks: any disruption to data center investment, or any policy change affecting property tax receipts, would require substantial adjustment to county services.

Revenue-sharing mechanisms vary widely by jurisdiction. In traditional models, localities capture value through property taxes on real and personal property, business license taxes, and proffers or exactions negotiated during the zoning process. Texas's Chapter 312 abatements give localities a direct financial stake in data center development through negotiated agreements that trade near-term revenue for long-term commitments; in other states, payment-in-lieu-of-taxes (PILOT) structures through development authorities serve a similar function. West Virginia's preemption approach preserves local

taxing authority while eliminating regulatory control—localities collect revenue but cannot impose conditions on siting, design, or operation.

A persistent gap separates state-level fiscal benefits from local-level fiscal costs. States collect corporate income taxes (where applicable) and sales taxes during construction, while counties bear the infrastructure burden: utility extensions, road improvements, water and sewer capacity, and emergency services for facilities that may employ only 50 permanent workers. Host community fees or impact fees specifically for data centers remain rare. **Arizona** Governor Katie Hobbs proposed a water usage fee of $0.01 per gallon in January 2026; the proposal did not advance in the 2026 session, but it would have been among the first data-center-specific impact fees in the country. The limited adoption of CBAs and impact fees suggests that local governments have not yet developed effective mechanisms to capture value proportional to the scale of development they are hosting.

4.6 Permitting Processes

Beyond zoning approval, data center developers face a series of permit requirements that vary by jurisdiction but typically include building permits, electrical permits, fire and life safety approvals, stormwater management permits, site plan review, and in some cases environmental review. The cumulative timeline for these approvals, and the predictability of each step, materially affects project economics and siting decisions.

Timelines track the zoning categories described in Section 4.2. Under by-right zoning, the total permitting timeline from land acquisition to construction start typically runs 6 to 12 months, and developers can model costs and schedules with reasonable certainty. Conditional use approval adds 12 to 24 months. Special exception processes can extend 18 to 36 months, with lower approval rates and discretionary standards. Loudoun County's March 2025 transition from by-right to special exception status illustrates the timeline consequences: projects that previously required only staff review now face a legislative process with public hearings, opposition testimony, and uncertain outcomes.

At the opposite extreme, West Virginia's certification process described in Section 4.4 compresses the entire approval sequence to 14 days: facilities with at least 90 MW of critical IT load obtain state certification that preempts all local permitting requirements for zoning, land use, noise, lighting, and building permits.

State-level environmental review requirements vary widely. Unlike the National Environmental Policy Act (NEPA), which applies only to federal actions, most states do not require environmental impact assessment for private development on private land. California's CEQA and **Washington**'s SEPA are exceptions, imposing state environmental review on projects with substantial impacts. The federal NEPA void for private data centers means that facilities consuming gigawatts of power and millions of gallons of water per day often proceed without any systematic environmental impact assessment (Saren 2025).

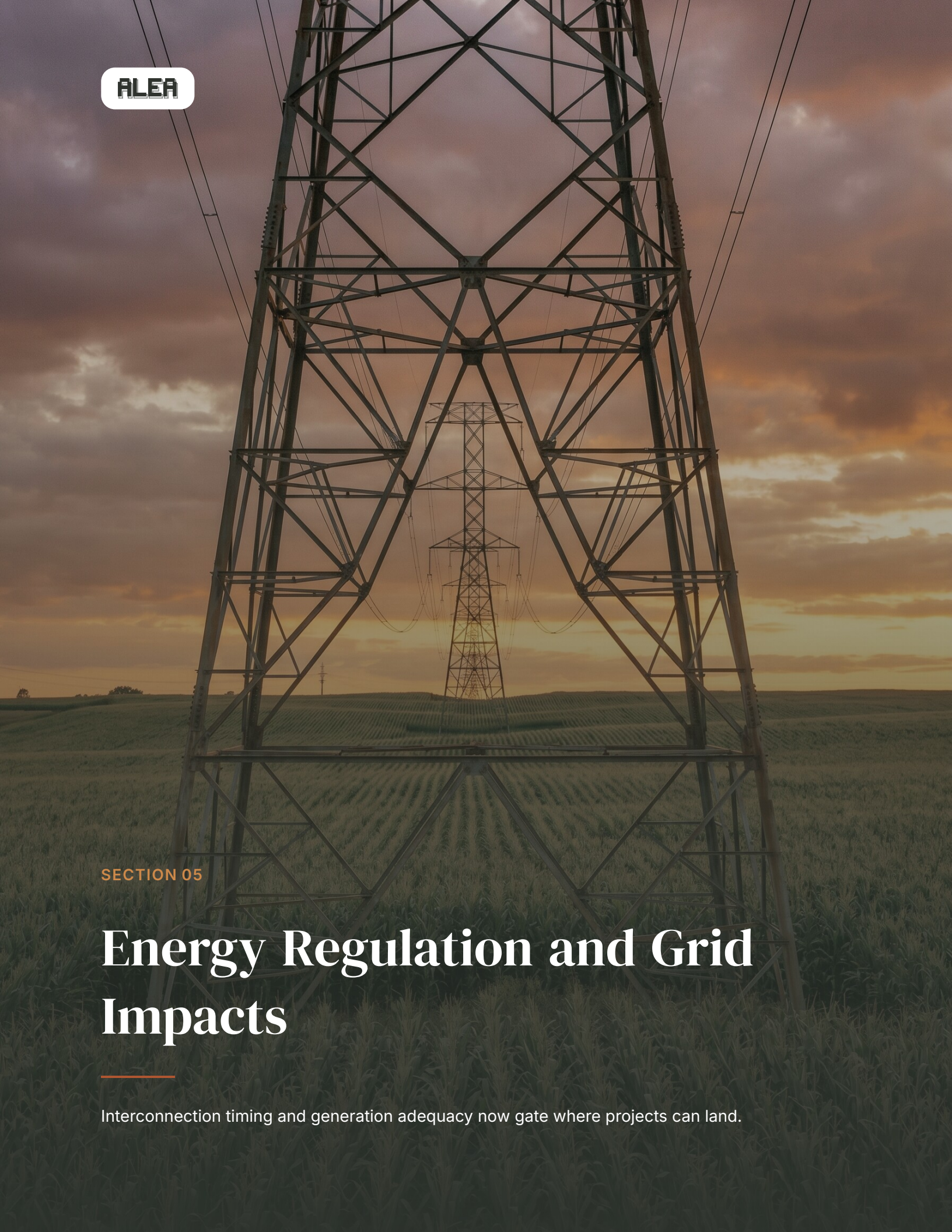
Building code considerations add a further layer. Data centers sit uneasily between industrial and commercial occupancy classifications. Fire suppression requirements, particularly for lithium-ion battery energy storage systems that now serve as backup power, are evolving as fire marshals encounter configurations not contemplated by existing codes. Structural requirements for heavy

equipment loads exceed typical commercial building standards, and some jurisdictions lack experience evaluating data center designs.

Utility connection permits for electrical service, water, and sewer are typically separate from land-use approvals. Water permitting has emerged as a particular constraint in western states, where data centers may require conditional use permits from water districts or demonstrate availability of long-term supply. Arizona municipalities including Chandler, Mesa, and Phoenix have adopted water-specific requirements for large users, and the town of Marana prohibits its water department from supplying data centers with potable water.

The practical consequence of permitting timelines is that they rarely represent the binding constraint on data center buildout. Grid interconnection queues (discussed in Section 5) typically run three to seven years in congested markets, far exceeding even the longest permitting processes. A developer who secures all local approvals in 18 months may still wait five years for grid connection. This asymmetry explains why energy availability, not zoning, drives initial site selection for most hyperscale projects.

A small number of states have established dedicated or expedited permitting tracks for data centers. West Virginia's certification process compresses the approval sequence most aggressively. Several states offer single-point-of-contact programs through their economic development agencies, though these typically coordinate rather than bypass local approvals. The trend toward conditional use and special exception requirements in major markets may increase demand for states willing to offer permitting predictability as a competitive advantage.



SECTION 05

Energy Regulation and Grid Impacts

Interconnection timing and generation adequacy now gate where projects can land.

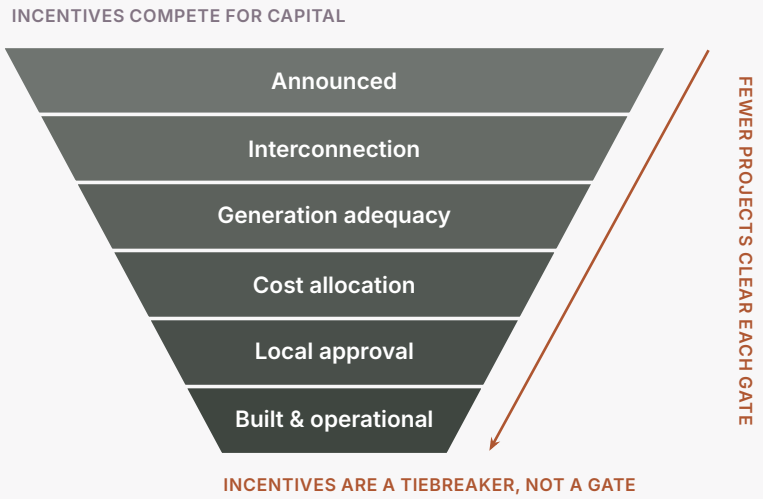


Exhibit 7. Energy access gates data center siting; tax incentives act only as a tiebreaker among sites that clear the stack

5 Energy Regulation and Grid Impacts

In brief. Energy access, more than tax policy, has become the gatekeeping constraint on data center siting. Interconnection timing, generation adequacy, and a defensible cost-allocation path form a stack of hurdles a project must clear before incentives operate as a tiebreaker.

Energy access has become the gatekeeping constraint on data center development in the United States. Interconnection timing, generation adequacy, deliverability, a defensible cost-allocation path, and curtailability form a stack of hurdles a project must clear before tax incentives, which matter chiefly among sites that already have a credible power path, come into play. A facility that cannot secure a grid interconnection agreement or a reliable power supply will not be built, regardless of how generous the state's incentive program may be. This Section examines the energy dimensions of data center policy: the regional grid architecture that shapes where power is available, the interconnection queues that delay access to it, the ratepayer protection mechanisms that allocate its costs, the generation adequacy challenge it creates, and the federal regulatory developments that overlay state action. Exhibit 7 traces the stack of hurdles a project must clear before it is built.

5.1 Grid Architecture and Regional Markets

The U.S. electric grid is organized into regional transmission organizations (RTOs) and independent system operators (ISOs) that manage wholesale electricity markets and coordinate transmission planning across state lines. The geographic footprint of these grid operators shapes data center siting patterns in ways that state policymakers do not fully control.

PJM Interconnection is the most relevant grid operator for data center policy. PJM manages the grid across 13 states and the District of Columbia, including **Virginia**, **Maryland**, **New Jersey**, **Ohio**, **Pennsylvania**, and **West Virginia**. Northern Virginia's dominance in the data center industry arose in large part because of PJM's deep generation portfolio and extensive transmission network in the mid-Atlantic region. As of 2025, data center load in PJM's territory, concentrated in the Dominion Virginia Power zone, represents the largest single source of load growth the operator has experienced. Dominion told PJM that its Virginia service area had about 4 GW of coincident data-center peak in 2025 and 47 GW of July 2025 contract capacity across engineering, mid-term, and near-term categories, but forecast 16.6 GW of data-center demand by 2046, illustrating the gap between request pipelines and expected load (Dominion Energy Virginia 2026). EIA's May 2026 review reported Dominion-zone summer peak load of 23,905 MW in 2025 and winter peak load of 25,413 MW in winter 2025–26, with PJM expecting Dominion-zone summer peak to grow 5.4% per year over the next decade largely because of data centers (U.S. Energy Information Administration 2026).

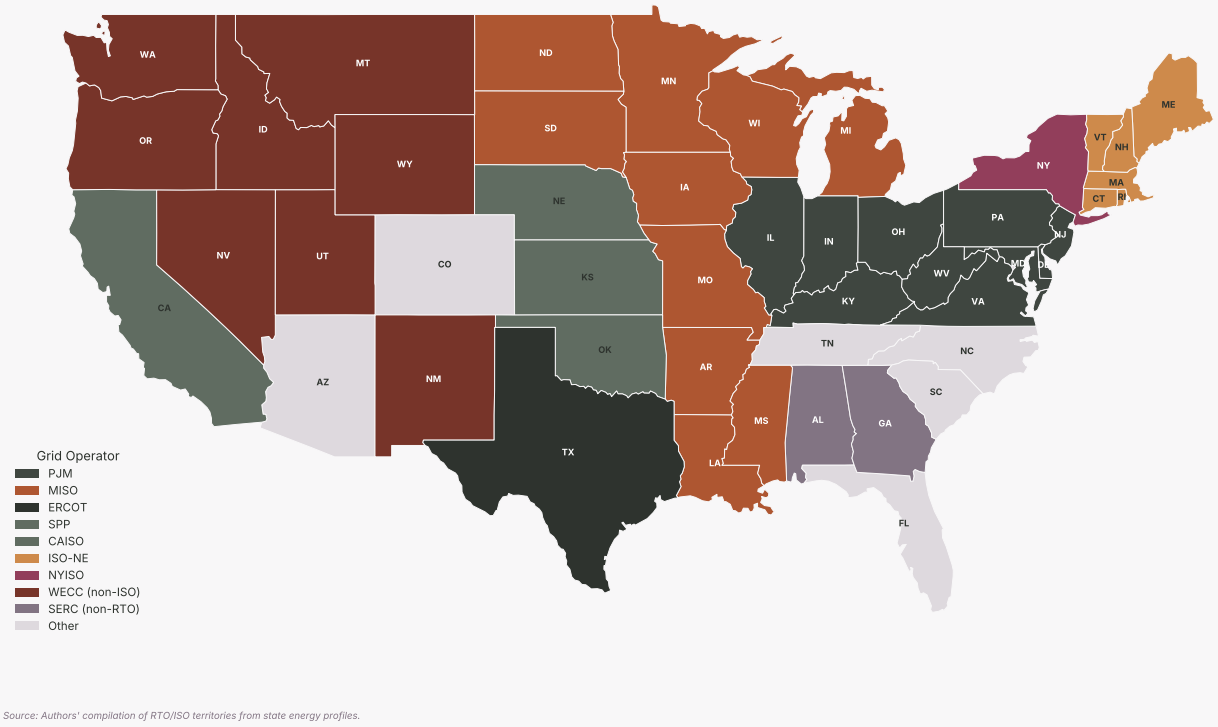
ERCOT, the Electric Reliability Council of Texas, operates as an independent grid largely disconnected from the interstate system. ERCOT's deregulated market, abundant natural gas supply, and fast permitting have made **Texas** the second-largest data center market. ERCOT's demand outlook has climbed steeply: an earlier projection of a 2030 summer peak above 150 GW has since been overtaken by its 2026 preliminary long-term forecast, with large flexible loads, predominantly data centers and cryptocurrency mining, the dominant driver of growth. Its preliminary 2026–2032 long-term load forecast, filed in April 2026, projects 367.8 GW of demand by 2032 (more than four times the all-time peak of 85.5 GW), but ERCOT characterized the figure as a preliminary planning snapshot rather than a prediction of what will be built (Electric Reliability Council of Texas 2026a). By late March 2026, ERCOT was tracking approximately 410 GW of large-load interconnection requests, with data centers accounting for roughly 87% of requests (Electric Reliability Council of Texas 2026b).

MISO (Midcontinent Independent System Operator) covers 15 states from **Michigan** and **Indiana** to the Dakotas and the Gulf Coast. MISO territory has seen rapid data center growth, driven in part by lower land costs and the availability of both wind and natural gas generation. Michigan, Indiana, and **Wisconsin** have all attracted major commitments within MISO's footprint.

Other grid operators—**CAISO** (California), **ISO-NE** (New England), **NYISO** (New York), and **SPP** (Southwest Power Pool, covering **Kansas**, **Oklahoma**, and western **Missouri**)—play smaller but growing roles. SPP territory has attracted large-scale investment, particularly in the Kansas City region, where abundant wind generation and available transmission capacity support mega-scale projects on both sides of the Missouri–Kansas line.

Exhibit 8 illustrates the geographic coverage of the major grid operators, showing how RTO/ISO boundaries shape the regulatory environment for data center developers.

Exhibit 9 summarizes data center development by grid operator region, showing the concentration of projects in PJM and WECC territory and the long interconnection wait times that constrain development in some regions.



Source: Authors' compilation of RTO/ISO territories from state energy profiles.

Exhibit 8. Regional grid operators divide the country into distinct power markets

Exhibit 9. Data Center Development by Grid Operator Region

					Interconnection	
Grid Operator / Region	States	Projects	Investment	GW	Queue (GW)	Wait (yrs)
PJM	10	214	$535B	85.2	87	5.0
MISO	10	138	$516B	31.0	186	3.8
WECC (non-ISO)	8	106	$257B	55.8	13	—
SERC (non-RTO)	2	59	$164B	16.9	30	5.0
ERCOT	1	51	$152B	32.1	410	—
SPP	3	33	$50B	9.4	37	—
NYISO	1	16	$28B	2.6	12	—
CAISO	1	29	$19B	1.9	—	—
ISO-NE	6	59	$14B	2.1	8	—

Note: Queue = average interconnection queue depth (GW) for states in that region. Wait = median interconnection wait time in years, averaged over the small subset of states reporting it (one to four states per region); dashes indicate no reporting states. GW = gigawatts of planned data center capacity. PJM, MISO, ERCOT, SPP, CAISO, NYISO, and ISO-NE are RTO/ISO markets; WECC and SERC are NERC reliability regions spanning many independent utilities rather than single market operators. Their figures aggregate states not served by an ISO/RTO, and the queue and wait values combine separate bilateral utility processes rather than one coordinated queue.
Source: Bommarito (2026).

5.2 Interconnection Queues and Bottlenecks

The gap between announcing a data center and energizing it is determined chiefly by the time required to secure a grid interconnection. Grid interconnection can take five to ten years for new facilities, creating what Klass and Owen (2026) describe as an allocation problem: demand for grid capacity exceeds the system's ability to process requests (Foley Hoag LLP 2026).

PJM's first reformed Cycle 1 process received 811 new generation projects totaling about 220 GW after the application window closed on April 27, 2026 (PJM Interconnection 2026). The backlog reflected both the volume of applications and the serial study process that PJM historically used, in which each project's impact was studied sequentially rather than in clusters; PJM's transition to a first-ready, first-served cluster process under FERC Order 2023 is intended to discipline future queue intake.

ERCOT's large-load queue dwarfs PJM's in nominal terms (Section 5.1), though much of it is speculative; even so, ERCOT's interconnection process is faster because the operator uses a simplified large-load interconnection study and does not require the same depth of transmission upgrade analysis. ERCOT can typically complete interconnection studies in 12 to 18 months, compared to 3 to 5 years in PJM for comparable projects. This speed advantage is a major factor in Texas's attractiveness to data center developers.

In Michigan, the MISO interconnection queue presents similar challenges to PJM. The Michigan Public Service Commission (MPSC) has noted a 3- to 4-year backlog against a 1-year tariff target, with delays driven by study restudies and the volume of new applications.

The interconnection bottleneck has prompted some operators to seek alternatives to the traditional grid interconnection process, including **co-location** arrangements in which a data center locates adjacent to an existing or new power plant and draws power behind the meter. These arrangements, discussed further in Section 5.6, raise their own regulatory questions about cost allocation and grid reliability.

5.3 Ratepayer Protection and Cost Allocation

As data center loads grow, states face a fundamental cost allocation question: who pays for the generation and transmission infrastructure required to serve facilities that consume 100 MW to 1 GW or more? Three measures recur in what follows, and we keep them distinct: a project's contracted (interconnection) capacity in megawatts, its coincident peak demand in megawatts, and its energy use in megawatt-hours. Minimum-billing provisions turn on contracted capacity, while the cross-subsidy question turns on energy use and load factor. If costs are socialized across all ratepayers, residential and small-business customers subsidize data center operations. If costs are allocated entirely to the data center customer, the resulting electricity price may exceed what makes a project economically viable. Utilities and some economists make the opposite case: a large, high-load-factor customer can lower average system costs when priced correctly, spreading fixed costs over more sales, and minimum-billing and contract-demand terms exist precisely to convert that potential into a ratepayer benefit rather than a stranded-cost risk.

The response has spread with remarkable speed: by June 14, 2026, 33 states had an approved, statutorily mandated, utility-filed, or formally pending large-load protective mechanism (tariffs or contract frameworks adopted since roughly 2022 featuring minimum billing demand, extended contract terms, or large-load-specific cost allocation), with utility filings or active proposals pending in most of the rest. The 2026 wave broadened the form of protection: Pennsylvania adopted a statewide model tariff framework for 50 MW individual or 100 MW aggregate loads, **Florida** enacted a statute requiring public-utility large-load tariffs for customers at 50 MW or more, and Maryland enacted a large-load registry and clean-capacity rating framework for 25 MW customers with high load factors (Pennsylvania Public Utility Commission 2026; Florida Senate 2026; Maryland General Assembly 2026). Four regimes illustrate the design space.

Georgia's Public Service Commission (PSC) adopted a **large-load tariff** in January 2025, requiring customers with loads exceeding 100 MW to pay for the upstream grid infrastructure needed to serve their demand (Georgia Public Service Commission 2025). The tariff includes long-term contract requirements (15 years, up from the previous 5-year standard) and minimum billing demand provisions that ensure data center customers continue to pay even if their actual consumption falls below contracted levels. Georgia Power's 2025 integrated resource plan (IRP) projected 8,200 MW of load growth by winter 2030–31, and the PSC's 2026 data-center fact sheet identified data centers as the principal driver of a seven-year capacity need that had grown to 8,500 MW (Georgia Power 2025; Georgia Public Service Commission 2026).

Indiana's Utility Regulatory Commission has approved large-load contract structures that require data center customers to commit to long-term service agreements with exit fees (Indiana Utility Regulatory Commission 2025). These contracts protect ratepayers by ensuring that data center customers bear the cost of generation capacity built to serve them, even if the customer reduces load or exits the market before the generation assets are fully depreciated.

Texas addressed ratepayer protection through SB 6, enacted in 2025, which grants ERCOT authority to require large loads (75 MW or more by default) to install remote disconnect equipment and to be curtailed on ERCOT instruction during grid emergencies (Texas Legislature 2025). The Texas approach differs from the Georgia and Indiana models: rather than allocating generation costs, it ensures that data center loads can be curtailed to protect grid reliability during peak conditions.

Virginia's Dominion Energy serves the largest concentration of data center load in the country. In November 2025, the State Corporation Commission created a new GS-5 rate class for loads of 25 MW or more, with minimum demand charges of 85% on transmission and distribution and 60% on generation, plus 14-year contract terms, effective January 2027 (Virginia State Corporation Commission 2025). The order responds to concerns that residential ratepayers are subsidizing infrastructure investments driven by data center load growth.

Exhibit 10 compares ratepayer protection mechanisms across states that have developed large-load tariffs or contract structures for data center customers.

Exhibit 10. Ratepayer Protection Mechanisms for Large Loads in Six States

State	Threshold (MW)	Min. billing (%)	Contract (yrs)	Adopted	Mechanism
Georgia	100	—	15	Jan. 2025	Large-load tariff; PSC review of all contracts above threshold; construction-period T&D cost allocation
Indiana	70	80	12	Feb. 2025	I&M large-load settlement with exit fees (AWS, Microsoft, Google parties)
Michigan	100	80	15	Nov.–Dec. 2025	Consumers Energy large-load tariff; DTE special contracts (19-year terms)
Ohio	25	85	12	July 2025	AEP Ohio data center tariff with exit fees
Texas	75	—	—	June 2025	SB 6: mandatory curtailment equipment and demand-response participation for large loads
Virginia	25	85 (T&D) / 60 (gen.)	14	Nov. 2025	GS-5 rate class (effective Jan. 1, 2027)

Note: Threshold is the load size that triggers special tariff treatment. Minimum billing is the percentage of contracted capacity the customer must pay for regardless of actual usage; Virginia applies 85% to transmission and distribution and 60% to generation. Texas's SB 6 addresses reliability through mandatory curtailment rather than billing structure.
Source: Authors' review of public utility commission orders and statutes: Ga. PSC Docket 55378; Ind. Cause No. 46097; Mich. Cases U-21859 and U-21990; PUCO Case 24-508-EL-ATA; Tex. S.B. 6 (2025); Va. Case PUR-2025-00058.

5.4 Generation Adequacy and New Capacity

Meeting data center power demand requires new generation capacity at a scale that the U.S. electric sector has not seen in decades. Three sources dominate the near-term and medium-term supply picture.

Natural gas generation is the dominant near-term response. Utilities across the Southeast and Midwest are filing for new gas-fired capacity at an accelerating pace. Entergy Louisiana has proposed more than 2 GW of new gas generation in part to serve data center loads. Georgia Power's integrated resource plan includes combustion turbines at Plant Yates (up to 1,400 MW) expected in the late 2020s. In Texas, NRG Energy and GE Vernova announced a joint venture to develop more than 5 GW of new gas-fired capacity, and CPV's Basin Ranch project adds 1,350 MW. FirstEnergy has proposed a 1,200 MW combined-cycle plant at the Harrison site in West Virginia.

The reliance on natural gas generation to serve data center loads creates a tension with state and federal climate goals. A 1 GW gas plant operating at 60% capacity factor produces roughly 2.1 million metric tons of carbon dioxide per year. As data center operators, particularly the hyperscalers, have made public commitments to carbon-neutral or net-zero operations, this tension will intensify.

Nuclear power offers firm, carbon-free generation but operates on longer timelines. Constellation Energy's agreement to restart Three Mile Island Unit 1 under a power purchase agreement with Microsoft has drawn attention to the potential for existing nuclear assets to serve data center loads. Georgia's Vogtle Unit 4 (1,100 MW) entered commercial operation in April 2024, completing, together with Unit 3 a year earlier, the first newly constructed reactors in the United States in over three decades. Small modular reactors (SMRs) are under development—including Dow Chemical and X-energy's NRC permit application for a plant in Seadrift, Texas, and Virginia's North Anna SMR exploration with Amazon—but commercial deployment is not expected before the early 2030s at the earliest. Michigan's Palisades nuclear plant (800 MW) is pursuing a restart that would provide additional firm capacity in MISO territory.

Renewable energy (solar, wind, and battery storage) represents the largest category of planned capacity but faces its own interconnection and intermittency constraints. Texas alone has 47.8 GW of wind capacity in ERCOT's active generation interconnection requests (Electric Reliability Council of Texas 2026b). Virginia's planned carbon-free portfolio includes the 2.6 GW Coastal Virginia Offshore Wind project, a 176-turbine project under construction and expected by Dominion to be completed in late 2026 (Dominion Energy 2026). Georgia Power's approved 2025 IRP includes requests for proposals for more than 3,500 MW of renewable capacity by 2030. Battery storage is expanding rapidly: Georgia Power's approved 2025 IRP includes more than 2,065 MW of BESS and combustion-turbine resources by the end of 2027, and the Michigan Public Service Commission approved six DTE storage contracts totaling 1,332 MW in March 2026, bringing DTE's total storage commitments to 2,606 MW (Georgia Power 2025; Michigan Public Service Commission 2026).

5.5 Transmission Planning and Regional Expansion

Transmission planning is distinct from the interconnection queue processes in Section 5.2. Where interconnection queues address the connection of individual generators and loads to the existing grid, transmission planning concerns the construction of new high-voltage backbone infrastructure: the 345 kV and 765 kV lines that move power across regions. Data center load growth is reshaping transmission planning decisions, but the multi-year timelines for these projects create a fundamental mismatch with the pace of demand.

FERC Order No. 1920, issued in May 2024, represents the most consequential federal intervention in transmission planning in over a decade (Federal Energy Regulatory Commission 2024a). The order requires all public utility transmission providers to conduct long-term, forward-looking regional transmission planning with a minimum 20-year planning horizon. Order 1920 mandates consideration of at least seven categories of benefits when evaluating transmission projects, requires closer coordination between generation interconnection and regional planning, and involves states in cost allocation decisions. Initial compliance filings were due in June 2025, with the first long-term planning cycles required to commence within one year of compliance. The order is under legal challenge in the Fourth Circuit, but compliance proceeds while the litigation is pending.

PJM's Regional Transmission Expansion Plan (RTEP) reflects the scale of investment required to serve data center demand in the mid-Atlantic corridor. The 2024 RTEP window identified over $2.5 billion in transmission investment for West Virginia alone, including the Valley Link project, a 765 kV line extending 260 miles from Putnam County, West Virginia to Frederick County, Maryland. These investments are driven in large part by data center load growth in Northern Virginia, which requires new generation resources that must be delivered from distant locations. PJM customers in seven states paid $4.4 billion for data center–related transmission upgrades in 2024, with approximately half of those costs in Virginia.

MISO's Long-Range Transmission Planning (LRTP) process has approved roughly $32 billion in new transmission across the Midwest through two tranches (Tranche 1 in 2022 and Tranche 2.1 in December 2024), with a further tranche in planning. These investments support data center growth in Michigan, Indiana, and Wisconsin by expanding the capacity to deliver power from generation resources, particularly wind in the Dakotas and **Iowa**, to load centers. The Tranche 1 and Tranche 2 projects are advancing through siting and construction, with Tranche 3 currently in planning. MISO territory faces its own interconnection challenges, but the long-range planning process provides a framework for ensuring that backbone infrastructure keeps pace with demand.

SPP territory, which covers Kansas, Oklahoma, and western Missouri, has attracted data center investment in part because of available transmission capacity. The Competitive Renewable Energy Zone (CREZ) model that Texas pioneered for wind generation, building transmission ahead of demand to reach remote resources, offers a template. The Kansas City region's ability to host mega-scale projects such as Project Kestrel depends in part on SPP's transmission expansion to deliver wind generation from the Great Plains to data center loads.

ERCOT faces transmission constraints in West Texas that limit the pace of data center development in that region. The operator is planning transmission expansion to support the Vantage Frontier campus

and other projects, but new lines in Texas face their own siting and permitting challenges. The Texas Public Utility Commission has authority to designate Competitive Renewable Energy Zones, a power it exercised in the 2000s to enable the state's wind buildout. Whether similar designation will support data center corridors remains to be seen.

Transmission cost allocation, the question of who pays for new lines, remains contested. Historically, major transmission investments have been socialized across all customers in a region on the theory that they provide shared reliability and market access benefits. Data center load growth challenges this model: when a single customer class drives the need for billions of dollars in new infrastructure, should those costs be allocated broadly or assigned to the customers who cause them? Order 1920, as modified on rehearing by Order 1920-A in late 2024 (which expanded the states' role), requires state involvement in cost allocation decisions but does not resolve this fundamental question. At the state level, Georgia's 100 MW rule and similar tariffs in Indiana and Ohio allocate the retail share of generation and transmission revenue requirements, along with the cost of dedicated facilities, to large loads; what they cannot do is alter the regional network-upgrade cost allocation set through FERC-jurisdictional RTO processes.

The timeline mismatch between transmission construction and data center demand is perhaps the dominant constraint. Major transmission projects take 5 to 10 years from planning to energization, accounting for siting, permitting, right-of-way acquisition, and construction. Data center demand is arriving now. The projects announced in 2024 and 2025 require power within 2 to 4 years—faster than the transmission system can expand. This mismatch explains the interest in co-location arrangements, behind-the-meter generation, and other configurations that bypass transmission constraints, even as they raise the regulatory questions addressed in the following subsection.

5.6 Federal Regulatory Developments

Federal regulatory action overlays these state-level energy policies, primarily through proceedings at the Federal Energy Regulatory Commission (FERC) and actions by the Department of Energy (DOE).

FERC's principal action is its rulemaking on **co-location**: arrangements in which a data center is physically located adjacent to a power plant and draws electricity behind the meter, bypassing the transmission grid. The Susquehanna proceeding catalyzed federal attention: in November 2024, FERC voted 2–1 to reject PJM's amended interconnection service agreement, finding that PJM had not justified an arrangement that would have stepped up the co-located behind-the-meter load at the Talen Energy/Amazon data center campus from 300 MW to 480 MW (Federal Energy Regulatory Commission 2024c). Exelon and AEP had protested the arrangement, arguing it could threaten grid reliability and shift costs to other customers. Then-Chairman Willie Phillips dissented, calling the rejection "a step backward for both electric reliability and national security."

The co-location question intensified through 2025. Constellation Energy filed a complaint arguing that PJM's tariff lacked rules for fully isolated co-located load (Docket No. EL25-20-000). FERC responded by initiating a Section 206 show-cause proceeding in February 2025 (Docket No. EL25-49-000), directing PJM to demonstrate why its governing documents remained just and reasonable. The December 18, 2025 order found PJM's tariff "unjust and unreasonable" and directed the creation of

three new transmission service options: interim non-firm service, firm contract demand service, and non-firm contract demand service (Federal Energy Regulatory Commission 2025). The firm contract demand option is particularly important: it allows a co-located load to purchase firm transmission service only for the net amount drawn from the grid. A 1 GW data center co-located with a 900 MW generator could purchase only 100 MW of firm transmission. Critics, including PJM's market monitor, object that this net-of-generation accounting understates the load's reliance on the grid when the co-located generator is on outage or trips, leaving other customers exposed to the difference. PJM filed its compliance proposal in February 2026, establishing a 50 MW threshold for the new service categories and transition provisions for existing contracts. The proposal drew broad criticism in FERC comments—from the Data Center Coalition and generators including Vistra and Constellation on commercial viability grounds, and from PJM's independent market monitor on reliability grounds—and remained pending as of June 14, 2026, with PJM's ER26-1479 compliance filing and related co-location matters scheduled on FERC's June 18 open-meeting agenda (Federal Energy Regulatory Commission 2026c).

FERC **Order No. 2023**, the final interconnection rule (modified on rehearing by Order No. 2023-A), reformed the process for connecting new generation and large loads to the transmission system (Federal Energy Regulatory Commission 2024b). The order requires grid operators to adopt cluster study processes rather than serial studies, sets timelines for study completion, and imposes financial penalties on applicants who submit speculative interconnection requests. The order is intended to reduce the queue backlogs described in Section 5.2, but its full implementation will take several years as RTOs complete multiple rounds of compliance filings.

The Department of Energy has taken a more active role. In October 2025, DOE Secretary Chris Wright invoked rarely-used authority under Section 403 of the DOE Organization Act to direct FERC to consider an Advance Notice of Proposed Rulemaking for interconnection of retail loads greater than 20 MW to jurisdictional transmission facilities. The proposed ANOPR outlined 14 principles, including participant funding for network upgrades and expedited study processes for curtailable loads. The National Association of Regulatory Utility Commissioners (NARUC) and state regulators objected, calling the proposal an "unprecedented expansion" into state jurisdictional territory. FERC docketed the proceeding as RM26-4, stated in April 2026 that it would act by the end of June 2026, and placed the item on its June 18, 2026 open-meeting agenda (Federal Energy Regulatory Commission 2026a; Federal Energy Regulatory Commission 2026c). FERC took up these large-load interconnection and co-location matters at that June 18 meeting as this draft was being finalized; the resulting orders postdate our research cutoff, and their practical effect on interconnection and cost allocation will become clear only in the months ahead, as grid operators, states, and local governments respond. The reliability dimension has intensified in parallel: the North American Electric Reliability Corporation (NERC) filed an accelerated large-load action plan in the same docket in March 2026, citing reliability events traced to large data center loads in Virginia and Texas. NERC issued a Level 3 Essential Action Alert on May 4, 2026 covering computational-load modeling, studies, instrumentation, commissioning, operations, protection, and control (North American Electric Reliability Corporation 2026a; North American Electric Reliability Corporation 2026b). Regional responses are also emerging: in June 2026, FERC approved Southwest Power Pool's Conditional High Impact Large Load Service (CHILLS), which offers non-firm transmission service to large loads for up to seven years (with curtailment during

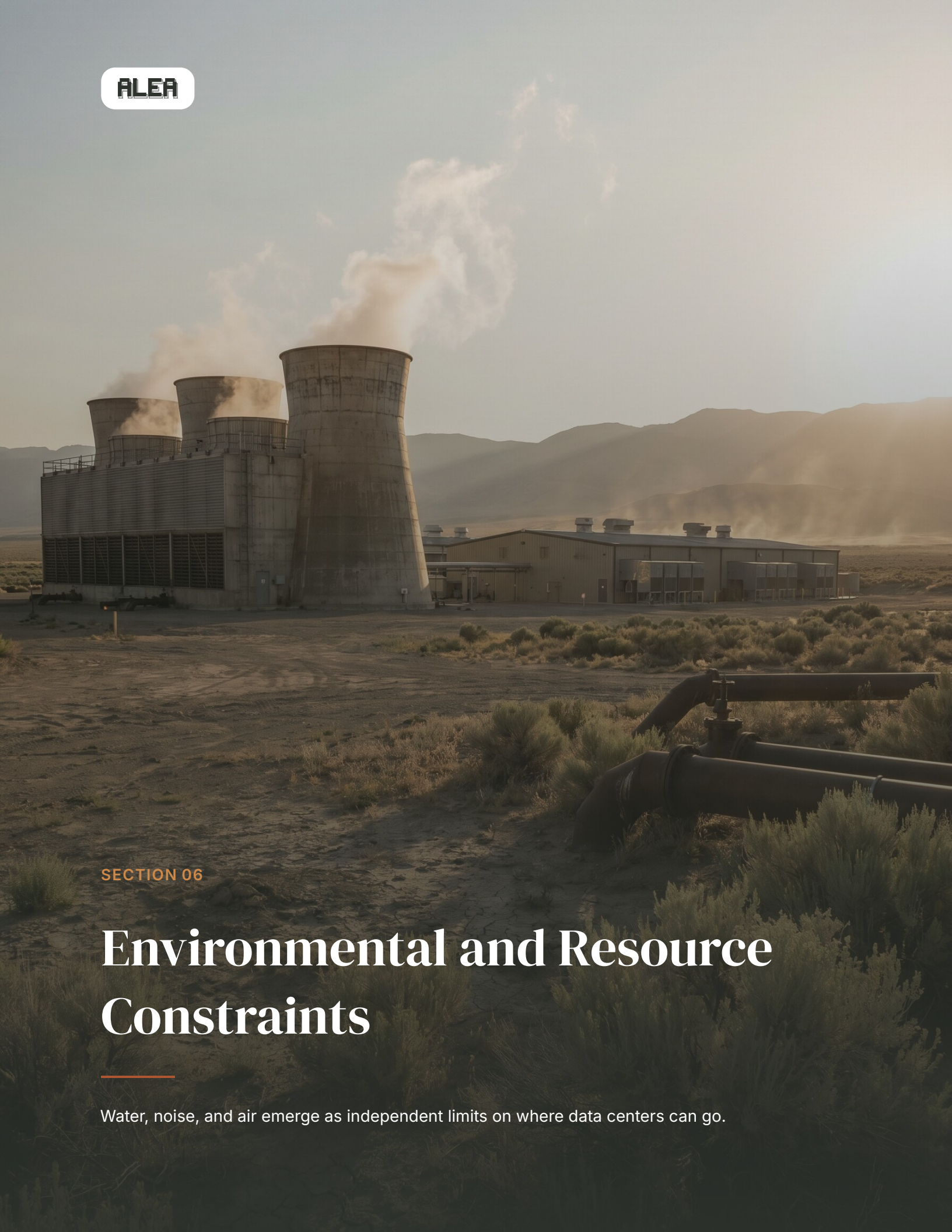
constrained conditions) while firm service or new generation is developed (Federal Energy Regulatory Commission 2026b).

DOE's loan programs offer another pathway for data center energy infrastructure. The Office of Energy Dominance Financing (formerly the Loan Programs Office) has $250 billion in loan authority for energy infrastructure projects. A $1.52 billion loan guarantee to Holtec Palisades supports restoration of the 800 MW nuclear plant that could serve data center loads in Michigan. DOE has also announced four site selections for public-private AI data center projects on federal land, including at Idaho National Laboratory, Oak Ridge, Savannah River, and Paducah.

Federal tax credits interact with state incentives to shape data center energy economics. The IRA's technology-neutral clean electricity credits, Section 45Y (production) and Section 48E (investment), apply to on-site solar, battery storage, fuel cells, and nuclear generation at data center facilities. The boosted 30 percent investment credit requires prevailing wage and apprenticeship compliance. Data center operators can claim federal credits for on-site generation while simultaneously receiving state sales and property tax exemptions for the data center itself. More commonly, operators benefit indirectly through power purchase agreements with generation owners who claim the credits—as in Microsoft's agreement to reopen Three Mile Island Unit 1 and Meta's 20-year nuclear PPA with Constellation.

Environmental review of data center energy infrastructure at the federal level is limited. Saren (2025) identifies a "NEPA void" (the absence of systematic environmental review for data center projects that are privately developed and do not require federal permits) and argues that the cumulative environmental impact of the buildout warrants federal attention. Executive Order 14318 (July 2025) directed agencies to expedite environmental review for AI data centers, creating new categorical exclusions and expanding fast-track permitting (Executive Office of the President 2025). The CRS has documented federal permitting requirements for energy infrastructure serving data centers (Congressional Research Service 2025a), but these requirements apply primarily to transmission lines and gas pipelines rather than to the data centers themselves.

Congressional activity on data center energy has been limited. The Clean Cloud Act (S. 1475), introduced by Senators Whitehouse and Fetterman, would impose EPA emissions performance standards on facilities over 100 kW and reduce caps by 11 percent annually until reaching zero in 2035 (U.S. Senate 2025). In March 2026, Senator Sanders and Representative Ocasio-Cortez announced the AI Data Center Moratorium Act, which would pause certain AI data center approvals pending study of utility, environmental, labor, and community impacts. Pulling in the opposite direction, Senator Cotton's Decentralized Access to Technology Alternatives (DATA) Act of 2026 would amend the Federal Power Act to create a "consumer-regulated electric utility" category for fully islanded, off-grid data center power systems, exempt from federal rate, reliability, and interconnection regulation so long as they never connect to the grid (Foley Hoag LLP 2026). None of these bills has advanced. More broadly, permitting reform legislation affecting transmission siting and generation construction would indirectly accelerate data center buildout, but broad permitting reform remains stalled in Congress.



SECTION 06

Environmental and Resource Constraints

Water, noise, and air emerge as independent limits on where data centers can go.

6 Environmental and Resource Constraints

In brief. A fifth, physical dimension—water, noise, air, and cumulative impact—drives community opposition (documented in all 50 states) and project cancellations, independent of tax and zoning policy.

Environmental and resource constraints constitute a fifth dimension of data center policy, distinct from the governance restrictions examined in Section 4. While zoning and moratoria address political and procedural concerns, the constraints documented here are fundamentally physical: water supply, noise propagation, air emissions, and cumulative environmental impact. These constraints drive both community opposition and project cancellations. Our dataset documents opposition in all 50 states, with a median of six distinct opposition issues cited per state; in 11 states we classify the opposition as severe, meaning it has blocked or reversed projects in court, at the ballot box, or through legislation that passed at least one chamber. Every state also has at least one coded environmental constraint, with a median of four constraints per state. Environmental concerns (particularly water, air quality, and noise) appear prominently across jurisdictions (Bommarito 2026). This section synthesizes the emerging regulatory responses to each constraint category.

6.1 Water Consumption and Allocation

Data centers consume substantial volumes of water for cooling operations. A typical facility uses approximately 300,000 gallons per day, while large hyperscale installations can consume up to five million gallons daily, equivalent to the residential needs of a town of 50,000 (Environmental and Energy Study Institute 2025). The Lawrence Berkeley National Laboratory's 2024 United States Data Center Energy Usage Report estimated that in 2023, U.S. data centers consumed 17 billion gallons of water directly through cooling, with projections that this figure could double or quadruple by 2028. The same report estimated an additional 211 billion gallons of indirect water consumption through electricity generation—roughly twelve times the direct cooling use (Lawrence Berkeley National Laboratory 2024).

Water Usage Effectiveness (WUE) varies dramatically by cooling technology. Traditional cooling towers consume 1.5–2.5 liters per kilowatt-hour, while air-cooled systems approach zero on-site water use at the cost of higher energy consumption. Adiabatic and evaporative systems fall between these extremes at 0.165–2.5 liters per kilowatt-hour, depending on climate and equipment configuration. Emerging technologies offer alternatives: closed-loop systems recycle water with near-zero consumption, and immersion cooling uses synthetic fluids with minimal water requirements (U.S. Department of Energy, Federal Energy Management Program 2024; Vries 2025). At these rates and continuous operation, a one-megawatt data center using traditional water-cooled towers consumes roughly 3.5 to 5.8 million gallons per year. Because water use scales linearly with capacity, this per-megawatt intensity reconciles the per-facility daily figures cited above with the per-megawatt annual figure, as Exhibit 11 sets out: a 300,000-gallon-per-day site is a roughly 25-megawatt facility, and a five-million-

gallon-per-day campus is several hundred megawatts.

Exhibit 11. Water use scales with capacity: reconciling the per-facility and per-megawatt figures

Scale	Capacity	Gallons per day	Gallons per year
Per megawatt	1 MW	10,000–16,000	3.5–5.8 million
Typical enterprise facility	≈25 MW	≈300,000	≈110 million
Large hyperscale campus	300–500 MW	up to ≈5 million	up to ≈1.8 billion

Note: The per-megawatt row follows from continuous operation at the 1.5–2.5 liters-per-kilowatt-hour cooling-tower range: $1\,\text{MW} \times 8{,}760\,\text{h} \times (1.5\text{–}2.5\,\text{L/kWh}) \approx 3.5\text{–}5.8$ million gallons per year, or about 10,000–16,000 gallons per day. Water use scales linearly with capacity, so dividing the cited daily facility totals by this intensity yields the capacities shown.
Source: Per-facility daily figures from Environmental and Energy Study Institute (2025); per-megawatt and per-year values are authors' calculations.

Water has emerged as the leading driver of community opposition to data center development. Our analysis of state-level opposition data finds that 49 of 50 states have documented community opposition citing water among its concerns, the most widespread of any environmental issue we track. The exposure is structural: a June 2026 analysis of 809 prospective U.S. AI data centers found that 517 of them are sited in communities that experienced drought within the past year (Milman and Witherspoon 2026). The scale of water-related project cancellations is substantial. Industry tracking documented at least $64 billion in data center projects blocked or delayed by local opposition, with annual cancellations quadrupling from six in 2024 to 25 in 2025, and water cited as a primary concern in over 40 percent of contested projects (Data Center Watch 2025).

State water regulation was not designed for data center loads, and regulatory gaps are evident. **Arizona**'s Groundwater Management Act of 1980 established Active Management Areas subject to conservation requirements and use reporting, but data centers exploit a regulatory distinction: while new residential developments face groundwater moratoria and recharge requirements, industrial facilities are not subject to the same constraints. In the absence of state action, Arizona municipalities (Chandler, Mesa, Phoenix, and Marana) have adopted their own water-use ordinances for large customers, ranging from consumption budgets to an outright prohibition on potable water service; we examine these in Section 7.5.

These regulatory responses have influenced project outcomes. The Tucson City Council voted 7–0 in August 2025 to reject "Project Blue," a 290-acre Amazon-linked data center after weeks of public opposition; contemporaneous reporting on the draft development agreement said the first two sites would use 1,910 acre-feet of water per year and make Project Blue Tucson Water's largest customer (Arizona Luminaria 2025; Borla 2025). The dispute continued in 2026 after construction began outside city limits: Tucson revoked a temporary construction-water meter in May after finding that contractors had used city drinking water for dust control outside the service area, and Pima County later issued a fugitive-dust notice of violation (Arizona Public Media 2026; KGUN 9 2026). In contrast, Google opted for air-cooled technology at its $600 million Mesa facility specifically because of the region's water stress, despite higher energy costs.

Michigan's Water Withdrawal Assessment Tool, part of the state's Great Lakes Compact obligations, screens withdrawals over 100,000 gallons per day for potential adverse resource impact on streams and rivers; proposed withdrawals exceeding two million gallons per day require a full permit. Given that Michigan utilities are negotiating multi-gigawatt data center loads, associated cooling water needs will likely trigger these thresholds.

Water regulation moved from proposal to enactment in 2026. **Utah** enacted HB 76 in March 2026, requiring large data centers to report water sourcing, projected annual diversions, discharges, and reuse, with annual operational updates; Governor Spencer Cox followed in May with an executive order directing state agencies to weigh Great Salt Lake and water-resource protection in data center reviews (Utah Legislature 2026; Office of the Governor of Utah 2026). **Virginia** enacted water-use reporting requirements for suppliers serving data centers (HB 496/SB 553), and **Florida**'s SB 484 creates a consumptive-use permitting framework for large-scale data centers and requires reclaimed water where feasible (Virginia Legislative Information System 2026c; Florida Senate 2026). **South Dakota**'s SB 135 applies to data centers with peak demand of at least 10 MW, requiring water-provider compatibility determinations and semiannual public water-use reporting, while **Minnesota**'s 2025 law placed large data centers with consumptive use above 100 million gallons per year into early Department of Natural Resources review (South Dakota Legislature 2026; Minnesota House of Representatives 2025). Not every effort has reached enactment. **California**'s AB 2469 and AB 2619 had moved to the Senate by June 2026 but remained pending, and Arizona Governor Katie Hobbs's January 2026 proposal for a $0.01-per-gallon water fee, which she argued could deposit millions annually into the Colorado River Protection Fund, did not advance. Arizona's June 2026 budget instead paused new data center tax exemptions without creating a water-pricing instrument (CalMatters Digital Democracy 2026a; CalMatters Digital Democracy 2026b; Office of the Arizona Governor 2026; Office of Governor Katie Hobbs 2026).

6.2 Noise

Data center noise has become a defining issue in community opposition, particularly in markets where facilities are sited near residential areas. Primary noise sources include cooling towers (up to 85 dBA), rooftop air handling units (85–100 dBA each), chiller compressors (up to 100 dBA), and backup generators (100–110 dBA during operation). A single facility may have dozens of air handling units and hundreds of generators, creating aggregate noise loads that propagate well beyond property lines. Low-frequency noise from fans is particularly problematic because it is poorly reflected in A-weighted (dBA) measurements, prompting growing demand for C-weighted (dBC) measurement standards that better capture the frequencies most disturbing to residents (Environmental and Energy Study Institute 2026; TechTarget 2024; Ramboll 2024).

Our dataset identifies 30 states with noise among documented opposition issues, and the actual incidence is likely higher still, as noise often underlies broader "quality of life" complaints. Noise effects have been documented at distances exceeding 1,300 feet from facilities, raising questions about the adequacy of typical 200–300 foot setback requirements (Ramboll 2024).

Northern Virginia, the nation's largest data center market, has become a testing ground for noise

regulation. Loudoun County's Phase 1 zoning amendments in March 2025 eliminated by-right data center development, requiring special exception approval with public hearings. The existing noise standard sets 55 dBA at residential property lines. Phase 2, projected for completion in February 2027, is developing data-center-specific noise, emissions, setback, and power generation standards (Loudoun County Department of Planning and Zoning 2025; Loudoun County Department of Planning and Zoning 2026).

Prince William County adopted a new noise ordinance in October 2025 targeting low-frequency, continuous data center noise. Key provisions include adoption of C-weighted sound metrics for enforcement, with night limits of 68 dBC and day limits of 73 dBC. The six-month implementation period allows for hiring enforcement staff and procuring meters. Critics argued the limits were weaker than consultant recommendations, which favored octave-band limits (InsideNoVa 2025).

Fairfax County amended its zoning ordinance in September 2024 to require 200-foot setbacks for data center buildings from residential lot lines and 300-foot setbacks for backup generators. The amendment mandates pre-construction and post-construction noise studies and restricts by-right development to heavy industrial zones. Data centers must now be at least one mile from Metro station entrances (Fairfax County 2024a).

Noise mitigation technologies exist but add costs. Sound walls of 30 feet can achieve up to 11 dBA reduction at residences. Liquid cooling eliminates or greatly reduces fan noise. Natural gas generators produce lower noise than diesel equivalents. However, consultants have found that setback distances alone are unreliable because sound levels vary substantially across facilities—leading jurisdictions toward performance standards rather than purely distance-based regulation (Fairfax County 2024b; Ramboll 2024).

6.3 Air Quality and Backup Generation

Backup diesel generators have emerged as a serious air quality concern as data center scale has increased. Virginia Mercury, citing the Piedmont Environmental Council, reported about 9,000 data center generators across Virginia, including about 4,700 in Loudoun County, with roughly 8,000 units using the older Tier 2 standard (Virginia Mercury 2025). Sierra Club Virginia separately reported that 1,937 non-emergency diesel generators had already been approved across the Commonwealth, many near homes, schools, and neighborhoods (Sierra Club Virginia 2026). DEQ's revised APG-576 guidance, effective April 2026, sets Tier 4-equivalent presumptive control technology for emergency and non-emergency data-center engine-generator sets (Virginia Department of Environmental Quality 2026).

Diesel generators produce fine particulate matter (PM2.5), nitrogen oxides (NOx), sulfur dioxide, carbon monoxide, and volatile organic compounds, along with toxic air contaminants including black carbon, polycyclic aromatic hydrocarbons, and formaldehyde. A Virginia legislative research report found that in a worst-case scenario, data center backup generators could release 9,000 tons of NOx in the region, roughly half of typical annual NOx emissions from all Northern Virginia sources (Virginia Mercury 2025).

Concern about generator emissions and air permitting is widespread, appearing among documented

opposition issues in roughly half the states. Air permitting frameworks struggle to accommodate data center configurations. Most facilities seek to stay below Title V and Nonattainment New Source Review major source thresholds: 100 tons per year of NOx in attainment areas, 50 tons in serious nonattainment areas, and 25 tons in severe nonattainment areas. Virginia's Department of Environmental Quality has issued Title V permits for only two data center projects. Most facilities use emergency-use classification and hour limitations to remain below thresholds (Trinity Consultants 2025; Virginia Department of Environmental Quality 2026).

Regulatory responses are evolving. Virginia DEQ proposed guidance in December 2025 that would expand the definition of "emergency" to include planned utility outages, allowing Tier 2 generators to run during scheduled grid maintenance, a proposal environmental groups objected to as circumventing public comment. The 2026 General Assembly then acted: HB 507, effective July 2026, prohibits DEQ from issuing air permits for new data center applications unless each engine-generator set meets Tier 4–equivalent emission limits. Broader proposals (battery storage as first-line backup, expanded monitoring, and public notification requirements) did not pass, but the Tier 4 permitting floor makes Virginia the first state to set a statutory emissions standard for data center backup generation (Virginia Legislative Information System 2026d; Virginia Department of Environmental Quality 2026).

Alternatives to diesel are emerging. Battery energy storage systems offer millisecond response time and zero emissions, though typically limited to four to eight hours of runtime. Natural gas generators produce 95 percent less NOx than diesel equivalents but require pipeline access. Hydrogen fuel cells produce zero emissions but face supply and cost constraints. Microsoft has committed to eliminating diesel by 2030, and Caterpillar is building gigawatt-hour-plus battery storage combined with natural gas prime power systems for data centers.

At the federal level, the proposed Clean Cloud Act would bring data center emissions under Clean Air Act performance standards, with penalties of $20 per ton of CO_2 equivalent for non-compliance (U.S. Senate 2025) (Section 5.6).

6.4 Environmental Justice

Environmental justice concerns have emerged in data center siting decisions, with our dataset identifying 35 states where environmental justice appears among documented opposition issues—a sharp rise from a year earlier, as organizing networks have spread the framing across jurisdictions. Two high-profile cases illustrate the pattern.

Project Marvel, a hyperscale data center proposal in Bessemer, **Alabama**, was described by the Southern Environmental Law Center as one of the largest data centers in the world, with 18 buildings larger than an average Walmart Supercenter. The 2025 rezoning covered 100 acres of forested land and drew opposition focused on transparency, possible backup diesel generation, coal and gas energy sources, 2–10 million gallons of water use per day, and utility-bill impacts; the Bessemer City Council approved the request 5–2 in November 2025 (Southern Environmental Law Center 2025a). In April 2026, the council approved rezoning nearly 900 additional acres after residents again raised concerns about water, utilities, land use, environmental impacts, and the lack of detailed information about the project and its end users (WBRC 2026).

The xAI "Colossus" supercomputer in the Boxtown neighborhood of Memphis, **Tennessee** (a historically Black community founded by formerly enslaved people), represents an ongoing environmental justice conflict. Environmental groups alleged that the facility operated methane-powered gas turbines without the required air permits before Shelby County later approved permits for 15 permanent turbines; those groups estimated potential emissions of 1,200–2,000 tons of NOx annually (Bensinger 2025; Southern Environmental Law Center 2025b). University of Tennessee researchers documented a 79 percent increase in peak NO2 levels near the facility. Boxtown already faces cancer risk four times the national average, with 19 active polluting facilities in the ZIP code (Oil and Gas Watch 2025). The NAACP and Southern Environmental Law Center filed Clean Air Act notices and litigation over xAI-related turbine operations, including a 2026 Southaven/Colossus 2 complaint alleging 27 unpermitted turbines and a later request for emergency relief after NAACP alleged that xAI added six more turbines (Southern Environmental Law Center 2026a; Southern Environmental Law Center 2026b).

EPA's Environmental Justice Screening and Mapping Tool (EJScreen) can overlay pollution sources, demographic indicators, and community infrastructure, but is not routinely applied to data center siting decisions. Academic research has begun documenting proximity patterns: a 2025 MIT study, "The Cloud Next Door," examined Northern Virginia's "Data Center Valley" and found higher noise levels, higher expected energy prices, and mixed fiscal effects, while documenting how data center growth reshapes local environments (Ngata et al. 2025). NAACP officials identify data center siting in majority-Black communities as part of a historical pattern of locating polluting infrastructure in "sacrifice zones."

The policy gap is wide. No systematic environmental justice review is required for data center siting. The NEPA void documented by Saren (2025) means private facilities trigger no federal nexus for environmental review. State-level environmental justice policies remain nascent. Civil rights organizations, including the NAACP, Southern Environmental Law Center, and North Carolina Environmental Justice Network, have called for greater scrutiny of data center siting decisions.

6.5 Climate and Emissions Accounting

Data center emissions follow the Scope 1/2/3 framework, with a distinctive profile. Scope 1 (direct emissions from diesel generators, natural gas heating, and refrigerant leaks) accounts for approximately 0.2–0.5 percent of facility emissions. Scope 2 (purchased electricity) dominates at 31–61 percent of total emissions—an unusual pattern reflecting the energy-intensive nature of data center operations. Scope 3 (value chain emissions including embodied carbon in equipment and construction) comprises the remainder (Vries 2025). In 2020, data centers generated approximately 330 million metric tons of CO_2 equivalent, roughly 0.6 percent of total greenhouse gas emissions and nearly 1 percent of energy-related emissions.

The tension between data center load growth and decarbonization is evident in generation planning. Our dataset shows new gas capacity as a dominant new resource in state generation planning, with a median of roughly 1,400 megawatts per state among the states reporting it. A one-gigawatt natural gas combined-cycle plant at 85 percent capacity factor produces approximately three million metric tons of CO2 annually. This gas buildout occurs alongside corporate net-zero pledges that are ever

harder to reconcile with observed emissions trends.

The tension also appears in corporate reporting. Microsoft targets carbon negativity by 2030 and removal of all historical emissions by 2050; Google targets 24/7 carbon-free energy and net-zero operations by 2030; Meta targets net-zero across its value chain by 2030; and Amazon targets net-zero by 2040 with 100 percent renewable electricity matching. The latest public reports show progress on some operational metrics alongside continuing pressure from AI and cloud growth. Microsoft's 2025 report states that total Scope 1, 2, and 3 emissions were 23.4 percent above its 2020 baseline even as Scope 1 and 2 emissions fell, and Google's 2025 report highlights a 12 percent reduction in data-center energy emissions in 2024. Meta's latest sustainability data show data-center emissions rose 22 percent year over year in 2024, and Amazon's June 2026 data-center disclosure reports 2.5 billion gallons of global data-center water withdrawals and 0.12 liters per kilowatt-hour of water intensity. None of these disclosures resolves the broader comparability problems across firms (Microsoft 2025; Google 2025; Johnson and Mirza 2026; Amazon 2026).

Power purchase agreements (PPAs) are the primary mechanism for corporate renewable energy claims, but face additionality concerns. Renewable Energy Certificates (RECs) from existing assets are generally not additional: the renewable facility already existed. PPAs on new-build assets have genuine additionality when the PPA enables financing and construction. However, temporal mismatch remains: renewables generate intermittently while data centers operate continuously, meaning grid power often fills gaps with fossil generation. The push toward "24/7 clean PPAs" with hourly matching addresses this criticism but demands sophisticated trading infrastructure.

Ten states attach clean energy or renewable-sourcing conditions to data center incentives. Michigan's SB 237 requires data centers receiving tax exemptions to procure (or commit to procuring within six years) 90 percent of power from clean and renewable energy sources. However, enforcement is contested: the Michigan Strategic Fund's implementing guidelines would allow data centers to qualify merely by contracting with a utility subject to state clean energy laws, though no Michigan utility currently has a 90 percent clean energy mix, nor will any achieve it within six years. Environmental groups argue this interpretation undermines the requirement.

Other states have focused on ratepayer protection rather than emissions. **Georgia**'s Public Service Commission approved rules requiring data centers to contribute to grid upgrades rather than passing costs to residential consumers. **Oregon**'s PacifiCorp proposal penalizes large-load customers whose energy use does not match forecasts. **Indiana**'s HB 1007 creates energy planning requirements for large load customers. The limited adoption of clean energy conditions (10 of 50 states) indicates that emissions considerations are entering formal policy but remain far from standard practice.

SECTION 07

State Case Studies

Virginia, Texas, Georgia, Michigan, and Arizona—five states, five strategies.

	INCENTIVE	COST	SITING	OPERATING	ACCOUNT.
Virginia Incumbent under pressure	H	H	L	H	H
Texas Deregulated market, grid risk	H	M	H	M	M
Georgia Ratepayer-protection innovation	L	M	H	M	H
Michigan From zero to Stargate	H	H	H	H	H
Arizona Water & environmental limits	L	L	L	H	H

Tiers: H high M moderate L low. Axes are the five-dimension typology scored in Section B.

Exhibit 12. The five case-study states, scored across the policy typology

7 State Case Studies

The preceding sections survey data center policy across its principal dimensions (incentives, restrictions, energy regulation, and environmental constraints), drawing examples from many states. This Section examines five states in greater depth, selected to illustrate how these dimensions interact in practice. **Virginia** represents the mature market under pressure from its own success. **Texas** illustrates deregulated-market dynamics and grid reliability challenges. **Georgia** demonstrates ratepayer protection innovation through tariff design. **Michigan** shows the politics of rapid entry and the instability of fast policy. **Arizona** illustrates how water and environmental constraints shape siting decisions independently of tax and energy policy. Exhibit 12 summarizes how the five states score across the cross-state policy typology.

7.1 Virginia: The Incumbent Under Pressure

Virginia, and especially Northern Virginia, remains the world's largest data center concentration. JLARC found that Northern Virginia accounted for 13 percent of global operational data center capacity and 25 percent of capacity in the Americas; the state dataset records $153.2 billion in tracked investment, second nationally, and 12.7 GW of planned power capacity across 49 projects (Joint Legislative Audit and Review Commission 2024; Bommarito 2026). Loudoun County's June 2026 strategy described roughly 250 constructed data centers and more than 100 in the development pipeline; county budget materials report that data centers occupy about 4 percent of commercial parcels while contributing about 38 percent of general fund revenue (Turner 2026; Loudoun County 2026).

Virginia's market dominance grew from three advantages: PJM's dense transmission network, the presence of major internet exchange points in Ashburn, and a sales tax exemption for data center

equipment effective in 2010. The standard exemption requires $150 million in capital investment and 50 qualifying jobs, with a sunset date of 2035. Subsequent amendments added mega-scale tiers: investments exceeding $35 billion extend the sunset to 2040, and investments exceeding $100 billion extend it to 2050.

The scale of Virginia's market has generated three interrelated backlashes.

First, **local zoning restrictions** have tightened sharply. Loudoun County's March 2025 Phase 1 zoning amendments ended by-right data center development, requiring special exception approval for all new projects (Loudoun County Department of Planning and Zoning 2025). In Prince William County, the contested Digital Gateway project, a $24.7 billion, 2.7 GW proposal, was undone in court: a judge voided the rezoning in August 2025 over a defective public notice, the Court of Appeals of Virginia affirmed in March 2026, and the developer abandoned its appeal the following month, effectively ending the project. The county also adopted a data center noise ordinance and raised its computer equipment tax rate from $2.15 to $4.15 per $100 of value between 2023 and 2026. These actions reflect constituent frustration with noise, visual impact, and the pace of development in what were recently rural communities.

Second, **ratepayer concerns** have intensified. Dominion Energy, the state's dominant utility, serves the largest data center customer base in the country. The Virginia State Corporation Commission has examined whether the cost of generation and transmission infrastructure built to serve data center load is being equitably allocated across customer classes. Dominion's January 2026 PJM forecast materials separated approximately 4 GW of coincident 2025 data-center peak load, 47 GW of July 2025 contracted data-center capacity, and a 16.6 GW data-center demand forecast for 2046; those figures are not equivalent measures of executable load, but together they show why generation, transmission, and cost allocation have become central disputes (Dominion Energy Virginia 2026; U.S. Energy Information Administration 2026).

Third, **fiscal scrutiny** has grown. The JLARC study found that Virginia's data center sales tax exemption cost $1.02 billion in foregone revenue in fiscal year 2024, with cumulative costs of $2.73 billion from 2021 through 2024; by the 2026 budget debate, public estimates of the annual exposure ranged from roughly $1.6 billion to nearly $1.9 billion (Joint Legislative Audit and Review Commission 2025; Gelman 2026). The study concluded that the exemption does not pay for itself. Industry disputes that framing: a 2026 Northern Virginia Technology Council report estimated that Virginia data centers drive nearly $40 billion in annual statewide economic impact, support more than 112,000 jobs, and generate over $1.5 billion in state tax revenue (Northern Virginia Technology Council 2026). The competing estimates, which differ in their treatment of construction activity, induced employment, and the counterfactual, frame the central empirical dispute in Virginia's data center politics. The 2025 legislative session saw 28 data center–related bills, the most of any state, addressing zoning, energy, taxation, and transparency.

The 2026 session escalated each of these conflicts. The General Assembly considered 61 data center bills, again the most of any state, and sent 15 to Governor Abigail Spanberger, who signed measures requiring local site assessments and sound profiles before rezonings (HB 153/SB 94), water-use reporting by suppliers serving data centers (HB 496/SB 553), Tier 4-equivalent backup-generator standards (HB 507), and cost-allocation provisions for large-load customer classes (HB 1393/SB 253)

(MultiState 2026b; Virginia Legislative Information System 2026b; Virginia Legislative Information System 2026c; Virginia Legislative Information System 2026d; Virginia Legislative Information System 2026a). Most consequentially, the regular session ended in March 2026 without a budget agreement, in large part because of disagreement over whether to phase out or condition the data center sales tax exemption; WTOP reported on June 9, 2026, that lawmakers remained at odds as the July 1 fiscal-year deadline approached (Gelman 2026). The exemption that built the world's largest data center market has become a central fault line in the state's fiscal politics.

Virginia's challenge is to manage the consequences of success without driving investment to competing states. The state's approach has been incremental: preserving local land-use authority rather than preempting it, and relying on the State Corporation Commission's new GS-5 rate class and Dominion Energy's resource planning process to address ratepayer protection. Whether the incrementalism extends to the tax exemption itself is precisely what the unresolved budget fight will decide.

7.2 Texas: Deregulated Markets and Grid Risk

Texas has the third-largest data center investment pipeline at $152.5 billion across 51 projects and the largest planned power footprint at 32.1 GW (Bommarito 2026). The state's appeal rests on ERCOT's deregulated wholesale electricity market, abundant and inexpensive natural gas, a fast interconnection process, and extensive available land.

Texas's incentive structure combines state sales tax exemptions (10 to 15 years, requiring $200 million in investment and 20 qualifying jobs) with local property tax abatements under Chapter 312 of the Tax Code. The JETI program provides school district value limitations for qualifying projects. Unlike Virginia, Texas imposes no minimum square footage or explicit clean energy conditions, though the state's abundant wind and solar resources enable operators to meet voluntary sustainability targets through power purchase agreements. The fiscal cost has begun to attract the same scrutiny seen in Virginia: Comptroller data reported in April 2026 put the exemption's cost at $1 billion in fiscal year 2025 and at least $1.3 billion annually thereafter, making it one of the state's largest tax expenditures. Because the Texas legislature meets biennially, the 2026 response took the form of interim charges rather than legislation, directing House committees to study data center water use, SB 6 implementation, and ERCOT's large-load study process ahead of the 2027 session.

The state's defining policy innovation is SB 6, enacted in 2025, which addresses grid reliability rather than tax incentives (Texas Legislature 2025). SB 6 grants ERCOT authority to require large loads (defined by default as 75 MW or more) to install remote disconnect equipment, participate in demand management programs, and curtail operations during grid emergencies. The measure responds to ERCOT's reliability concerns: the April 2026 preliminary long-term load forecast reached 367.8 GW for 2032 under a planning snapshot, while ERCOT's April large-load update identified roughly 410 GW of large-load requests, 87 percent of it from data centers. Those figures are request and planning signals rather than predictions that all load will materialize, but they explain why the 2021 Winter Storm Uri remains a political reference point for grid vulnerability (Electric Reliability Council of Texas 2026a; Electric Reliability Council of Texas 2026b).

Texas also requires ERCOT approval for co-location arrangements in which a data center draws power from an existing generator producing more than 50% of its rated capacity, and the data center would reduce the generator's net output to the grid. This provision addresses the same co-location concerns that FERC is examining at the federal level but applies only within ERCOT's jurisdiction.

The state's mega-scale projects illustrate both the opportunity and the challenge. Vantage Data Centers' Frontier campus, a $25 billion commitment in West Texas, draws on the region's available land and transmission capacity. The Stargate consortium's Abilene footprint includes a 1.2 GW Oracle/Crusoe campus and a second 900 MW AI factory campus announced for Microsoft infrastructure in March 2026 (Crusoe 2026). These projects depend on ERCOT's ability to bring new generation online fast enough to match load growth—a question that SB 6's demand management provisions address only partially.

7.3 Georgia: Ratepayer Protection Innovation

Georgia ranks fourth nationally in tracked data center investment at $136.0 billion across 41 projects, with 12.6 GW of planned power capacity (Bommarito 2026). The state has emerged as the leading example of how a traditionally regulated electricity market can adapt to data center demand through tariff innovation rather than structural deregulation.

Georgia's Public Service Commission (PSC) adopted its **100 MW Rule** in January 2025, creating a new tariff framework for large loads (Georgia Public Service Commission 2025). Under the rule, customers contracting for 100 MW or more of capacity must pay for the upstream generation, transmission, and distribution infrastructure needed to serve their demand. Contracts now run 15 years, up from the previous 5-year standard, with minimum billing demand provisions that protect ratepayers if a data center reduces consumption below its contracted level. The tariff ensures that Georgia Power, the state's dominant utility, can recover the cost of capacity additions without shifting risk to residential and small-commercial customers.

Georgia Power's integrated resource plan reflects the scale of anticipated demand. The utility projects 8,200 MW of load growth by 2031, largely data center–driven. The PSC's 2026 data-center fact sheet reported a seven-year capacity need that had grown from 400 MW in 2022 to 8,500 MW, and a December 2025 certification of 9,985 MW of new generation, with roughly 80 percent expected to serve data centers. To meet this demand, the approved resource plan includes combustion turbines at Plant Yates (up to 1,400 MW), more than 2,065 MW of battery-storage and combustion-turbine resources by the end of 2027, and more than 3,500 MW in renewable energy solicitations by 2030 (Georgia Power 2025; Georgia Public Service Commission 2026). Vogtle Units 3 and 4, the first newly constructed reactors in the United States in over three decades, entered commercial operation in 2023 and 2024 and provide baseload capacity that the utility markets as an attraction for data center customers with carbon commitments.

Georgia's incentive program, a High-Tech Data Center Equipment Sales and Use Tax Exemption, scales eligibility by county population tier, with investment minimums ranging from $25 million in rural counties to $250 million in metropolitan areas. The exemption survived a political test in 2024 when the legislature passed HB 1192 to repeal it; Governor Brian Kemp vetoed the bill. Repeal efforts returned in

the 2026 session: SB 410 passed the Senate in March 2026 before stalling in the House Ways and Means Committee, and companion repeal bills died in committee, leaving the exemption intact through its statutory 2031 sunset but politically contested in consecutive sessions.

At the local level, controls hardened through 2026 even as the state incentive remained intact. DeKalb County extended its moratorium by another 100 days in June 2026 while drafting size- and impact-based regulations. Fayetteville prohibited new data centers in every city zoning district in March 2026. Coweta County, by contrast, approved the $17 billion Project Sail campus by a 3–2 vote in April 2026 under its new data center ordinance—a decision residents promptly challenged in court. This pattern (state incentives, local moratoria, and utility tariff innovation occurring simultaneously) exemplifies the multi-layered policy environment described throughout this Article.

7.4 Michigan: From Zero to Stargate

Michigan's data center sector barely existed before 2024. The state now has $30.2 billion in tracked investment across 22 projects and 3.3 GW of planned power capacity (Bommarito 2026)—but these figures are dominated by a single mega-project that arrived after the state enacted new incentives.

In December 2024, Michigan enacted SB 237, creating a statewide data center incentive program (Michigan Legislature 2024). The law provides sales and use tax exemptions for qualified data centers through December 31, 2050, and establishes **enterprise data center certificates** (issued by the Michigan Strategic Fund until December 31, 2029) that confer additional benefits. Enterprise certificate eligibility requires $250 million in capital investment, 30 qualifying jobs paying at least 150% of the regional median wage, green building certification, municipal water sourcing, and procurement of 90% of electricity from clean energy sources.

The clean energy requirement makes Michigan's program one of the most environmentally conditioned in the country. The program also includes **rate protection restrictions** designed to prevent cost-shifting to residential customers, addressing the concern that has driven regulatory action in Georgia and Virginia.

Michigan's political significance increased when the Stargate joint venture selected Saline Township in Washtenaw County for a 1,383 MW campus; 2026 financing and construction announcements later described the Oracle/Stargate project as a $16 billion campus (Michigan Public Service Commission 2026; Blackstone 2026; Oracle 2026b). The project catalyzed community opposition focused on agricultural land conversion, water consumption, and the scale of the facility. The Michigan Public Service Commission approved DTE Electric's large-load contracts in December 2025, establishing 19-year contract terms, 80% minimum billing demand requirements, and load-shedding priority provisions (Michigan Public Service Commission 2025a).

The political backlash was swift and escalated through 2026. In late 2025, state legislators introduced bills (HB 5396/HB 5397) to repeal the sales and use tax exemptions enacted just one year earlier. By spring 2026, bipartisan packages in both chambers (HB 5594–5596; SB 1018–1020) proposed pausing all state and local data center approvals until April 2027. Local governments did not wait: an April 2026 analysis counted 51 Michigan cities and townships with data center moratoria covering nearly 1,500 square miles (a figure that kept growing through the spring), while Detroit's City Council asked

the mayor to pause permits and the Ypsilanti utility authority imposed a 12-month water and sewer service moratorium on data centers. None of the statewide measures had passed as of June 14, 2026, but the trajectory reflects a broader pattern: states that move quickly to attract data center investment often face public opposition before the first facility is operational, creating a cycle of enactment and proposed repeal that undermines the policy stability developers seek.

Michigan's energy infrastructure faces its own challenges. The state sits within MISO territory, where the interconnection queue has a 3- to 4-year backlog. The MPSC's March 2026 storage order approved six DTE storage contracts totaling 1,332 MW, including the first 332 MW of company-owned storage facilities tied to the 1,383 MW Saline Township data center, and brought DTE's total storage capacity to 2,606 MW; the order noted that the data-center storage portfolio would exceed DTE's 1,150 MW Blue Water Energy Center (Michigan Public Service Commission 2026).

7.5 Arizona: Water Constraints and Environmental Limits

Arizona has emerged as a top-tier data center market despite a narrower incentive toolkit than many peer states. On the forward-looking measure our dataset tracks (announced investment), it ranks sixth nationally, at $103.8 billion across 24 projects and 9.4 GW of planned power capacity (Bommarito 2026). Yet Arizona also illustrates how physical resource constraints—particularly water—operate as an independent siting dimension that tax incentives and energy availability cannot override.

Arizona's Groundwater Management Act of 1980 established Active Management Areas (AMAs) subject to conservation requirements and mandatory use reporting. The Phoenix AMA, which contains most data center development, has a "safe yield" goal requiring long-term balance between withdrawal and recharge. However, a critical regulatory gap has emerged: while new residential developments face groundwater moratoria and must pay for recharge through the Central Arizona Groundwater Replenishment District, industrial facilities including data centers are not subject to the same requirements. This asymmetry—restricting 300,000 planned home lots while permitting multi-gigawatt data center parks—has generated sharp political tension.

Municipal governments have responded with ad hoc ordinances that the state's regulatory framework lacks. Chandler passed an ordinance in 2015 restricting new water-intensive, low-job-density businesses. Mesa adopted the Large Customer Sustainable Water Allowance in 2019, creating water "budgets" for users projecting 500,000 or more gallons daily; large users must stay within budgets and, in some cases, acquire long-term storage credits. Phoenix now requires facilities consuming over 500,000 gallons per day to establish conservation plans and recycle at least 30 percent of water. Most restrictively, the town of Marana prohibits its water department from supplying data centers with potable water for cooling and humidity control.

The most consequential municipal action came in August 2025, when the Tucson City Council voted 7–0 to reject "Project Blue," a 290-acre Amazon-linked data center that would have required nearly 2,000 acre-feet of water annually, making it Tucson Water's largest customer. The rejection followed public meetings drawing hundreds of opponents organized through the No Desert Data Center Coalition, which has since traveled nationally to share its organizing playbook. The developer subsequently filed an energy supply agreement with Tucson Electric Power despite lacking municipal water access,

drawing criticism from Arizona Attorney General Kris Mayes, who challenged the agreement as an unconstitutional delegation of ratemaking authority. The dispute continued after construction activity began outside city limits in 2026: Tucson revoked a temporary construction-water meter after finding improper use of city drinking water for dust control outside the service area, and Pima County later issued a fugitive-dust notice of violation (Arizona Public Media 2026; KGUN 9 2026).

Arizona's grid capacity presents parallel constraints. Arizona Public Service faces 30,000 megawatts of data center interconnection requests against a system with only 8,200 megawatts of peak capacity—requests equal to more than three and a half times the system it operates. Salt River Project has at least 10 gigawatts in pending data center requests. Unlike the other case-study states, Arizona utilities do not participate in a regional transmission organization; interconnection proceeds through bilateral utility-specific processes, and queue depths now stretch seven to ten years. APS is building a two-gigawatt natural gas plant in Gila Bend, with Phase 2 exclusively serving high-consumption customers under a subscription model in which data centers help fund construction.

Arizona's incentive program has grown dramatically. The Computer Data Center Program provides Transaction Privilege Tax and Use Tax exemptions for up to 10 years (20 years for sustainable redevelopment projects), with investment thresholds of $25 million in less-populous counties and $50 million in metropolitan counties. Fiscal costs have escalated rapidly, from $1.4 million in fiscal year 2020 to $19 million in fiscal year 2024 and $38.5 million in fiscal year 2025, with state analysts projecting at least $60 million by fiscal year 2027 (Boehm and Duda 2026). In January 2026, Governor Katie Hobbs proposed ending data center tax incentives entirely and implementing a water usage fee of $0.01 per gallon, arguing that "the incentives have done their job." The water fee did not advance, but the June 2026 budget package signed on June 13 enacted a three-year pause on tax exemptions for new data centers (Office of Governor Katie Hobbs 2026). Arizona also enacted a utility-cost framework: HB 2756, signed in June 2026, requires utilities to report semiannually on extra-high-load-factor customers and authorizes the Arizona Corporation Commission to impose minimum bills, minimum contract lengths, early-exit provisions, and customer-funded infrastructure requirements on them—bringing Arizona into the ratepayer-protection mainstream described in Section 5.3 (Arizona Legislature 2026).

The water-energy tradeoff has forced technology adaptation. Evaporative cooling is highly effective in Arizona's low-humidity climate but consumes substantial water; a large hyperscale facility using traditional cooling towers can require up to five million gallons daily. Air-cooled refrigeration uses near-zero water but increases electricity consumption. CyrusOne's Chandler campus operates eight facilities with zero evaporative cooling, using only 180,000 gallons per year for humidification. Google chose air-cooling for its $600 million Mesa facility specifically because "local water source in Arizona was at risk of depletion and scarcity." Microsoft announced it will pilot closed-loop cooling systems at its Phoenix site in 2026. Political pressure—not market economics—is driving these technology shifts.

Arizona demonstrates that a state can have available land, strong incentives, and willing utilities but still face binding constraints driven by resource limits. Water scarcity functions as a hard physical limit that policy cannot easily override. The No Desert Data Center Coalition's successes in Tucson and Chandler, Attorney General Mayes's rate challenges, and the June 2026 budget pause on new data center exemptions suggest that Arizona may be approaching a policy inflection point—moving from aggressive recruitment to managed growth that accounts for environmental carrying capacity.

SECTION 08

Cross-Cutting Patterns

The paradox, the energy gate, the asymmetric ledger, and a quiet convergence.

8 Cross-Cutting Patterns

The 50-state survey presented in the preceding sections covers each policy dimension independently. This Section describes patterns that cut across those dimensions: the simultaneous expansion of incentives and restrictions, the role of energy availability in shaping siting outcomes, the distribution of costs and benefits across levels of government, and the emergence of similar policy responses in states with different market structures.

The four patterns at a glance

1. **Incentive–restriction paradox.** The same jurisdictions that grant multi-decade tax exemptions have come to host localities that impose moratoria and restrictive zoning.
2. **Energy as gatekeeper.** Interconnection timing and generation adequacy shape siting at least as much as incentive generosity—read here as a cross-state association, not a causal estimate.
3. **Asymmetric distribution.** Developers and state treasuries capture concentrated benefits, while ratepayers and host communities bear diffuse costs.
4. **Policy convergence.** Without federal coordination, states with very different market structures are adopting common mechanisms—most visibly large-load tariffs with minimum billing demand.

8.1 The Incentive–Restriction Paradox

The most striking pattern in our data is the simultaneous expansion of state incentives and local restrictions within the same jurisdictions. We read it as the surface form of a deeper structural feature: a vertical mismatch in fiscal federalism, in which the tier of government that captures a policy's benefits is not the tier that bears or perceives its costs. Our broad inventory identifies data-center-relevant incentives in 49 states, while the National Conference of State Legislatures' dedicated-program survey identifies 38 states with data-center-specific incentives. By mid-2026, 34 states contained localities with enacted data center moratoria or formal moratorium-like pauses (208 local actions in total), alongside tighter zoning classifications, 33 state large-load tariff mechanisms, and organized community opposition now documented in all 50 states (Bommarito 2026; National Conference of State Legislatures 2026).

We term this the **incentive–restriction paradox**: state governments bear the fiscal cost of tax exemptions while local governments bear the physical cost of the facilities those exemptions attract. The paradox arises from a structural mismatch. State legislatures control tax policy and collect income and sales tax revenue that data centers generate. Counties and municipalities control land use and experience the noise, water consumption, visual impact, and infrastructure strain that data centers impose. When the state offers a 20-year sales tax exemption, it does not compensate the county that hosts the facility for the costs of accommodating it. The mismatch is the vertical externality long studied in fiscal federalism (Oates 1972; Keen 1998), here sharpened by scale and salience: a state exemption worth more than a billion dollars is diffuse against a state budget, while a single campus's

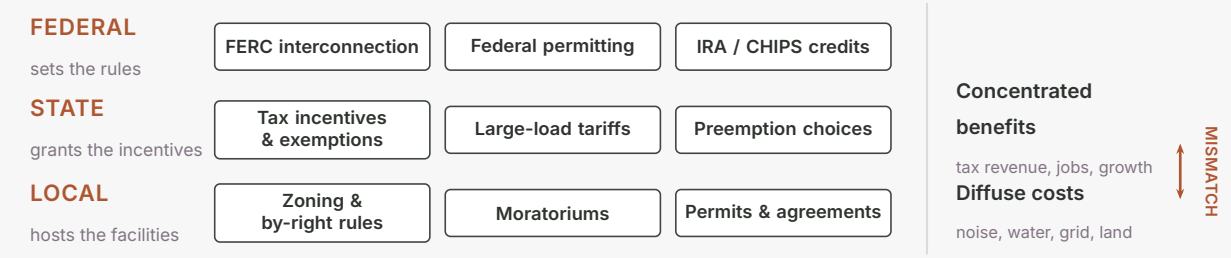


Exhibit 13. The paradox is a vertical mismatch: the level that grants the benefit is not the level that bears the cost

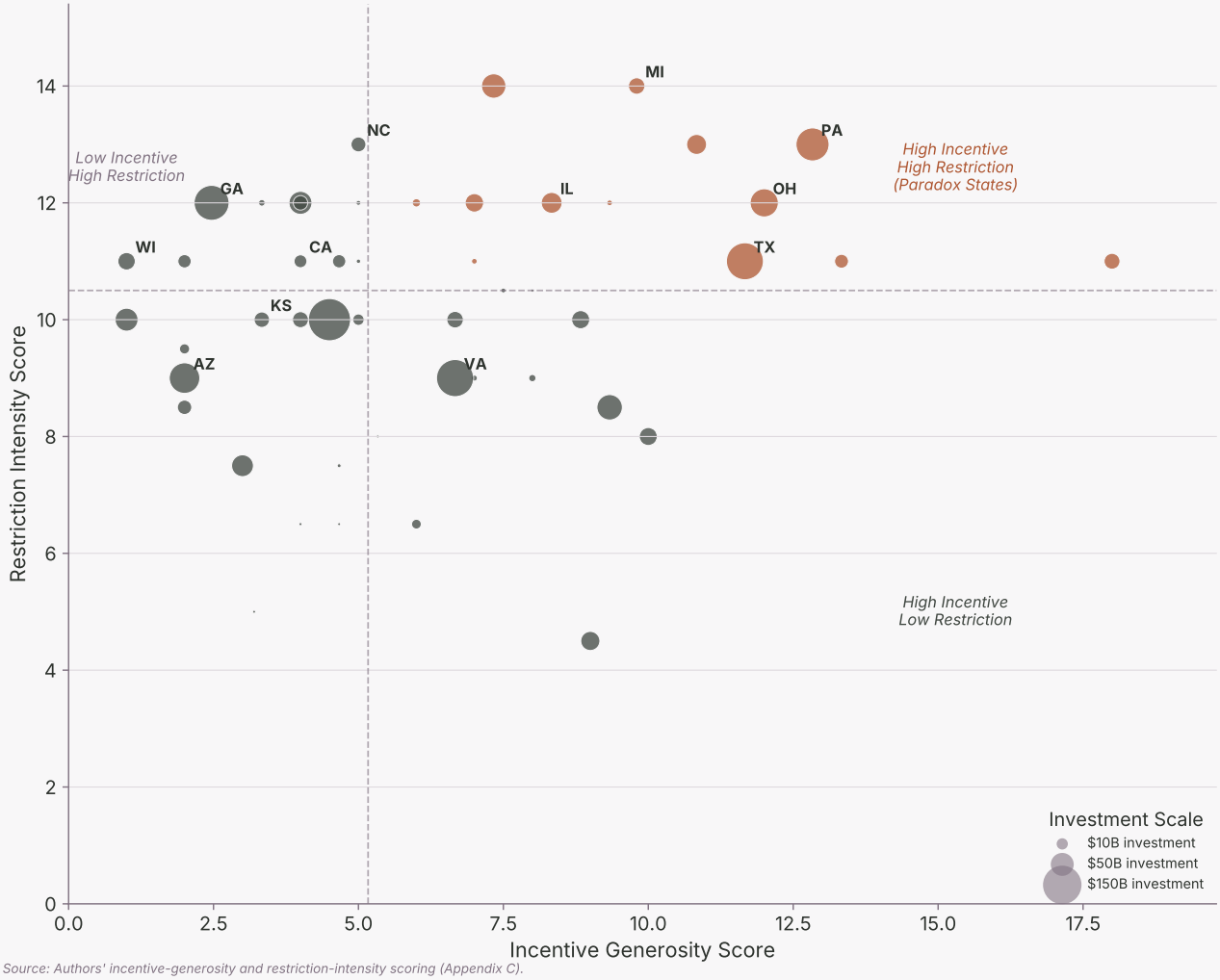
millions of gallons a day of water and hundreds of megawatts of load are acute at the scale of the town that hosts it. The federal tier sits furthest from the local cost and nearest the strategic benefit, which helps explain why federal policy (FERC interconnection rules, IRA credits) leans toward enabling. The conflict is not purely vertical, since states also compete horizontally for the same projects, but the vertical gap between who benefits and who bears is its organizing axis. Exhibit 13 maps which level of government controls each policy lever and where the benefits and costs land.

The paradox is starkest in **Virginia**, where the state's sales-tax exemption—with public annual exposure estimates ranging from roughly $1.6 billion to nearly $1.9 billion—coexists with Loudoun County's special-exception reclassification, Prince William County's noise ordinance, and the court-voided Digital Gateway rezoning. It is visible in **Georgia**, where the governor vetoed a repeal of the state incentive program in 2024 and the Senate passed another repeal in 2026, even as Atlanta-area localities adopted and extended moratoria and Fayetteville banned new data centers outright. And it is acute in **Michigan**, where the legislature enacted a generous incentive program in December 2024 and, within eighteen months, faced repeal bills, statewide moratorium packages in both chambers, and local pauses spanning nearly 1,500 square miles.

The paradox has practical consequences for developers. A state incentive that saves $30 million on equipment purchases is worth little if the conditional-use process adds two years to the development timeline. A 30-year property tax abatement is irrelevant if the locality imposes a moratorium before the application is filed. The result is policy uncertainty that developers cite as the single largest non-energy barrier to data center development.

Exhibit 14 visualizes this paradox, plotting states by a composite incentive-generosity score against a restriction-intensity score (Section B describes the construction). Thirteen states fall in the upper-right quadrant, scoring above the median on both axes, and we flag these as paradox states: **Alabama**, **Illinois**, **Indiana**, **Kentucky**, **Maine**, **Massachusetts**, **Michigan**, **Minnesota**, **Nebraska**, **North Dakota**, **Ohio**, **Pennsylvania**, and **Texas**. The stricter rank-tercile cross-tab contains eight high-incentive/high-restriction states: Illinois, Indiana, Massachusetts, Michigan, Minnesota, Ohio, Pennsylvania, and Texas. The formal classification understates the tension in the two most prominent battlegrounds, each of which misses the flag on a different axis. Virginia scores above the median on incentive generosity but below on the restriction index, precisely because Dillon's Rule (Section 4.1) channels its intense local resistance into zoning reclassifications, noise ordinances, and litigation rather than countable moratoria. Georgia shows the opposite profile: its localities enact some of the country's most restrictive controls, but its reliance on a single dominant exemption leaves it below the incentive-breadth threshold even

though that exemption is among the costliest in the country. The paradox, in other words, is sharper in dollar terms than the index alone conveys.



Source: Authors' incentive-generosity and restriction-intensity scoring (Appendix C).

Exhibit 14. States with the most generous incentives often face the most local restriction

8.2 Energy as the Gatekeeping Constraint

Our analysis confirms what the case studies illustrate: energy availability has become the practical gatekeeper for hyperscale siting, with tax policy operating mainly after a project has a credible power path.

The evidence is straightforward. States with fast interconnection processes and available generation capacity, such as Texas (ERCOT) and SPP-territory states like **Missouri** and **Oklahoma**, attract investment regardless of whether their tax incentives match those of competitors. States with long interconnection queues, those in PJM and MISO territory, face development delays that no incentive program can overcome. PJM's reformed interconnection process still opened its first post-transition cycle with more than 800 generation applications totaling roughly 220 GW, and average application-to-commercial-operation timelines have moved into the multi-year range (PJM Interconnection 2026).

ERCOT's market is faster in important respects, but its large-load process had accumulated roughly 410 GW of requests by spring 2026, with data centers accounting for about 87 percent of the queue (Electric Reliability Council of Texas 2026b; Electric Reliability Council of Texas 2026a). In both systems, the decisive question is not simply the retail tariff or tax package; it is whether a project can secure timely, financeable, and politically defensible power. This pattern is correlational. Energy access travels with other locational advantages—low land cost, abundant natural gas, existing fiber and transmission, and established siting corridors—that we cannot fully separate from power availability, so we read energy as the constraint a site must clear first rather than as the sole determinant of where investment lands.

This finding aligns with the framework developed by Klass and Owen (2026), who argue that electricity allocation—rather than electricity pricing—is the central policy challenge for large loads. The question is not how much a megawatt-hour costs but whether the megawatt-hour is available at all. Grid operators' interconnection queues function as de facto allocation mechanisms, distributing access to electricity based on application timing and study position rather than on any explicit policy judgment about which loads should receive priority.

For state policymakers, this pattern suggests that interconnection reform (speeding the queue, adopting cluster studies, simplifying transmission planning) may have a larger effect on data center siting than adjustments to tax incentive programs. FERC Order No. 2023, the final interconnection rule (as modified on rehearing by Order No. 2023-A), represents a step in this direction, but its implementation is uneven across grid operators, and its effects will not be fully realized for several years (Federal Energy Regulatory Commission 2024b).

8.3 Distributional Consequences

Data center development produces concentrated benefits and diffuse costs, a distribution that current policy does not adequately address.

The primary beneficiaries are data center developers and their investors, who receive direct fiscal transfers through tax exemptions, abatements, and credits. State treasuries benefit from construction-phase sales tax revenue, corporate income tax (where applicable and not exempted), and the economic activity generated by construction workforces. Host localities benefit from property tax revenue—except where that revenue is abated—and from community benefit agreements where they are negotiated.

The primary cost-bearers are electrical ratepayers and local communities. Ratepayers subsidize data center development when the cost of new generation and transmission capacity is socialized across all customer classes—a mechanism economists have begun to formalize as a pecuniary externality transmitted through electricity prices (Lee and Schmalz 2026). The Georgia PSC's large-load tariff addresses this directly; other states are moving in the same direction, but the protections vary widely in scope, timing, and enforceability. Local communities bear the costs of noise, water consumption, visual intrusion, and lost agricultural or open-space land. The environmental justice dimensions are acute: the Project Marvel proposal in Bessemer, Alabama, pairs a nearly 900-acre rezoning with possible backup-generator, water, utility, land-use, and transparency concerns raised by residents

and environmental advocates (WBRC 2026; Southern Environmental Law Center 2025a).

The employment intensity of data centers exacerbates the distributional problem. Data centers do not create as many permanent jobs as other economic-development projects, but their capital intensity can produce substantial fiscal effects: CBRE's ballpark comparison found that a $1 billion data center could generate tax revenue comparable to a 1,700-job corporate headquarters (Lenio 2015). The jobs that data centers do create are often high-paid: in Virginia, the Richmond Fed reported an average private-sector data-center wage of $134,308 in 2020, more than twice the statewide private-sector average (Mullin 2023). County-level synthetic-control evidence suggests broader temporary gains during buildout waves, including 4–5 percent higher total private employment after five to six years in treated counties, though such estimates are themselves sensitive to treatment timing and spillovers to the comparison counties (Bahar and Wright 2026). The durable employment impact remains small relative to the fiscal cost of incentives and the community impact of the facilities.

The distributional stakes have moved from regulatory dockets to electoral politics. Retail electricity rates rose 26.3 percent in the District of Columbia, 18.9 percent in Pennsylvania, and 16.3 percent in Rhode Island in 2025—against a 7.1 percent national average—and polling finds nearly half of Americans expect data center energy costs to be a campaign issue in the 2026 midterms (West 2026). Candidates in both parties have proposed moratoria, large-load tariffs, and requirements that data center operators cover the full cost of the infrastructure built to serve them, while the technology industry has responded with substantial political spending in data center states. Whatever the electoral outcome, the politicization of electricity rates makes the cost-allocation mechanisms surveyed in Section 5.3 a live political commitment rather than a technical afterthought: states that fail to insulate residential ratepayers can now expect the failure to be litigated at the ballot box.

8.4 Emerging Policy Convergence

Despite broad variation in market structure and political context, states are converging on several policy elements in their response to data center demand. This convergence is descriptive, not normative: we observe similar approaches emerging across jurisdictions, which may reflect either a limited set of viable solutions to a common problem or rapid policy diffusion. The two explanations are hard to separate. Model tariffs, NARUC and regional-commission templates, shared outside counsel and consultants, and direct copying could produce similar statutory and tariff language without each state independently rediscovering it, and the sequencing is suggestive: several 2026 statutes adopt recognizable structures, and at least one state legislated before its own utilities had filed. Distinguishing genuine convergence from diffusion would require tracing the provenance and timing of the model language, which we do not attempt here.

Ratepayer protection represents the most striking area of convergence. Georgia's Public Service Commission adopted enhanced contract requirements for large loads above 100 MW, requiring minimum billing demand provisions and 15-year contracts (Georgia Public Service Commission 2025). Indiana's Utility Regulatory Commission approved large-load contract structures with 80 percent minimum billing, 12-year terms, and exit fees (Indiana Utility Regulatory Commission 2025). Texas's SB 6 established 75 MW as the threshold for mandatory curtailment equipment and demand response

participation (Texas Legislature 2025). Virginia's State Corporation Commission created the GS-5 rate class for loads exceeding 25 MW, with 85 percent minimum billing on transmission and distribution and 60 percent on generation (Virginia State Corporation Commission 2025). Michigan's Public Service Commission approved tariffs for Consumers Energy (100 MW threshold, 80 percent minimum billing, 15-year contracts) and DTE Electric (special contracts with net-benefit calculations) (Michigan Public Service Commission 2025b; Michigan Public Service Commission 2025a). The trend extended through the 2026 legislative sessions: **Maryland**'s HB 1532/Chapter 353 created a 25 MW large-load registry and clean-capacity rating framework; Alabama's SB 270 expanded Public Service Commission review of contracts for 150 MW data-center customers; and **Florida**'s SB 484, signed in May 2026, required utilities to adopt minimum tariff and service terms for large loads and to protect residential and small-business customers from data center cost shifting (Maryland General Assembly 2026; Alabama Legislature 2026; Florida Senate 2026). **Arizona**'s HB 2756, signed June 4, 2026, created an extra-high-load-factor customer framework authorizing minimum bills, contract-length terms, collateral or guarantees, and customer-funded infrastructure requirements (Arizona Legislature 2026). Florida is notable for acting by statute before its utilities had filed large-load tariffs of their own, with Arizona's HB 2756 advancing on a similar track.

These states have different market structures. Georgia and Indiana are traditionally regulated, Texas is deregulated, and Virginia and Michigan operate hybrid models, yet their responses share a recognizable template. Each establishes a megawatt threshold separating data centers from ordinary industrial customers. The commission-approved regimes pair long-term contractual commitments, well beyond the 5- to 10-year horizons typical for industrial loads, with minimum billing demand provisions that protect ratepayers if projected load fails to materialize; Texas substitutes mandatory curtailability for billing structure, and the 2026 statutes direct regulators to adopt comparable terms. All aim to isolate data center infrastructure costs from residential and small-commercial customers. The convergence suggests that the underlying problem—cost allocation for unusually large, capital-intensive loads—has similar solutions regardless of regulatory architecture.

Clean energy conditions attached to incentive programs represent a second area of emerging, though less uniform, convergence. Michigan's 2024 legislation requires enterprise data center certificate holders to procure 90 percent of electricity from clean energy sources—the most stringent requirement in the country. Several states require renewable energy credits or power purchase agreements as conditions of incentive eligibility. Proposals to go further have so far failed: Virginia bills that would have conditioned its exemption on carbon-free procurement died in the 2026 session. Yet the majority of state incentive programs impose no clean energy conditions at all. Ten of 50 states tie tax benefits to environmental performance, still a minority.

The **preemption question**—whether state government should override local land-use authority for data center projects—has produced divergent outcomes. West Virginia enacted the nation's first broad preemption law in 2025, prohibiting local regulation of certified high-impact data center projects (West Virginia Legislature 2025). Virginia preserved local zoning authority while adopting a narrower 2026 site-assessment and environmental-reporting package (Virginia Legislative Information System 2026b). Michigan's incentive program does not preempt local authority. Texas relies more on market structure, utility interconnection review, and limited county land-use authority than on blanket siting

preemption. The spectrum runs from full preemption (**West Virginia**) through preserved local authority (Virginia, Michigan) to market-based facilitation and utility-centered screening (Texas).

A **moratorium-to-regulation cycle** has emerged as the standard local response to data center pressure. The pattern is consistent: localities impose emergency moratoria lasting 90 to 180 days, convene stakeholder processes to study impacts, and then adopt permanent zoning ordinances with conditions tailored to data center development. Loudoun County followed this path from its March 2025 special-exception reclassification to ongoing Phase 2 standards development. Georgia localities including DeKalb County, Fayetteville, Coweta County, Camden County, and Kingsland adopted moratoria or pause-and-study procedures while developing permanent ordinances. Delaware's response to Project Washington followed a similar trajectory, with the Public Service Commission pausing large-load connections while developing tariff requirements. The cycle reflects a governance gap: existing land-use and utility frameworks were not designed for 100 MW to 1 GW facilities, and localities need time to develop appropriate rules.

Internationally, the U.S. approach to data center regulation is more fragmented than that of peer jurisdictions. The European Union's Energy Efficiency Directive imposes data center energy reporting requirements at the EU level. Ireland imposed a moratorium on new data center connections from 2022 to 2024 due to grid capacity concerns. Singapore restricts new data center development pending environmental performance improvements. The Netherlands has adopted municipal moratoria similar to those in the United States. By contrast, the U.S. has no federal data center policy; states act independently, and localities within states act independently of each other. Whether this fragmentation represents appropriate federalism or a coordination failure depends on one's view of the tradeoffs between policy uniformity and local responsiveness.

SECTION 09

Conclusion

The choices of the next few years will shape grids, land, and communities for decades.

9 Conclusion

This Article presents the first 50-state survey to integrate the five dimensions of data center policy with project-level investment data and a typology that scores all fifty states. Our dataset of 890 projects across all 50 states, in which active projects disclose approximately $1.79 trillion in investment and 239.6 GW of reported electrical capacity, anchors a catalog of state and local regulation across the five dimensions surveyed above.

The survey documents a policy environment in rapid motion. Our broad inventory identifies data-center-relevant incentives in 49 states, including 38 states with dedicated data-center tax incentives, while 34 states now contain localities with enacted moratoria to slow development (208 local actions in total). We read this incentive–restriction paradox as a vertical mismatch in fiscal federalism: the state and federal tiers that grant the incentives and count the strategic gains are not the local tier that absorbs the noise, water draw, and grid strain. The underlying benefits and costs are themselves distributed asymmetrically, with concentrated gains for developers and state treasuries set against diffuse costs borne by ratepayers and host communities. The restriction wave broadened sharply across the 2026 legislative sessions, producing statewide moratorium bills and enacted incentive rollbacks in 20 states. Energy availability—specifically, the ability to secure timely and financeable power—now shapes siting patterns at least as much as fiscal policy: states with credible power paths can attract investment even without the richest tax package, while states with multi-year queue backlogs face delays that no incentive program can cure. Water consumption, noise, and air quality from backup generation are emerging as independent siting constraints, particularly in water-scarce states such as **Arizona** and in communities near existing concentrations of facilities. And by mid-2026, 33 states had adopted large-load ratepayer protection mechanisms, an extraordinary pace of regulatory convergence, though the approaches vary in structure and scope.

Our analysis has several limitations. The dataset reflects announced investments rather than completed projects; actual investment and power consumption will differ from the figures tracked here. Investment estimates are derived from public announcements and may overstate commitments that are phased or conditional. The policy environment is changing rapidly: our research incorporates 2026 legislative sessions through June 16, 2026, but several consequential measures remained unresolved as this Article was finalized, including gubernatorial action on New York's statewide moratorium bill and Virginia's budget negotiation over its sales tax exemption. FERC acted on its large-load interconnection and co-location agenda items at its open meeting on June 18, 2026, the day this draft was finalized; the practical significance of those actions will become clear only in the weeks and months ahead, as grid operators, states, and local governments respond. We do not model the fiscal impact of incentive programs or estimate their causal effect on location decisions, both of which would require project-level financial data that is not publicly available. Finally, classifying fifty heterogeneous policy environments into discrete categories necessarily involves judgment; our labels are evidence-backed and audited (Section B), and the companion data include the reasoning behind every classification so that readers can scrutinize and challenge individual calls.

Several directions for future research follow from this survey. Rigorous fiscal impact studies—estimating the net revenue effect of data center incentives after accounting for construction activity, indirect employment, and foregone tax revenue—would provide the empirical basis that most state incentive debates currently lack, extending recent county-level employment estimates (Bahar and Wright 2026) into net fiscal terms. Cross-state regression analysis of the relationship between interconnection timelines and investment flows could test whether the patterns described in Section 8.2 hold under quantitative scrutiny. International comparison, particularly with the European Union's Energy Efficiency Directive reporting requirements, Ireland's and Singapore's moratorium experiences, and Nordic countries' renewable-energy-based attraction strategies, would situate U.S. state-level fragmentation in a global context. Property value and environmental justice analyses (using hedonic methods and EJScreen data applied to data center siting patterns) would address questions about community-level impacts that this survey identifies but does not quantify.

The buildout now underway will shape electrical grids, land use, and community economies for decades. The decisions that state legislators, public utility commissioners, county supervisors, and utility planners make over the next several years will determine whether the benefits of this investment are broadly shared or narrowly captured, and whether its costs fall on those best positioned to bear them or on those least able to avoid them.

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A 50-State Summary Table

This appendix summarizes data center policy across all 50 states. For each state, we report active estimate-complete investment (reported values plus flagged estimates, as defined in Section B), planned power capacity, tracked projects, incentive program count and maximum duration, moratorium and large-load mechanism status, primary grid operator, and the five-dimension policy typology developed in Section B. Project aggregates and provenance reflect project data verified through June 16, 2026. Policy classifications reflect the June 2026 structured state-policy dataset, whose label layer was produced from research memoranda with a June 10, 2026 cutoff and selected later corrections where noted in the state compendium.

The table is organized alphabetically by state. The five typology dimensions (Incentive Generosity, Cost Distribution, Siting Restrictiveness, Operating Stringency, and Accountability Rigor) each score states on a 0–8 scale using four indicator components, then classify them as High (H), Moderate (M), or Low (L) via rank-based terciles. Paradox states (P) are those above the median on both incentive generosity and restriction intensity, indicating internal policy tension; Section B describes the scoring.

Exhibit 15. 50-State Data Center Policy Summary

	Market & Policy Data								Policy Typology				
State	Investment	Power (GW)	Projects	Incentives	Duration	Moratorium	Lg. Load Mech.	RTO/ISO	Incentive	Cost Distrib.	Siting	Operating	Accountability
AL(P)	$28.1B	4.2	18	9	30	•	•	SERC	**H**	L	M	M	M
AK	$1.7B	1.2	8	4	5	—	—	non-RTO	M	L	L	L	L
AZ	$103.8B	9.4	24	2	—	—	•	non-RTO	L	L	L	**H**	**H**
AR	$23.0B	2.1	8	2	—	—	•	SPP/MISO	L	L	L	L	L
CA	$18.6B	1.9	29	4	—	•	•	CAISO	L	L	**H**	M	L
CO	$2.6B	2.6	12	5	15	•	—	non-RTO	L	M	L	M	L
CT	$2.2B	0.37	13	3	20	•	—	ISO-NE	L	**H**	**H**	L	L
DE	$144M	1.2	8	4	10	—	—	PJM	M	L	L	M	L
FL	$4.8B	7.4	18	2	20	•	•	non-RTO	M	L	M	M	**H**
GA	$136.0B	13	41	2	7	•	•	SERC	L	M	**H**	M	**H**
HI	$96M	0.01	5	3	2	—	—	non-RTO	M	L	L	M	M
ID	$2.7B	1.1	8	5	—	•	•	WECC	M	M	M	**H**	L
IL(P)	$48.3B	9.9	32	5	20	•	•	PJM, MISO	**H**	M	**H**	**H**	**H**
IN(P)	$66.3B	7.9	19	4	25	•	•	PJM/MISO	M	**H**	**H**	L	M
IA	$36.4B	3.7	14	5	23	•	•	MISO	M	**H**	M	M	M
KS	$26.6B	2.1	6	2	20	•	•	SPP	M	**H**	M	**H**	**H**
KY(P)	$21.5B	1.9	9	5	50	•	•	PJM/MISO/TVA	M	**H**	M	M	**H**
LA	$35.9B	2.6	12	6	20	•	•	MISO	**H**	**H**	L	M	**H**
ME(P)	$7.7B	1.1	8	6	—	•	—	ISO-NE	L	L	M	M	M
MD	$19.8B	5.6	13	2	—	•	•	PJM	L	M	M	**H**	L

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Exhibit 15. 50-State Data Center Policy Summary (continued)

	Market & Policy Data								Policy Typology				
State	Investment	Power (GW)	Projects	Incentives	Duration	Moratorium	Lg. Load Mech.	RTO/ISO	Incentive	Cost Distrib.	Siting	Operating	Accountability
MA(P)	$3.7B	0.62	17	4	40	•	—	ISO-NE	M	L	**H**	**H**	L
MI(P)	$30.2B	3.3	22	7	12	•	•	MISO	**H**	**H**	**H**	**H**	**H**
MN(P)	$44.2B	2.0	13	5	35	•	•	MISO	**H**	M	**H**	**H**	**H**
MS	$72.1B	2.9	16	7	10	—	•	MISO	**H**	M	L	L	L
MO	$198.3B	6.3	19	3	15	•	•	MISO/SPP	L	**H**	M	**H**	M
MT	$1.1B	1.2	7	3	10	—	—	WECC	L	L	L	L	L
NE(P)	$3.6B	0.85	11	7	—	•	•	SPP	**H**	M	M	**H**	**H**
NV	$30.6B	8.0	23	4	20	•	—	WECC	**H**	L	M	M	**H**
NH	$39M	0.01	5	0	—	—	—	ISO-NE	L	L	L	L	L
NJ	$5.8B	1.0	27	4	30	—	—	PJM	**H**	M	M	**H**	**H**
NM	$58.7B	9.3	7	4	—	•	•	WECC	L	**H**	M	**H**	**H**
NY	$28.4B	2.6	16	4	—	—	—	NYISO	L	**H**	M	L	L
NC	$24.8B	2.5	16	3	20	•	—	non-RTO	M	M	**H**	**H**	M
ND(P)	$38.0B	3.3	15	6	5	•	•	MISO/SPP	**H**	M	**H**	M	L
OH(P)	$88.3B	16	19	6	30	•	•	PJM	**H**	**H**	**H**	L	M
OK	$19.7B	6.5	16	4	5	•	•	SPP	M	**H**	**H**	L	M
OR	$40.7B	3.6	17	6	15	—	•	WECC	M	**H**	L	**H**	**H**
PA(P)	$121.3B	22	24	7	25	•	•	PJM	**H**	**H**	**H**	**H**	M
RI	$106M	0.01	11	4	30	•	—	ISO-NE	**H**	L	L	L	M
SC	$23.4B	2.8	13	2	30	•	•	non-RTO	M	M	**H**	**H**	L
SD	$4.0B	0.56	7	6	5	—	•	SPP/MISO	M	L	M	L	L

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Exhibit 15. 50-State Data Center Policy Summary (continued)

	Market & Policy Data								Policy Typology				
State	Investment	Power (GW)	Projects	Incentives	Duration	Moratorium	Lg. Load Mech.	RTO/ISO	Incentive	Cost Distrib.	Siting	Operating	Accountability
TN	$14.6B	1.5	15	5	—	•	•	non-RTO	**H**	**H**	**H**	L	M
TX[(P)]	$152.5B	32	51	7	20	•	•	ERCOT	**H**	M	**H**	M	M
UT	$58.4B	25	19	1	—	•	•	WECC	L	L	M	L	L
VT	$36M	0.01	5	4	5	—	—	ISO-NE	**H**	L	L	L	**H**
VA	$153.2B	13	49	5	10	—	•	PJM	**H**	**H**	L	**H**	**H**
WA	$11.6B	2.3	19	2	—	•	—	WECC	L	M	L	M	**H**
WV	$10.6B	7.3	14	6	—	—	•	PJM	M	M	L	L	M
WI	$33.9B	4.2	12	1	—	•	•	MISO	L	**H**	**H**	M	M
WY	$53.0B	5.2	6	3	—	—	—	WECC	L	M	L	L	M

Notes: Typology tiers: **H** = High, M = Moderate, L = Low (each dimension scored 0–8, classified via rank-based terciles). [(P)] = paradox state (above median on both incentive generosity and restriction intensity). Investment and power reflect active reported-and-imputed project totals. Power in gigawatts. Duration = maximum incentive term (years). Project aggregates reflect values verified through June 16, 2026; policy labels reflect the June 2026 structured state-policy dataset.

Source: Author's compilation from state statutes, legislative databases, public utility commission filings, and project-level data (Bommarito 2026). Investment figures reflect active estimate-complete project totals and may include phased or conditional amounts. Pending incentive bills are not included in enacted incentive counts unless separately noted in the state compendium.

B Data and Methodology

Dataset Construction

The project-level dataset underlying this Article comprises 890 data center projects across all 50 states, compiled between January 2024 and June 16, 2026. We define a "project" as a distinct facility or campus (identified by a unique combination of operator, location, and announced capacity) that has been publicly announced, is under construction, or is operational. Multi-phase campuses are counted as a single project when the phases share a common site and operator; separately announced facilities by the same operator at different locations are counted as distinct projects. Records are keyed on the operator–location–capacity combination; differently spelled records for the same campus were reconciled during the project-level verification pass described below. Throughout, "active" projects are those not marked cancelled, on hold, or paused, and the headline totals report active projects only.

For each project, we record the following fields where available: project name, state, city, county, region, development status (planned, under construction, or operational), sponsor(s), operator(s), tenant(s), total square footage, power capacity in megawatts, IT load in megawatts, announced investment in U.S. dollars, announced date, expected completion date, number of phases, primary purpose (hyperscale, colocation, enterprise, edge), renewable energy commitments, power usage effectiveness (PUE) targets, water cooling arrangements, economic impact estimates (jobs, tax revenue), incentive type and value, and material challenges or notes.

Source Categories

The dataset draws on six categories of sources:

1. **Company announcements and press releases.** The primary source for new project identification, investment amounts, and capacity figures. We track announcements from the major hyperscale operators (Microsoft, Google, Amazon Web Services, Meta), colocation providers (Digital Realty, Equinix, QTS, CyrusOne), and developers (Vantage, Blackstone, T5, Tract).
2. **State and local legislative databases.** We reviewed enacted legislation and pending bills related to data centers in all 50 states, using state legislature websites, LegiScan, and the National Conference of State Legislatures database. The current structured legislative inventory tracks 497 data center–related measures across 2025 and 2026 sessions, including 158 bills coded as passed or signed in the June 2026 snapshot.
3. **Public utility commission filings.** Rate cases, integrated resource plans, large-load interconnection applications, and tariff filings from state PUCs provide data on power demand, generation planning, and cost allocation. We reviewed PUC dockets in all states with substantial data center activity.
4. **Utility integrated resource plans (IRPs).** IRPs filed by major utilities (including Dominion Energy in Virginia, Georgia Power, DTE Energy and Consumers Energy in Michigan, and Entergy in Louisiana) provide generation capacity projections and data center load forecasts.

5. **Grid operator data.** Interconnection queue data, load forecasts, and transmission planning documents from PJM, ERCOT, MISO, SPP, and other RTOs/ISOs provide information on queue depth, large-load applications, and transmission constraints.
6. **News reporting and trade publications.** We use news sources to identify projects not covered by company announcements, to track community opposition and moratoria, and to verify details from other sources. Principal trade sources include *Data Center Dynamics*, *Data Center Knowledge*, and *Utility Dive*.

Estimated Values and Provenance

Not every tracked project publicly discloses both investment and power capacity, and early data collection introduced errors that compounded across large projects. We therefore conducted a project-level verification pass over all 890 projects, checking each project's announced investment, power capacity, and development status against primary sources (company filings and project pages, county and municipal records and incentive agreements, public utility commission dockets, and SEC filings) and recording for every value a verdict and a source citation in a project-level provenance ledger. This pass corrected several recurring errors: incentive or tax-abatement ceilings mistaken for announced capital (for example, distinguishing a multi-decade abatement base from committed capex), on-site generation or interconnection-request capacity mistaken for data center IT load, land-purchase or transaction prices mistaken for build cost, and synthetic cross-estimates carried as if disclosed. Figures we could confirm are marked *reported*; figures that no primary source discloses are recorded as undisclosed rather than imputed as fact. A residual set of cross-estimated values are flagged *estimated*: where one figure was disclosed and the other was not, the missing value was derived from the median capital-intensity ratio of roughly $7 million per megawatt. Because early collection did not flag imputations at the time, provenance for pre-verification values was reconstructed by comparing each value against the pre-fill data snapshot and detecting this imputation signature; the primary-source verification verdicts then supersede the heuristic for every project carrying a ledger entry. Imputed cells are a minority of the active totals: imputed values supply 6.5 percent of the estimate-complete investment total and 9.4 percent of the estimate-complete power total, and the $7 million-per-megawatt ratio sits at the conservative low end of a defensible $7–$35 million band. The estimate-complete totals are therefore only modestly sensitive to it: re-imputing at $14 million per megawatt would move estimate-complete investment from roughly $1.91 trillion to $2.03 trillion and estimate-complete power from roughly 264 GW to 252 GW, while the reported-only headline totals ($1.79 trillion and 239.6 GW) do not depend on the imputation at all. Headline totals in the Abstract and Introduction sum *reported* active-project values only and identify them as active-project reported-disclosure totals; the fuller estimate-complete totals, which also include the flagged estimated values, are identified as such wherever they appear. The companion dataset includes the per-project provenance ledger distinguishing reported from estimated values, and active totals exclude canceled, on-hold, and paused projects.

AI-Assisted Research Pipeline

The state-level research underlying this survey was compiled with the assistance of a large-language-model research workflow with web search capability (OpenAI's `codex` CLI in search-enabled mode, accessed in 2026), which generated per-state research memoranda covering policy, energy, and economic impact dimensions, with source citations for each claim. Structured data were then extracted from these memoranda into validated JSON records, and all aggregate statistics, cross-tabulations, and typology scores reported in this Article were computed deterministically from those records using companion analysis scripts. To validate the dataset, the authors drew a stratified sample of states and claim types and checked those entries against primary sources (statutes, commission orders, and legislative records), correcting extraction errors found in the sample. Research files were initially generated in early February 2026 and refreshed in June 2026 to capture 2026 legislative sessions and regulatory developments. Most state-policy label inputs carry a June 10, 2026 cutoff, with selected later status corrections reflected in the structured state files and state compendium; the project-level value-verification pass described above extends through June 16, 2026.

Categorical Label Construction

The categorical labels that feed the policy typology are assigned by a structured classification pipeline rather than hand-coding. These labels cover zoning treatment, community opposition level, moratorium status, preemption model, operating standards (water, noise, generator emissions, wage, and disclosure rules), accountability measures (sunsets, audits, repeal efforts, tax expenditure reporting), and cost-allocation mechanisms. For each state, a frontier language model (OpenAI's `gpt-5.5`, accessed in 2026 through the Responses API with web search enabled) reads the state's full research memoranda and returns a typed, schema-validated label set in which every label carries four elements: a value from a closed set of calibrated anchors, a written reason citing the specific statute, ordinance, or event that drove the choice, one or more verbatim evidence quotations from the source document, and a confidence grade. Label generation is not deterministic; we therefore distribute the exact label set used in this Article, and all aggregation, scoring, and typology construction downstream of the fixed labels is fully reproducible. Calibration rubrics define each anchor concretely (for example, a "severe" opposition rating requires statewide moratorium legislation passing a chamber, multiple project cancellations or reversals, or roughly ten or more enacted local moratoria) and prohibit defaulting to middle or catch-all categories without affirmative evidence of genuine mixedness. For audit-prone accountability labels, the classifier also searches the public web for state-auditor evaluations and recurring tax-expenditure reports that policy memoranda commonly omit.

Three validation layers support the labels. First, an automated integrity check verifies that every evidence quotation appears verbatim in the source document and flags degenerate distributions. Second, independent adversarial audits of a five-state sample (Virginia, Texas, Georgia, Arizona, Wyoming; 91 labels) compared each label against the rubric, the source documents, and the live web; auditors agreed with or found defensible roughly 97 percent of labels, and the three identified errors were traced to rubric gaps that were corrected before the full fifty-state run. This audit is illustrative rather than fully validating: the five states were chosen for high policy salience rather than at random, the corrections were folded back into the rubric before the full run (so the agreement figure is partly

in-sample), and "agreed with or found defensible" combines exact agreement with judgments of reasonableness. Label reliability in low-salience states, which carry thinner documentary records, is correspondingly less well-characterized. Third, the complete label set, including reasons and evidence, is distributed with the companion data so that any individual classification can be inspected and challenged.

Policy Typology Construction

The five-dimension typology reported in Section A and Section C scores each state on Incentive Generosity, Cost Distribution, Siting Restrictiveness, Operating Stringency, and Accountability Rigor—dimensions that correspond to the five policy categories used throughout this survey. Each dimension aggregates four indicator components scored 0–2, yielding a raw score from 0 to 8. Incentive Generosity combines incentive breadth, maximum duration, core tax exemptions, and supplementary programs. Cost Distribution combines ratepayer protection mechanisms, local fiscal recovery instruments (host community fees and payment-in-lieu-of-taxes, or PILOT, agreements), community benefit agreements, and the existence of fiscal impact studies. Siting Restrictiveness combines moratorium activity, zoning strictness, environmental constraints, and documented community opposition. Operating Stringency combines water and generator regulation, labor standards, energy disclosure and clean energy conditions, and noise regulation. Accountability Rigor combines sunset and clawback provisions, legislative audits, repeal or reform efforts, and the quality of tax expenditure reporting. States are classified as High, Moderate, or Low on each dimension using rank-based terciles. Three construction choices warrant note: the four components within each dimension are equally weighted; the High/Moderate/Low tiers are rank-based terciles, so they express relative standing among the 50 states rather than absolute thresholds; and a small number of inputs that feed more than one dimension (in particular, moratorium status and community opposition) contribute both to the Siting Restrictiveness dimension and to the paradox restriction index.

The **paradox flag** uses two continuous indices computed separately from the 0–8 typology dimensions above. Incentive generosity is the incentive-type count multiplied by $(1 + d/30)$, where d is the maximum incentive duration in years. Restriction intensity is the sum of a moratorium term (3 where any local moratorium is present), a zoning-strictness score (0 for by-right rising to 4 for prohibited, defaulting to 1 where the zoning treatment is unknown), the environmental-constraint count capped at 5, and an opposition term (2 for severe, 1 for high, 0.5 for moderate, 0 otherwise). A state is flagged when it exceeds the median on both indices, which yields the thirteen states plotted in Exhibit 14 and discussed in Section 8.1. A stricter rank-tercile cross-tabulation of the 0–8 Incentive Generosity and Siting Restrictiveness dimensions, requiring a state to fall in the top third on both, yields the smaller set of eight states also noted there; the two lists differ because they apply different thresholds (median versus top tercile) to differently constructed scores.

Limitations

The dataset has several known limitations.

Announcement vs. completion. The dataset includes announced and planned projects alongside

operational facilities. Not all announced projects will be completed; some will be scaled back, delayed, or canceled. Investment and capacity figures should be understood as the upper bound of committed or planned activity, not as realized outcomes.

Investment estimates. Dollar figures for individual projects are derived from public announcements and may reflect cumulative multi-phase commitments, total campus buildout, or single-phase investments depending on how the sponsor characterized the announcement. We verify that reported figures match their primary sources, but we do not audit sponsors' underlying capital accounting, and announced amounts may bundle conditional or contingent commitments. Aggregated state totals may therefore overstate near-term committed capital.

Power capacity. Reported power capacity figures mix several metrics: critical IT load, total facility power (including cooling and overhead), contracted utility capacity, and planned capacity at full buildout. We record the figure reported by the source and note the metric type where identifiable, but comparisons across projects should be made with caution.

Temporal scope. The dataset is a June 2026 snapshot: project-level values were verified through June 16, while most state-policy labels use a June 10 cutoff with selected later corrections where documented. The policy environment is changing rapidly, and several measures remained unsettled in this June 2026 snapshot: New York's statewide moratorium bill awaited gubernatorial action, Virginia's budget negotiation over its sales tax exemption remained open, and FERC's June 18, 2026 large-load interconnection and co-location materials were still being incorporated into the regulatory record. The dataset is a snapshot, not a continuously updated resource.

LLM-derived classifications. The per-state research memoranda and the categorical typology labels are generated by large language models. The principal error modes are fabricated or misattributed citations, anchoring toward majority labels, and inferring absence from silence. The verbatim-quote integrity check and primary-source verification of a stratified sample of claims mitigate these risks but do not eliminate them, and the validation audit covered five states.

Descriptive, not causal. The cross-cutting patterns we report, including the incentive–restriction paradox and the role of energy access in siting, are associations observed across states rather than causal estimates. We do not model counterfactuals or control for confounders such as land cost, existing fiber and transmission, or natural-gas availability, so these relationships should not be read as identified causal effects.

Data Availability

The project-level dataset, state investment and power summaries, and entity profiles described in this appendix were compiled specifically for this Article. We encourage researchers, policymakers, and practitioners to extend this work, with appropriate citation (Bommarito 2026).

C State-by-State Policy Compendium

This appendix provides a detailed per-state reference for data center policy instruments from the June 2026 structured state-policy dataset, organized by the five taxonomy categories developed in this survey. For each state, we report: (I) enacted incentive programs with statutory citations and qualifying conditions; (II) cost allocation mechanisms including large-load tariffs, PILOT agreements, host community fees, and fiscal impact; (III) siting controls including moratoria, zoning approaches, and preemption rules; (IV) operating standards for water, noise, emissions, and wages; and (V) accountability measures such as sunset provisions, legislative audits, energy disclosure requirements, and repeal efforts. Recent legislative activity is listed at the end of each state entry. Typology tier labels correspond to the five-dimension scoring system described in Section B and summarized in Exhibit 15: Incentive Generosity (Inc.), Cost Distribution (Cost), Siting Restrictiveness (Site), Operating Stringency (Ops.), and Accountability Rigor (Acct.). States are listed alphabetically.

Alabama (AL)

Inc: **H** | Cost: L | Site: M | Ops: M | Acct: M

Incentives.

Program	Description & Qualifications	Term
Property tax abatement Code of Alabama Sections 40-9B-1 through 40-9B-13; HB399 / Act 2026-573	Chapter 9B abatements for data processing centers can cover non-educational state, county, and city property taxes; sunset 2032.	30 yr
Sales/use tax exemption Code of Alabama Sections 40-9B-1 through 40-9B-13; HB399 / Act 2026-573	Chapter 9B abatements for data processing centers can cover state sales and use taxes and non-educational county and city sales and use taxes; sunset 2032.	30 yr
Other Code of Alabama Sections 40-9B-1 through 40-9B-13	Chapter 9B abatements can include mortgage and recording tax abatements on qualifying property conveyances for industrial development projects including data processing centers. sunset 2032.	—
Infrastructure grant HB399 / Act 2026-573	For Chapter 9B data-center abatements granted on or after January 1, 2027, the additional 10 years beyond the generally available 20 years requires a binding local-investment agreement. sunset 2032.	10 yr
Property tax abatement Title 40, Chapter 9G; Alabama Reinvestment Act of 2015	Chapter 9G Alabama Reinvestment Act abatements for qualifying additions, expansions, improvements, renovations, reopenings, rehabilitations, or replacements can abate state property taxes except the unabated 1 mill portion and non-educational county and city property taxes for up to 20 years. $2M minimum investment.	20 yr
Sales/use tax exemption Title 40, Chapter 9G; Alabama Reinvestment Act of 2015	Chapter 9G Alabama Reinvestment Act abatements can abate state sales and use taxes except the unabated 0.75% state portion and non-educational county and city sales and use taxes for qualifying reinvestment projects. $2M minimum investment.	20 yr
Investment tax credit	Alabama's Investment Credit can provide up to 1.5% annually of qualified capital investment and can offset Alabama income tax, financial institution excise tax, insurance premium tax, utility taxes paid, and utility license tax for utilities.	10 yr
Property tax abatement Chapter 9C	Chapter 9C brownfield abatements can abate specified non-educational property taxes for qualifying brownfield development tied to properties in ADEM's voluntary cleanup program with an approved cleanup plan.	—
Sales/use tax exemption Chapter 9C	Chapter 9C brownfield abatements can abate specified non-educational sales and use taxes for qualifying brownfield development tied to properties in ADEM's voluntary cleanup program with an approved cleanup plan.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	—	
PILOT	—	
Host community fee	•	
CBA	—	
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	•	Birmingham, Leeds; Birmingham has a city moratorium, with projects that had complete applications accepted before the moratorium exempt from the pause but still subject to existing review.
Zoning	Mixed (local variation)	Local controls include Birmingham's June 9, 2026 zoning ordinance with conditions for hyperscale data centers, Columbiana zoning restrictions, and Bessemer rezoning approvals for Project Marvel.
Preemption	Mixed	
Env. siting req.	7	Birmingham hyperscale data centers subject to closed-loop cooling requirement; Birmingham hyperscale data centers subject to onsite-generator prohibition; Birmingham hyperscale data centers subject to minimum five-acre lot size and 500-foot setback; Birmingham hyperscale data centers subject to noise mitigation

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	•	
Generator controls	•	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	•	Sunset provision
Legislative audit	—	
Reporting req.	1	
Repeal / reform	•	HB399 / Act 2026-573 is an enacted rollback/restructuring because it limits future Chapter 9B data-center abatement duration, conditions the extra 10 years on approved local-investment agreements, and restricts state abatements for 100 MW-plus data centers.
Comm. opposition	High	noise, water, property values, visual impact, tax fairness. Local opposition was significant in Bessemer, Birmingham/Oxmoor, and Birmingham's citywide zoning process.

Recent legislation.

Bill	Year	Status	Description
HB399 /Act 2026-573	2026	signed	Enacted April 17, 2026 and effective June 1, 2026.
HB403	2026	failed	House utility-contract companion was engrossed on March 17, 2026.
SB265	2026	failed	Senate tax-abatement companion passed the Senate but was carried over to the call of the chair in the House on April 9, 2026.
SB270	2026	signed	Enacted April 17, 2026 and effective October 1, 2026.
—	2026	passed	Birmingham data center zoning ordinance—Birmingham City Council approved new data center zoning rules on June 9, 2026, including reported conditions for hyperscale data centers.

Alaska (AK)

Inc: M | Cost: L | Site: L | Ops: L | Acct: L

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption	Alaska has no statewide sales tax;	—
Property tax abatement Alaska Stat. sec. 29.45.050	Municipalities may exempt economic development property by ordinance for up to 5 years, which could be used for a data center if adopted locally.	5 yr
Other	AIDEA loan guarantees are available as a state financing tool, but are not data-center-specific.	—
Infrastructure grant	Alaska Energy Authority administers Renewable Energy Fund grants for renewable-energy projects;	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	—	
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	—	
Zoning	Discretionary review	Anchorage adopted AO 2026-27(S) on March 24, 2026, creating data-center-specific zoning rules.
Preemption	Local	
Env. siting req.	4	Anchorage AO 2026-27 requires visual and noise mitigation, setbacks from residential or other sound-sensitive uses, a noise mitigation study, utility capacity statements for electric, water, and wastewater service, fire detection and suppression evidence, and disclosures on onsite power generation, water recycling, heat recovery, and other mitigation measures; Significant water use is governed by Alaska's water appropriation permitting system under AS 46; Anchorage local noise code remains a relevant constraint for cooling equipment, generators, and other data-center mechanical systems; DNR's STAK preliminary decision involves a proposed 50-year lease of a 715

Operating standards.

Instrument	Status	Details
Water restrictions	—	
Noise standards	•	
Generator controls	—	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	—	
Legislative audit	—	
Reporting req.	•	Energy disclosure
Repeal / reform	—	
Comm. opposition	Mod.	noise, water, traffic, tax fairness, grid reliability. Greensparc's Southeast Alaska proposals generated local questions over power rates, noise, light, water discharge, emissions, and public engagement in Wrangell and Petersburg.

Recent legislation.

Bill	Year	Status	Description
AO 2026-27(S)	2026	passed	Anchorage data-center zoning ordinance—Adopted by the Municipality of Anchorage at the March 24, 2026 Assembly meeting.
HB 259	2026	pending	Large Energy Use Facilities—Introduced January 20, 2026 and heard in House Energy on January 29 and February 3.
HCR 28	2026	introduced	Procedural resolution concerning SB 250—Read the first time in the House on May 18, 2026.
SB 113	2026	vetoed	Highly digitized businesses apportionment bill—The bill was not enacted.
SB 250	2026	pending	Data Centers, Utilities—Introduced February 18, 2026.

Arizona (AZ)

Inc: L | Cost: L | Site: L | Ops: **H** | Acct: **H**

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption A.R.S. Section 41-1519; A.R.S. Sections 42-5061, 42-5159, and 42-6004	Computer Data Center Program administered by the Arizona Commerce Authority exempts qualifying owners, operators, and qualified colocated tenants from transaction privilege tax and use tax on purchases of certified data center equipment, including servers, networking gear, power infrastructure, cooling equipment, security systems, and software used directly in data center operations. sunset 2033.	—
Other A.R.S. Section 41-1519	Longer exemption period available when a certified facility meets sustainability requirements in A.R.S. Section 41-1519, including energy-efficiency and water-conservation criteria. clean energy condition; sunset 2033.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	Dkt. ACC Docket No. E-00000A-25-0069; APS Docket No. E-01345A-25-0105. ACC large-load proceedings considered universal large-load tariffs, electric service agreements, bring-your-own-power concepts, upfront financial support, minimum bills, and stranded-asset mitigation.
PILOT	•	
Host community fee	—	
CBA	—	
Fiscal impact	$38M/yr	Arizona lacks a comprehensive state-sponsored net fiscal impact study.

Siting controls.

Instrument	Status	Details
Moratorium	—	
Zoning	Discretionary review	Controls are largely local and project-specific.
Preemption	Local	
Env. siting req.	8	A; Marana bars municipal potable water service for data center cooling, humidity control, or similar operations; Chandler requires baseline sound studies, mitigation, annual sound studies for five years, and backup-generator testing limits; Phoenix special-permit framework includes performance standards for siting, noise, design, and public-safety impacts

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	•	
Generator controls	—	
Clean energy cond.	•	Incentive-linked
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	•	Sunset provision
Legislative audit	•	
Reporting req.	2	Energy disclosure
Repeal / reform	•	Enacted rollback is the furthest documented stage by June 14, 2026: Governor Hobbs signed the FY 2027 budget package on June 13, and the Governor's Office described it as including a three-year data center tax credit moratorium.
Comm. opposition	High	water, traffic, environmental justice, tax fairness, grid reliability. Public opposition and litigation were prominent in Pima County Project Blue, Pinal County La Osa, Maricopa County Project Baccara, and Chandler's December 2025 rejection of a proposed AI data center.

Recent legislation.

Bill	Year	Status	Description
HB 2119	2026	pending	Would move the ACA deadline for new computer data center certification applications from December 31, 2033, to December 31, 2026. It remained pending after referral activity in January and had not advanced after February 1.
HB 2452	2026	failed	County comprehensive planning for power demand—Would have added electric power production and demand, including small modular reactors and data centers, to county comprehensive planning requirements.
HB 2467	2026	pending	Would repeal A.R.S. Section 41-1519 and, beginning after December 31, 2026, require data centers to use renewable energy with battery storage and cooling systems below a 115-gallon-per-day-per-1000-square-foot threshold. It remained pending in House Appropriations and was not enacted by June 14.
HB 2702	2026	pending	Would redirect state transaction privilege tax revenue from data center equipment sales, installation, repair, and maintenance to an Arizona Solar for All fund from 2027 through 2036. It remained pending in House Natural Resources, Energy and Water and was not enacted by June 14.
HB 2738	2026	pending	Would require a cost-responsibility agreement between a certified data center applicant and its serving electric utility, requiring the owner or operator to pay all dedicated utility upgrades needed to serve the facility. It remained pending after a February 5 committee referral change and was not enacted by June 14.

Arkansas (AR)

Inc: L | Cost: L | Site: L | Ops: L | Acct: L

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption Act 819 of 2023 (HB1654), amended by Act 548 of 2025 (HB1444)	Exemption from Arkansas gross receipts tax and compensating use tax for data center equipment, eligible data center costs, certain services, and electricity used by a qualified data center.	—
Sales/use tax exemption Act 548 of 2025 (HB1444)	Qualified large data center category created by Act 548 of 2025 for projects meeting a $2B qualified investment threshold within 10 years after construction commences and $3M aggregate annualized compensation threshold in the first two years after operations begin. $2.0B minimum investment.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	Dkt. 22-032-TF; 25-055-P; 26-008-TF; ER26-1323. Entergy Arkansas Rate Schedule No. 69, Large Power High-Load Density Service, applies to cryptocurrency mining or similar high-load-factor operations and requires an interruptible customer agreement with reimbursement for costs or penalties if customers fail to curtail.
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	—	
Zoning	Discretionary review	County and municipal zoning ordinances govern siting.
Preemption	Mixed	
Env. siting req.	5	Non-domestic groundwater users capable of withdrawing >= 50,000 gallons/day or surface-water users withdrawing >= 1 acre-foot/year must report withdrawals to the Arkansas Natural Resources Commission; Facilities discharging wastewater to waters of the state require NPDES permits; Construction of a major utility facility such as large transmission lines or substations generally requires a Certificate of Environmental Compatibility and Public Need from the Arkansas Public Service Commission; Willowbend Data Center's Little Rock-area project had a U

Operating standards.

Instrument	Status	Details
Water restrictions	—	
Noise standards	•	
Generator controls	—	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	—	
Legislative audit	—	
Reporting req.	1	
Repeal / reform	•	Act 548 of 2025 enacted a material exclusion/condition within the data-center sales/use tax exemption by excluding facilities primarily engaged in virtual-currency transaction validation.
Comm. opposition	High	noise, water, tax fairness, grid reliability, jobs quality. Central Arkansas public meetings and reporting in 2026 highlighted concerns about water demand, electric rates, environmental impacts, noise, public input, nondisclosure agreements, tax concessions, and power demand.

Recent legislation.

Bill	Year	Status	Description
Ordinance No. 23,065	2026	passed	Little Rock data center conditional-use and noise-study ordinance—Classifies data centers as conditional uses in I-2 and I-3 industrial districts, requires Planning Commission conditional-use approval, and requires a certified acoustical engineer noise study before a building permit is issued.
SR7-SR12	2026	failed	2026 fiscal-session nonappropriation resolutions related to data centers and digital-asset mining—Sen.
HB1444	2025	signed	Act 548 of 2025—Amended the data center sales/use tax exemption by lowering the minimum investment for qualified data centers to $100M, adding qualified large data centers, setting $2B/10-year investment and $3M compensation thresholds, shifting administration to the Department of Finance and Administration, and excluding facilities primarily engaged in virtual-currency transaction validation.
—	2025	signed	Generating Arkansas Jobs Act of 2025—Part of the Arkansas IMPACT package.
HB1654	2023	signed	Act 819 of 2023—Created the original data center sales/use tax exemption and definitions, including the initial $500M qualified investment threshold and $1M aggregate annualized compensation requirement.

California (CA)

Inc: L | Cost: L | Site: **H** | Ops: M | Acct: L

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption CDTFA Regulation 1525.4	Partial sales and use tax exemption for qualified manufacturing and R&D equipment purchases by qualified persons in specified NAICS sectors; sunset 2030.	—
Franchise tax relief RTC Section 23689	California Competes Tax Credit provides negotiated income/franchise tax credits through competitive application rounds tied to job creation, investment, and other project commitments;	—
Investment tax credit RTC Section 17052.12	California qualified research credit applies generally to qualified research expenses and is not data-center-specific.	—
Sales/use tax exemption SB 58 (2025)	SB 58 as introduced in 2025 proposed a sales/use tax cap for qualified data center property, but the data-center incentive language was removed by January 5, 2026 amendment. $200M minimum investment; clean energy condition.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	Dkt. A.24-11-007; R.26-04-009. CPUC D.25-07-039 partly granted PG&E interim authority to use Electric Rule 30 for transmission-level retail customers, requiring new transmission-level customers to be initially responsible for transmission facilities, allowing advance or actual-cost payments and pre-funding of specific transmission network upgrades, denying interim refunds and interest, and authorizing no rate recovery as part of the interim decision.
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	•	Monterey Park, Coachella, Montebello, El Monte, Baldwin Park; No statewide data-center moratorium had been enacted as of June 14, 2026.
Zoning	Discretionary review	California Planning and Zoning Law delegates land-use regulation to cities and counties;
Preemption	Local	
Env. siting req.	4	CEQA review for discretionary local approvals, requiring analysis and mitigation of environmental impacts; Surface water diversions generally require State Water Resources Control Board water-rights permits or approvals; Groundwater withdrawals may be constrained by local Groundwater Sustainability Agencies under SGMA; Stationary diesel backup engines are subject to CARB stationary compression-ignition engine rules and local air district permits

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	—	
Generator controls	—	
Clean energy cond.	•	Incentive-linked
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	—	
Legislative audit	—	
Reporting req.	—	
Repeal / reform	—	
Comm. opposition	High	water, environmental justice, tax fairness, grid reliability, jobs quality. Community opposition intensified in early 2026.

Recent legislation.

Bill	Year	Status	Description
AB 1577	2026	pending	Passed the Assembly and was sent to Senate Rules on May 27, 2026. Would require CEC data-center reporting processes for location, size, power usage effectiveness, onsite generator fuel use, and anonymized public publication.
AB 2170	2026	failed	Held under submission in Assembly Appropriations on May 14, 2026. Would require CEQA review and additional notice, hearing, and translation procedures for industrial-use projects on industrially zoned land in or within one-half mile of an overburdened community.
AB 2469	2026	pending	Passed the Assembly and was sent to Senate Rules on May 28, 2026. Would bar local approval of construction or expansion that increases maximum peak water use unless specified water-scarcity, water-supply, water-use, and infrastructure-cost conditions are satisfied.
AB 2619	2026	pending	Passed the Assembly and was sent to Senate Rules on May 28, 2026. Would require data-center operators to provide expected and actual water-use information for business-license or permit applications and renewals, and require DWR and CEC to develop guidelines and best practices by January 1, 2029.
Measure NDC	2026	pending	Monterey Park Measure NDC—Preliminary June 2026 returns showed more than 86% support for a permanent citywide data-center prohibition, but Los Angeles County results had not yet been certified in the first week after the election.

Colorado (CO)

Inc: L | Cost: M | Site: L | Ops: M | Acct: L

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption HB26-1030	HB26-1030 would have created the Colorado Data Center Development and Grid Modernization Program beginning in tax year 2027 and provided a 100 percent state sales and use tax exemption for certified data center projects, but the bill was postponed indefinitely and did not become law.	—
Sales/use tax exemption SB23-207	SB23-207 proposed a temporary state sales and use tax exemption for qualified data centers, but died in 2023.	—
Sales/use tax exemption SB24-085	SB24-085 proposed a similar state sales and use tax exemption framework for data centers, but died in 2024.	—
Sales/use tax exemption SB25-280	SB25-280 proposed a longer exemption period with job, investment, renewable-energy, and water-efficiency conditions, but died in 2025. clean energy condition.	—
Sales/use tax exemption	Denver previously approved a 15-year, 50 percent sales and use tax rebate for CoreSite's Denver campus, capped at 9000000 and tied to 75 jobs.	15 yr

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	50 MW threshold, Dkt. 26AL-0137E. Xcel Energy filed a proposed Large Load Tariff on April 2, 2026 for high-demand customers such as large-scale data centers.
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	$59M/yr	0.5:1 ROI; HB26-1030 final fiscal note estimated state sales-tax revenue reductions of $4.4 million in FY 2026-27, $29.0 million in FY 2027-28, and $59.1 million in FY 2028-29 from the proposed exemption, for $92.5 million over FY 2026-27 through FY 2028-29.

Siting controls.

Instrument	Status	Details
Moratorium	•	Denver; Denver imposed a temporary one-year, citywide moratorium on processing or approving new data center development applications on March 11, 2026, while it develops zoning regulations and evaluates impacts on infrastructure, land use, energy and water use, neighborhood priorities, and utility affordability.
Zoning	Mixed (local variation)	Local land-use control remains the dominant policy lever.
Preemption	Local	
Env. siting req.	5	Weld County requires proof of water service; Weld County requires an electric will-serve letter; Weld County sets a 65 dB(C) property-line noise limit; The Colorado Legislative Council identified electricity demand, direct and indirect water use, diesel or fossil backup-generator emissions, noise, and transparency gaps as core policy concerns

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	•	
Generator controls	—	
Clean energy cond.	•	Incentive-linked
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	—	
Legislative audit	—	
Reporting req.	—	
Repeal / reform	—	
Comm. opposition	Mod.	noise, water, environmental justice, tax fairness, grid reliability. Weld County adopted its ordinance after about three hours of public comment and a 4-1 commissioner vote.

Recent legislation.

Bill	Year	Status	Description
HB26-1030	2026	failed	Colorado Data Center Development and Grid Modernization Program—Would have provided a 100 percent state sales and use tax exemption for certified data center projects beginning in tax year 2027.
SB26-102	2026	failed	Would have imposed renewable-energy procurement, water-efficiency, reporting, local model-code, utility cost-causation, community-benefit agreement, economic-development rate, and flexible-load tariff requirements for large-load data centers.
Weld County Code Ordinance 2026-01	2026	passed	Adopted April 6, 2026.
—	2026	passed	Denver data center moratorium—Denver imposed a temporary one-year, citywide moratorium on processing or approving new data center development applications on March 11, 2026.
SB25-280	2025	failed	Proposed a longer exemption period with job, investment, renewable-energy, and water-efficiency conditions.

Connecticut (CT)

Inc: L | Cost: **H** | Site: **H** | Ops: L | Acct: L

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption CGS 32-286	Connecticut's Data Center Tax Incentive Program provides sales and use tax exemptions for specified goods and services used by qualifying data centers under DECD tax-incentive agreements. $50M minimum investment.	20 yr
Property tax abatement CGS 32-286	The Data Center Tax Incentive Program provides property tax exemptions for certain real property and equipment. $50M minimum investment.	20 yr
Other CGS 32-286	The Data Center Tax Incentive Program includes an exemption from any financial transactions tax the state may impose in the future. $50M minimum investment.	20 yr

Cost allocation.

Instrument	Status	Details
Large-load tariff	—	
PILOT	—	
Host community fee	•	The Data Center Tax Incentive Program provides property tax exemptions for certain real property and equipment. (CGS 32-286); Connecticut requires host municipality fee agreements before qualified data-center capital projects, making them the state's main local fiscal-benefit mechanism.
CBA	•	Connecticut requires host municipality fee agreements before qualified data-center capital projects, making them the state's main local fiscal-benefit mechanism.
Fiscal impact	$6M/yr	OFA estimated that exempting a $200 million qualified property would forgo at least $6.27 million annually in municipal property tax revenue using the FY21 statewide average mill rate.

Siting controls.

Instrument	Status	Details
Moratorium	•	Morris, West Haven; No statewide data-center moratorium was enacted in 2026.
Zoning	Discretionary review	Connecticut has not preempted local data-center siting;
Preemption	Local	
Env. siting req.	4	DEEP's Water Diversion Program generally covers withdrawals of 50,000 gallons or more in a 24-hour period from groundwater, surface water, or both; Authorized diversions above 50,000 gallons per day must submit annual reports with daily water-use data; Local moratoria and pause-and-study efforts referenced standards for energy, water, cooling, generators, noise, public health, and land-use compatibility; Bristol's proposed Riverside Avenue facility was described as using closed-loop liquid cooling with no Pequabuck River water use or discharge

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	—	
Generator controls	—	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	—	
Legislative audit	—	
Reporting req.	2	
Repeal / reform	•	The furthest 2024-2026 rollback effort was SB 245 (2026), which would have stopped DECD from accepting data-center incentive applications beginning July 1, 2026.
Comm. opposition	Mod.	noise, water, tax fairness, grid reliability. Morris and West Haven adopted local moratoria to study standards for data centers.

Recent legislation.

Bill	Year	Status	Description
HB 5469	2026	failed	Would have regulated co-located electric suppliers and large electric load customers of at least 50 MW, required new-generation supply for anticipated load plus reserves, required large-load tariffs, and directed PURA to open implementation proceedings by January 1, 2027. It received Joint Favorable on March 19, reached File 421 and House Calendar 305 on April 7, and was not enacted.
SB 245	2026	failed	Would have stopped DECD from accepting data-center incentive applications on or after July 1, 2026. It received a Joint Favorable Change of Reference from Energy and Technology on March 17, was referred to Finance, Revenue and Bonding on March 23, and was not enacted.
SB 307 /PA 26-122	2026	signed	Enacted DECD statutory revisions, including a data-center administrative change in CGS 32-286(c) replacing references to a separate Office of Data Infrastructure Administration and Security with DECD's direct responsibility to serve as liaison for applicants and qualified data centers. It left investment thresholds, 20- and 30-year terms, and tax exemptions intact. Passed both chambers May 6 and was signed June 2.
HB 5076	2025	failed	Proposed energy and water efficiency requirements for AI data centers but received no action after referral to Energy and Technology on January 10, 2025.
SB 1292	2025	failed	Would have required AI data-center quarterly reporting to DEEP and a study or regulations on water and energy efficiency. It reached File 538 and the Senate calendar but was not enacted.

Delaware (DE)

Inc: M | Cost: L | Site: L | Ops: M | Acct: L

Incentives.

Program	Description & Qualifications	Term
Job creation credit 30 Del. C. §§ 2080-2084	New Economy Jobs Program provides credits against specified Delaware taxes and fees for qualified employers during the first certified year and the 10 taxable years thereafter, with eligibility including a track for at least 50 additional qualified employees in eligible jobs and credit amounts tied to qualified withholding payments.	10 yr
Infrastructure grant 29 Del. C. § 8711A	Site Readiness Fund provides grants, loans, or other economic assistance for infrastructure improvements that help attract or expand businesses when the opportunity would create a significant number of direct, quality, full-time jobs;	—
Infrastructure grant 29 Del. C. §§ 8727A-8728A	Delaware Strategic Fund is a general economic-development tool for retention and expansion of existing firms, recruitment of new firms, formation of new businesses, and related financing mechanisms;	—
Other	Delaware has no state or local sales tax, so sales tax exemption certificates are not relevant;	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	—	
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	—	
Zoning	Mixed (local variation)	New Castle County Substitute 3 to Ordinance 25-101 was approved March 10, 2026 and signed March 18, 2026.
Preemption	Local	
Env. siting req.	10	PSC interconnection pause for new large-load facilities of 25 MW or more in Delmarva Power & Light territory pending a large-load tariff; New Castle County prohibition on data-center buildings within 1,000 feet of a residential district unless the Department approves a site-specific reduction to no closer than 500 feet; New Castle County noise-study obligations; New Castle County landscaping and buffer requirements

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	•	
Generator controls	•	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	—	
Legislative audit	—	
Reporting req.	—	
Repeal / reform	—	
Comm. opposition	High	water, environmental justice, tax fairness, grid reliability, jobs quality. New Castle County's ordinance followed months of debate and public input from residents, industry representatives, environmental advocates, and other stakeholders.

Recent legislation.

Bill	Year	Status	Description
HB 445	2026	introduced	Introduced on May 21, 2026 and assigned to the House Natural Resources & Energy Committee.
HS 1 for HB 233	2026	pending	Introduced and reported out of committee on May 21, 2026.
Ordinance 25-101	2026	signed	New Castle County data center regulations—Substitute 3 was approved by New Castle County Council on March 10, 2026 and signed on March 18, 2026, establishing the county's first data-center-specific standards for new covered applications.
SB 276	2026	signed	Signed by the Governor on June 10, 2026 after passing both chambers on May 21, 2026.
SB 308	2026	pending	Load Forecast Accountability Act—Passed the Senate and was assigned to the House Natural Resources & Energy Committee on June 4, 2026.

Florida (FL)

Inc: M | Cost: L | Site: M | Ops: M | Acct: **H**

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption Fla. Stat. s. 212.08	Sales and use tax exemption for qualifying data center property, including server and network equipment, cooling and electrical systems, and electricity used exclusively at a qualifying data center. $150M minimum investment; sunset 2037.	—
Property tax abatement Fla. Stat. s. 196.1995	Local option ad valorem tax exemption for qualifying data center property.	20 yr

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	Dkt. Chapter 2026-65; Docket No. 20260064-EI; Docket No. 20250113-EI; Order PSC-2026-0022-S-EI. Chapter 2026-65 requires each Florida public utility to file a large-load tariff for PSC approval by October 1, 2026.
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	$15M/yr	No Florida statewide fiscal impact study, state auditor review, or legislative audit-style report was located.

Siting controls.

Instrument	Status	Details
Moratorium	•	Nassau County, Citrus County, Jackson County, Pasco County, Zephyrhills, Clay County; Nassau County adopted Ordinance No. 2026-044 on June 8, 2026 imposing a temporary moratorium of up to 12 months on applications for development permits, development orders, rezonings, or site plans related to data centers, data processing facilities, data mining, and cryptocurrency mining operations.
Zoning	Discretionary review	Local governments control land use and zoning through comprehensive plans and land development regulations under the Community Planning Act, and Chapter 2026-65 expressly preserves local authority over comprehensive planning and land development regulation for large load customers.
Preemption	Mixed	
Env. siting req.	6	Chapter 2026-65 creates large-scale data center consumptive-use permitting requirements for data centers at a single location with anticipated monthly peak load of 50 MW or more; Permit applications requesting at least 100,000 gallons per day must include source, use, and loss data and a water conservation plan, and may not be approved without a hearing; Water management districts or DEP must require reclaimed water instead of surface water or groundwater when a suitable reclaimed source and boundary lines are available and use is environmentally, economically, and technically feasible; Local governments remain preempted from regulating consumptive water use under Part II of Chapter 373

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	•	
Generator controls	—	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	•	Sunset provision
Legislative audit	•	
Reporting req.	2	
Repeal / reform	•	HB 7031 (2025) enacted a material tightening/restructuring of the data center sales/use tax exemption by raising the qualifying power threshold from 15 MW to 100 MW, even though it also extended the certificate deadline.
Comm. opposition	High	noise, water, traffic, environmental justice, tax fairness. Multiple counties and municipalities had moratoria, proposed moratoria, or local restrictions in 2026.

Recent legislation.

Bill	Year	Status	Description
CS/CS/HB 1007	2026	failed	House data center bill laid on the table on March 11, 2026 with final route through CS/CS/SB 484.
CS/CS/SB 484	2026	signed	Chapter 2026-65—Requires PSC-approved tariffs for large-load customers, preserves local land-use authority, restricts confidentiality extensions for data center project information, bars utilities from knowingly serving large-load customers that are foreign entities as defined in the act, creates large-scale data center water-permitting requirements, and requires an OPPAGA study due July 1, 2027.
CS/SB 1118	2026	failed	Public-records exemption bill for data center location and expansion information died on the Senate calendar on March 13, 2026.
HB 1517	2026	failed	House bill on approval of data center facilities died in the Economic Infrastructure Subcommittee on March 13, 2026.
SB 552	2026	failed	Broad tangible personal property tax constitutional proposal, relevant to local tax-base debates but not data-center-specific, died in Finance and Tax on March 13, 2026.

Georgia (GA)

Inc: L | Cost: M | Site: **H** | Ops: M | Acct: **H**

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption O.C.G.A. Section 48-8-3(68.1); Georgia Rule 560-12-2-.117	Sales and use tax exemption for qualifying high-technology data center equipment. $25M minimum investment.	7 yr
Property tax abatement O.C.G.A. Section 36-62-3	Georgia does not have a uniform statewide property-tax exemption specific to data centers.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	10 MW threshold, Dkt. PSC Docket No. 56002. DCL-1 tariff requires company-owned DER ≥10 MW at customer premises, dispatched by Georgia Power, with pricing based on system value/avoided costs and payments to keep rate-base value below system value.
PILOT	•	Georgia does not have a uniform statewide property-tax exemption specific to data centers. (O.C.G.A. Section 36-62-3)
Host community fee	—	
CBA	—	
Fiscal impact	$2.5B/yr	Georgia's 2025 DOAA/Carl Vinson evaluation estimates gross forgone state sales-tax revenue from the exemption rising from $18.3 million in 2018 to $866.7 million in 2030, with net fiscal impact negative from -$17.0 million in 2018 to -$780.2 million in 2030.

Siting controls.

Instrument	Status	Details
Moratorium	•	DeKalb County, Roswell; DeKalb County extended its unincorporated-county moratorium on new data centers and expansions by another 100 days on June 9, 2026, with reported expiration dates in late September 2026.
Zoning	Restrictive	Fayetteville prohibits new data centers in every city zoning district under Ordinance 26-0-12, adopted March 5, 2026.
Preemption	Local	
Env. siting req.	4	Georgia EPD rules require a permit for groundwater withdrawals exceeding 100,000 gallons per day; Local ordinances and draft ordinances address noise, setbacks, buffers, environmental impact, closed-loop cooling, and site design; Atlanta location restrictions limit data centers near high-capacity transit stops and in the Belt-Line Overlay District; DeKalb draft supplemental standards address location, design, and impacts

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	—	
Generator controls	—	
Clean energy cond.	—	
Wage standards	•	Wage floor

Accountability.

Instrument	Status	Details
Sunset / clawback	•	Sunset provision
Legislative audit	•	
Reporting req.	2	Energy disclosure
Repeal / reform	•	The most advanced 2026 repeal bill, SB 410, passed the Georgia Senate on March 6, 2026 but died in the House
Comm. opposition	High	noise, water, environmental justice, tax fairness, grid reliability. 2026 controversies centered on water use, stormwater, noise, rural land conversion, utility bills, tax-abatement skepticism, and confidence in economic-impact estimates, with major organizing in Coweta, Fayetteville, DeKalb, and southwest Atlanta.

Recent legislation.

Bill	Year	Status	Description
HB 1012	2026	failed	Would have barred local governments from issuing permits, licenses, or certificates authorizing new data-center construction for a specified period.
HB 1059	2026	failed	Data Center Impact Assessment and Development Moratorium Act of 2026—Would have enacted a statewide data-center development moratorium and created a study commission.
HB 1063	2026	failed	Utility cost protection—Would have required electric utilities to protect residential and retail customers from costs associated with data-center construction and operation.
HB 1323	2026	failed	Hybrid power data centers—Would have required new data centers to operate as hybrid power data centers and obtain PSC certification.
HB 1387	2026	failed	Homestead exemption funded by data-center property taxes—Would have created a statewide homestead exemption tied to proceeds from certain data-center ad valorem taxes.

Hawaii (HI)

Inc: M | Cost: L | Site: L | Ops: M | Acct: M

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption HRS §237-29.65; SB 834 (2003); HB 1900 (2008)	Former public internet data center General Excise Tax exemption;	—
Investment tax credit HB 1784 (2024); SB 338 (2025 carryover to 2026)	Proposed but not enacted technology infrastructure renovation income tax credit revival that would have included data servers as qualifying technology-enabled infrastructure. sunset 2027.	2 yr
Property tax abatement	Hawaii real property tax is exercised exclusively by counties, so any property tax abatements would be county-level rather than state-level.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	—	
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	$75K/yr	No Hawaii state audit, county fiscal report, or PUC study dedicated to data-center incentives or data-center load economics was located.

Siting controls.

Instrument	Status	Details
Moratorium	—	
Zoning	Mixed (local variation)	State Land Use Commission classifies lands and county zoning applies within Urban, Rural, Agricultural, and Conservation districts.
Preemption	Local	
Env. siting req.	3	Hawaii Environmental Policy Act review can apply to projects using state or county lands or funds or requiring state or county approvals; Water use permits are required for significant groundwater or stream withdrawals in designated Water Management Areas; Statewide maximum allowable environmental noise levels by land-use district can constrain mechanical systems and backup generators

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	•	
Generator controls	—	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	•	Sunset provision
Legislative audit	—	
Reporting req.	1	
Repeal / reform	•	The furthest 2024–2026 rollback was enacted: SB 3125 became Act 24 in 2026 and repeals HRS §235-110.51, the Technology Infrastructure Renovation Tax Credit, beginning January 1, 2028.
Comm. opposition	Low	water, tax fairness, grid reliability. The source identifies legislative study of large data center impacts but does not identify active community opposition campaigns or local moratoria.

Recent legislation.

Bill	Year	Status	Description
HCR 206 /HR 196 /SR 90	2026	passed	Large data center working group resolutions—Adopted resolutions requesting the Hawaii State Energy Office to convene a working group to study impacts of large data centers, including facilities requiring 5 MW or more of instantaneous demand, on electric utilities, ratepayers, natural resources, water, greenhouse gases, renewable energy, and reporting.
SB 3125 /Act 24	2026	signed	Income tax credits repeal—Broader income-tax legislation that repeals the Technology Infrastructure Renovation Tax Credit beginning 2028-01-01 and repeals the High Technology Business Investment Tax Credit and Tax Credit for Research Activities beginning 2029-01-01.
SCR 95	2026	failed	Large data center working group concurrent resolution—Senate concurrent companion to SR 90 and HCR 206.
SB 338	2025	pending	Technology infrastructure renovation tax credit—Proposed a 4% tax credit for technology infrastructure renovation costs and added data servers to qualifying infrastructure.
HB 1784	2024	introduced	Technology infrastructure renovation income tax credit—Proposed reinstatement of the technology infrastructure renovation income tax credit, added data servers to qualifying infrastructure, applied to taxable years after 2023-12-31, and sunset after 2026-12-31.

Idaho (ID)

Inc: M | Cost: M | Site: M | Ops: **H** | Acct: L

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption Idaho Code section 63-3622VV	State sales/use tax exemption for eligible server equipment and new data center facilities for qualifying business entities and their contractors, administered through provisional certification that becomes final after statutory thresholds are met. $250M minimum investment; 30 jobs required.	—
Infrastructure grant	Idaho Commerce Opportunity Fund infrastructure grants may apply if a project independently qualifies;	—
Investment tax credit	General Idaho investment tax credit may apply if a project independently qualifies;	—
Property tax abatement	County-level property tax exemptions and Idaho Business Advantage benefits may apply if a project independently qualifies;	—
Other Idaho Code section 63-3622VV	Property that has received Idaho Reimbursement Incentive Act incentives is barred from the data center sales tax exemption, and companies using the data center sales tax exemption are not eligible for the Tax Reimbursement Incentive.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	50 MW threshold, Dkt. IPC-E-21-37; IPC-E-25-17; IPC-E-26-08; IPC-E-26-07. IPUC approved Idaho Power Schedule 20 for Speculative High-Density Load in Order No. 35428 and later approved updated marginal cost-based pricing for Schedule 20 and Schedule 34 in Order No. 36619.
PILOT	—	
Host community fee	•	
CBA	—	
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	•	Kootenai County; Kootenai County Resolution 2025-23 imposed a 182-day emergency moratorium on new data center building and development permit applications, retroactive to February 27, 2025, but the temporary moratorium had expired by June 10, 2026.
Zoning	Discretionary review	Land-use control remains primarily local under Idaho's Local Land Use Planning Act.
Preemption	Local	
Env. siting req.	6	Kootenai County prohibits data centers over the Rathdrum Prairie Aquifer; Kootenai County requires wastewater treatment and management plans; Kootenai County requires aquifer recharge plans; Data centers beginning construction on or after July 1, 2026 may not use water for cooling as a consumptive use unless supplied by a municipal, water district, or water-and-sewer district water system

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	—	
Generator controls	—	
Clean energy cond.	—	
Wage standards	•	Wage floor

Accountability.

Instrument	Status	Details
Sunset / clawback	—	
Legislative audit	—	
Reporting req.	1	Energy disclosure
Repeal / reform	•	The furthest 2024-2026 rollback effort was H0897 (2026), a tax-accountability bill that would have narrowed the sales tax exemption and changed property-tax eligibility for new data center construction.
Comm. opposition	High	water, environmental justice, tax fairness, grid reliability, jobs quality. Community and local-government concerns over water, power, wastewater, air quality, emissions, and public-facility impacts intensified in 2026.

Recent legislation.

Bill	Year	Status	Description
H0609	2026	failed	Proposed adding water and electric-service conditions, narrowing incentive eligibility, barring stacking with the large capital investment property tax exemption, and sunsetting the sales tax exemption before July 1, 2036.
H0756	2026	failed	Earlier large-load utility bill with lower thresholds than the enacted H0911 framework.
H0820	2026	failed	Proposed a 20-year exemption period, electricity cost-recovery and water-notice requirements, anti-stacking rules with section 63-4502 property tax benefits, and annual/five-year Tax Commission reporting.
H0895	2026	signed	Signed by the Governor on April 2, 2026 as Session Law Chapter 291, effective July 1, 2026.
H0897	2026	failed	Would have limited post-April 1, 2026 exemptions to eligible server equipment, added electricity cost-recovery and water-notice criteria, imposed annual and five-year reporting, and changed property tax exemption eligibility for new data center construction.

Illinois (IL)

Inc: **H** | Cost: M | Site: **H** | Ops: **H** | Acct: **H**

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption 20 ILCS 605/605-1025; 14 Ill. Admin. Code Part 521; 86 Ill. Admin. Code Section 130.1957	Data Center Investment Program certificates exempt qualifying Illinois data centers from the Retailers' Occupation Tax Act, Use Tax Act, Service Use Tax Act, Service Occupation Tax Act, state-administered local retailers' occupation taxes, and Chicago non-titled use tax. $250M minimum investment; 20 jobs required; clean energy condition; claw-back provision; sunset 2029.	20 yr
Job creation credit 20 ILCS 605/605-1025; 86 Ill. Admin. Code Section 100.2164	20% wage credit for construction-worker wages on qualifying data center projects located in underserved areas. $250M minimum investment; clean energy condition; claw-back provision; sunset 2029.	—
Other Governor JB Pritzker announcement, 2026-06-05	Governor announced a two-year administrative pause on new data-center tax incentive awards beginning July 1, 2026;	2 yr
Property tax abatement	Local governments may separately negotiate local incentives such as annexation agreements, utility taxes, enterprise-zone benefits, property-tax abatements, and infrastructure contribution agreements;	—
Infrastructure grant	Joliet announced a proposed developer community-investment commitment of up to $100 million for sidewalks, streets, and city services, including $20 million within 30 days of closing and additional $20 million payments before building permits for each of four phases.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	50 MW threshold, Dkt. ICC Docket Nos. 25-0677/25-0679. ComEd's ICC tariff book includes Large Load, Very Large Load, and Extra Large Load delivery classes.
PILOT	—	
Host community fee	•	
CBA	—	
Fiscal impact	$371M/yr	DCEO reports 27 approved projects with $8.11 billion in capital-investment commitments, $15.73 billion in reported investment, and $983.20 million in estimated lifetime tax benefits as of May 31, 2025.

Siting controls.

Instrument	Status	Details
Moratorium	•	Godfrey, Champaign County, Logan County, Morgan County, Aurora; Aurora's 180-day 2025 moratorium was resolved through March 25, 2026 ordinance standards.
Zoning	Discretionary review	Aurora requires future data centers to proceed as conditional uses with public hearings and City Council approval, plus water, energy, sound studies, annual reporting, noise and vibration limits, generator-testing limits, prohibition on modular nuclear facilities, and prohibition on evaporative cooling.
Preemption	Local	
Env. siting req.	8	Aurora requires water, energy, and sound studies; Aurora requires annual energy and water reporting; Aurora imposes noise and vibration limits; Aurora limits generator testing

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	•	
Generator controls	•	
Clean energy cond.	•	Incentive-linked
Wage standards	•	Wage floor; prevailing wage

Accountability.

Instrument	Status	Details
Sunset / clawback	•	Sunset provision; clawback
Legislative audit	—	
Reporting req.	2	Energy disclosure
Repeal / reform	•	The furthest rollback stage is the Governor's June 5, 2026 administrative pause on new Data Center Investment Program awards: although the underlying 20 ILCS 605/605-1025 incentive statute was not repealed, DCEO was directed to stop accepting/processing new awards for a two-year period beginning...
Comm. opposition	High	noise, water, traffic, environmental justice, tax fairness. February-June 2026 local proceedings in Logan County, Sangamon County, Champaign County, Joliet, and Morgan County repeatedly raised concerns about water, electricity demand, utility bills, noise, farmland conversion, public-comment limits, and adequacy of local authority.

Recent legislation.

Bill	Year	Status	Description
HB5607	2026	pending	Advanced Technology Leadership Act—Proposed clean-energy attribute-credit procurement and retirement requirements for covered data centers beginning in 2027.
HR0744	2026	pending	Own-energy resolution—Urged all Illinois data centers to provide their own energy and urged IPA, IEPA, and ICC to use existing statutory tools to reduce or delay emissions impacts.
SB2181	2026	failed	Data Center Reporting—Would create an Illinois Data Center Energy and Water Reporting Act and require an Illinois Power Agency ratepayer-impact study.
SB3578	2026	pending	Data Center Construction by Foreign Adversaries Act—Would create restrictions related to data center construction by foreign adversaries.
SB3830	2026	pending	Data Centers-Various—Proposed a data-center self-direct renewable-energy program, annual facility and load reporting, water-consumption disclosure, wastewater-pollutant monitoring, and utility tariff/rate-design filings.

Indiana (IN)

Inc: M | Cost: **H** | Site: **H** | Ops: L | Acct: M

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption Indiana Code 6-2.5-15-10; Indiana Code 6-2.5-15-14; Indiana Code 6-2.5-15-16	State sales and use tax exemption for qualifying data center equipment and energy, issued through IEDC data center sales tax exemption certificates.	25 yr
Property tax abatement Indiana Code 6-1.1-10-44	Local-option personal property tax exemption for qualified enterprise information technology equipment tied to at least $25 million in investment. $25M minimum investment.	—
Other HB 1210 / Public Law 157	HB 1210 / Public Law 157 requires certain qualified data center users to enter an agreement with local officials before using a specific transaction award certificate.	—
Property tax abatement Indiana Code 6-1.1-12.1-17	Indiana local governments may use general economic-development tools such as Economic Revitalization Areas and property tax abatements;	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	Dkt. IURC Cause Nos. 46097, 46322. IURC Cause No. 46097 approved modified large-load interconnection rules for Indiana Michigan Power Tariff I.P., including long contract terms, minimum billing demand, collateral, and other protections.
PILOT	—	
Host community fee	•	
CBA	•	Community commitments include St. Joseph County/Amazon one-time fees equal to 0.10 per square foot when each building shell is completed for fire services, student success, and parks/green space;
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	•	13 Indiana counties; No statewide data-center moratorium was found as of 2026-06-14, but a May 7, 2026 public-interest coalition release reported that 13 Indiana counties had adopted a moratorium or prohibition and called for more local moratoria.
Zoning	Restrictive	Zoning remains primarily local.
Preemption	Local	
Env. siting req.	8	Indianapolis draft zoning rules required utility will-serve letters for electric and water capacity and an operations plan covering cooling, water discharge, noise mitigation, and decommissioning; Lake County UDO requires 55 dBA noise limits and 200-foot setbacks; Lake County UDO requires environmental-impact assessment for facilities over 100,000 square feet; Lake County UDO requires decommissioning after 15 months of inactivity

Operating standards.

Instrument	Status	Details
Water restrictions	—	
Noise standards	•	
Generator controls	—	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	•	Sunset provision
Legislative audit	•	
Reporting req.	—	
Repeal / reform	•	HB 1210 / Public Law 157 was enacted on March 12, 2026 and materially conditioned the data-center sales-tax exemption certificate process by adding a local-agreement/local-share mechanism for certain qualified data center users before using a specific transaction award certificate.
Comm. opposition	High	noise, water, property values, environmental justice, tax fairness. Community opposition and litigation were reported around multiple Indianapolis projects.

Recent legislation.

Bill	Year	Status	Description
HB 1043	2026	failed	Would have required state water consumption permits for data centers using at least 10 million gallons per month.
HB 1104	2026	failed	Addressed economic-development nondisclosure agreements.
HB 1189	2026	failed	Would have imposed labor requirements for data center incentives.
HB 1210	2026	signed	Public Law 157—Became Public Law 157 on March 12, 2026 and added the local-agreement/local-share mechanism for certain qualified data center users before use of a specific transaction award certificate.
HB 1225	2026	failed	Addressed certified technology parks.

Iowa (IA)

Inc: M | Cost: **H** | Site: M | Ops: M | Acct: M

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption Iowa Code 423.3(95); Iowa Code 423.4(8); HF 976 (2025)	Large data center sales and use tax exemption for qualifying purchases of computers, equipment, cooling systems, power infrastructure, backup-power fuel, and electricity. $200M minimum investment.	—
Sales/use tax exemption Iowa Code 423.3(95); Iowa Code 423.4(8); HF 976 (2025)	Electricity and backup-power fuel exemption for qualifying data centers. $200M minimum investment.	10 yr
Sales/use tax exemption Iowa Code 423.4(7); Iowa Code 423.4(8)	Partial sales and use tax refund tiers for smaller data center investments: 50% refund for projects of at least $1 million but below the larger tier, and 50% refund for projects of at least $10 million, or $5 million for rehabilitated buildings, but below $200 million, subject to investment timing, lease-duration, and filing requirements. $1M minimum investment.	—
Property tax abatement Iowa Code 427.1(37); Iowa Code 423.3(95)	Property tax exemption for qualifying data center business property tied to the Iowa Code 423.3(95) data center definition.	—
Other SF 2472 (2026)	Urban-renewal and tax-increment-financing rules were changed by SF 2472, limiting new divisions of revenue to 23 years and limiting municipal capture to 60% for certain old unlimited TIF districts after specified 20-year periods.	23 yr

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	Dkt. TF-2025-0007; TF-2025-0047. Alliant/IPL has Iowa Utilities Commission individual-customer-rate dockets for Google and QTS-Cedar Rapids, with EEI reporting approved ICR service agreements for Vulpine Power/Google and QTS.
PILOT	—	
Host community fee	•	
CBA	•	$54M. Community benefit commitments include up to $18 million over 20 years for a QTS Cedar Rapids City-owned Community Betterment Fund and up to $36 million total from Google Cedar Rapids through annual community betterment payments of $400,000 per data center for 15 years, capped at $6 million per data center.
Fiscal impact	$151M/yr	34% fiscal dep.; No Iowa State Auditor, legislative audit commission, or university cost-benefit study specific to Iowa data-center incentives was located.

Siting controls.

Instrument	Status	Details
Moratorium	•	Dubuque County; Dubuque County supervisors voted 2-1 on May 26, 2026 to adopt a 12-month moratorium on data centers while the county develops zoning rules.
Zoning	Mixed (local variation)	Siting remains local in practice under Iowa county and city zoning authority.
Preemption	Local	
Env. siting req.	4	Water-allocation permits are generally required for withdrawals above 25000 gallons per day, subject to exemptions; Data center emergency generators or other emissions sources can trigger Iowa DNR air-construction permitting before installation or modification; HF 2001 would have required water-efficient cooling for new or not-yet-under-construction data centers after January 1, 2027, but it failed; Local concerns and reviews focused on water availability, traffic and road impacts, noise, light, pollution, grid effects, and visual buffering

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	•	
Generator controls	—	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	•	Sunset provision
Legislative audit	—	
Reporting req.	1	
Repeal / reform	•	HF 976, signed June 6, 2025, materially rolled back Iowa's data-center incentive by ending the prior unlimited electricity and backup-fuel exemption for newly operating/expanded data centers and replacing it with 10-year or 15-year limits, plus annual reporting.
Comm. opposition	High	water, traffic, noise, environmental justice, grid reliability. Local opposition and review pressure appeared in Linn County, Palo, Dubuque County, Clinton, Fairfield/Jefferson County, and Fairfax, focused on water availability, traffic and road impacts, noise, light, pollution, grid effects, local cost exposure, and whether community-benefit payments would follow projects after annexation.

Recent legislation.

Bill	Year	Status	Description
HF 2001	2026	failed	Introduced January 13, 2026 and left in House Commerce.
HF 2198	2026	failed	Introduced January 29, 2026 and left in House Ways and Means.
HF 2357	2026	signed	Signed April 16, 2026.
HF 2688	2026	failed	Introduced February 23, 2026 and left in House Ways and Means.
HF 2690	2026	failed	Introduced February 23, 2026 and not enacted.

Kansas (KS)

Inc: M | Cost: **H** | Site: M | Ops: **H** | Acct: **H**

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption SB 98 (2025); K.S.A. 74-50,331 through 74-50,334	Kansas High-Performance Computing and Data Center Incentive exempts eligible qualified data center costs and labor, including server, storage, networking, power, cooling, cabling, backup-generation, security, and water-conservation systems. $250M minimum investment; 20 jobs required; clawback provision.	20 yr
Utility rate discount SB 98 (2025); K.S.A. 66-101j	SB 98 amended K.S.A. 66-101j so data centers are not eligible for Kansas economic-development rate discounts.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	75 MW threshold, 80% min. demand, Dkt. 25-EKME-315-TAR. KCC approved a modified Evergy Large Load Power Service tariff for customers with load of 75 MW or more.
PILOT	•	
Host community fee	—	
CBA	•	$250K. De Soto states the developer will fund 100% of project-required water, sewer, utility, and transportation/intersection upgrades, provide annual reports, and make local hiring/vendor efforts.
Fiscal impact	$10M/yr	60% fiscal dep.; No data-center-specific statewide audit or post-SB 98 statewide evaluation was located as of June 14, 2026.

Siting controls.

Instrument	Status	Details
Moratorium	•	Harvey County, Sedgwick County, Wichita, Kingman County, McPherson County, Saline County, Miami County, Riley County, Leavenworth County, South Hutchinson; Multiple Kansas local governments adopted moratoria or temporary holds in 2026.
Zoning	Mixed (local variation)	Kansas delegates zoning power to local governments under K.S.A. 12-741 et seq., leaving data-center siting primarily to city and county zoning, rezoning, site-plan, and special-use-permit processes absent a statewide override.
Preemption	Local	
Env. siting req.	3	Kansas prior-appropriation water-rights system generally requires an existing right or Division of Water Resources permit for industrial water use, which can constrain cooling-water-intensive designs; Backup generators and other stationary equipment may require Kansas Department of Health and Environment air-quality permits before construction or operation if emission thresholds or source categories trigger state or federal rules; SB 98 project agreements require qualified firms to implement water-conservation, reuse, or replacement practices as required by the Commerce agreement

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	•	
Generator controls	—	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	•	Sunset provision; clawback
Legislative audit	—	
Reporting req.	2	Energy disclosure
Repeal / reform	•	The furthest 2024-2026 rollback/conditioning effort was introduction of bills that died, especially SB 526, which would have narrowed SB 98 sales-tax-exemption eligibility by zoning status.
Comm. opposition	High	water, traffic, tax fairness, grid reliability, jobs quality. Kansas had organized opposition and contested proceedings across multiple projects in 2026, including protest petitions and lawsuits over a proposed $12 billion Kansas City, Kansas data center;

Recent legislation.

Bill	Year	Status	Description
SB 400	2026	failed	Would have required data centers to use closed-loop cooling systems to mitigate water consumption, but died in the 2026 session.
SB 526	2026	failed	Would have limited SB 98 sales-tax-exemption eligibility to data centers on land zoned industrial/manufacturing, or unzoned land, as of July 1, 2025, but died in the 2026 session.
SB 531	2026	failed	Would have prohibited new large-load data centers in counties that had a drought emergency declared within the preceding three years, but died in the 2026 session.
SB 92	2026	signed	Extended provisions affecting large-load customers and parallel generation. Utilities are not required to offer parallel generation service to certain new or expanded 34.5 kV-or-higher facilities, and demand of new or expanded industrial, commercial, or data-center customers at 34.5 kV or higher is excluded from the utility peak-demand calculation used for aggregate export capacity. The sunset was extended from July 1, 2026 to July 1, 2027.
—	2026	—	No 2026 incentive repeal or statewide moratorium enacted—No statewide data-center moratorium or repeal of SB 98 was located in the enacted 2026 Kansas legislation reviewed.

Kentucky (KY)

Inc: M | Cost: **H** | Site: M | Ops: M | Acct: **H**

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption KRS 139.499; HB 8 (2024 Acts Ch. 166); HB 775 (2025 Acts Ch. 98)	State sales and use tax exemption for qualifying data center equipment purchased for a qualified project operating under a KEDFA memorandum of agreement and Department of Revenue certificate of exemption; $25M minimum investment.	25 yr
Sales/use tax exemption KRS 139.499; HB 775 (2025 Acts Ch. 98)	Qualified data center project threshold of $450 million in counties with population of at least 100,000, with KEDFA MOA term listed as 50 years. $450M minimum investment.	50 yr
Sales/use tax exemption KRS 139.499; HB 775 (2025 Acts Ch. 98)	Qualified data center project threshold of $100 million in counties with population 50,000 to 99,999, with KEDFA MOA term listed as 25 years. $100M minimum investment.	25 yr
Sales/use tax exemption KRS 139.499; HB 775 (2025 Acts Ch. 98)	Qualified data center project threshold of $25 million in counties with population of 50,000 or less, with KEDFA MOA term listed as 25 years. $25M minimum investment.	25 yr
Sales/use tax exemption KRS 139.499; HB 775 (2025 Acts Ch. 98)	Project organizer threshold of $150 million, with KEDFA MOA term listed as 15 years. $150M minimum investment.	15 yr

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	15 MW threshold, 60% min. demand, Dkt. Kentucky PSC Case Nos. 2025-00140, 2025-00113, 2026-00115. EKPC Rate DCP applies to eligible data centers with expected or actual peak demand of at least 15 MW and expected or actual monthly load factor of at least 60 percent, with PSC-reviewed special contracts.
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	•	Oldham County, Meade County, Daviess County, Cave City, Lexington-Fayette, Ashland; Oldham County adopted a 150-day moratorium on data center and related private-utility applications and later listed an extension;
Zoning	Discretionary review	Local zoning authority remains primary under KRS Chapter 100.
Preemption	Local	
Env. siting req.	3	Water withdrawal permits are required for withdrawals greater than 10,000 gallons per day unless exempt; Discharges to waters of the Commonwealth require KPDES permits; Floodplain or no-discharge operational permits can apply depending on project design

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	—	
Generator controls	—	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	—	
Legislative audit	•	
Reporting req.	2	Energy disclosure
Repeal / reform	•	The furthest 2024-2026 rollback/conditioning effort was 2026 HB 593, which would have imposed data-center electric-service contract, tariff, fee, study, minimum-term, and cost-allocation protections and would have conditioned qualified data-center MOAs on compliance.
Comm. opposition	High	water, traffic, tax fairness, grid reliability, jobs quality. Public opposition and litigation appeared across multiple local jurisdictions, with concerns focused on land use, water demand, electric-grid costs, utility-rate impacts, noise, local fiscal benefits, transparency, and limited permanent jobs.

Recent legislation.

Bill	Year	Status	Description
HB 593	2026	failed	Would have required data-center electric-service contracts, utility tariffs, nonrefundable application fees, service studies, minimum contract terms, and protections against allocating electric, gas, water, or wastewater infrastructure costs for data centers to other customers.
HB 869	2026	signed	Acts Ch. 198—Directs the Cabinet for Economic Development to report to LRC by August 1, 2027 on tax credits and incentives for hyperscale data centers and data centers in Kentucky and surrounding states.
PSC Case No. 2025-00113	2026	passed	LG&E/KU Rate EHLF—Kentucky PSC approved LG&E/KU's Rate EHLF in February 2026.
PSC Case No. 2026-00115	2026	pending	Big Rivers retail electric service agreement for TeraWulf/Justified DataPower—Kentucky PSC opened and suspended for review until October 13, 2026 Big Rivers' proposed retail electric service agreement for TeraWulf/Justified DataPower.
HB 775	2025	signed	Acts Ch. 98—Expanded eligibility statewide through county-population investment thresholds and longer MOA terms for large projects.

Louisiana (LA)

Inc: **H** | Cost: **H** | Site: L | Ops: M | Acct: **H**

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption La. R.S. 47:305.73(C); Act 730 / HB 827 (2024)	State and local sales and use tax exemption for eligible data center equipment and qualified development, construction, lease, repair, refurbishment, expansion, and renovation expenditures for approved data center facilities. $200M minimum investment; 50 jobs required; clawback provision.	20 yr
Job creation credit Act 372 / HB 507 (2025)	High Impact Jobs Program grant incentive for jobs paying above parish average wages with basic health benefits.	—
Other	LED FastStart workforce development support offered as part of the February 2026 Amazon incentive package;	—
Property tax abatement Industrial Tax Exemption Program	Industrial Tax Exemption Program property-tax abatement for qualifying manufacturing projects, subject to Board of Commerce and Industry consideration and governor approval;	—
Property tax abatement Restoration Tax Abatement	Restoration Tax Abatement local property-tax abatement for qualifying renovations and improvements to existing structures in specified districts, subject to local, Board of Commerce and Industry, and governor approval.	5 yr
Franchise tax relief Act 6 / HB 3 (2024)	Broad state business tax reform repealed the corporate franchise tax for corporate franchise tax periods beginning on or after January 1, 2026;	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	—	
PILOT	—	
Host community fee	•	
CBA	—	
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	•	New Orleans; No new statewide data center moratorium was enacted in the 2026 regular session.
Zoning	Mixed (local variation)	Local zoning remains the primary siting control absent statewide siting preemption.
Preemption	Local	
Env. siting req.	2	HB 1206 would have required data centers with proposed consumptive water use above 100 million gallons per year to obtain a permit from the Department of Conservation and Energy, submit water-usage reports, and trigger public notice and hearings for certain permits, but it did not pass; New Orleans and St

Operating standards.

Instrument	Status	Details
Water restrictions	—	
Noise standards	•	
Generator controls	—	
Clean energy cond.	—	
Wage standards	•	Wage floor

Accountability.

Instrument	Status	Details
Sunset / clawback	•	Sunset provision; clawback
Legislative audit	•	
Reporting req.	2	
Repeal / reform	—	
Comm. opposition	Mod.	water, tax fairness, grid reliability, environmental justice. 2026 local debates focused on power demand, water use, noise, buffering, neighborhood impacts, and whether local rules existed before projects appeared.

Recent legislation.

Bill	Year	Status	Description
HB 1206	2026	failed	Water permitting and reporting—Would have added data-center-specific water permits for proposed consumptive water use above 100 million gallons per year, annual reports, public notice, hearings, penalties, and project identifiers.
HB 922	2026	failed	Ratepayer cost protection—Would have barred electric utilities from increasing household customer rates as a direct or indirect result of new data center electric demand and required all costs associated with new data center demand to be allocated solely to the data center customers through special contracts, tariffs, or rate classes.
HB 507	2025	passed	Act 372 High Impact Jobs Program—Created HIP effective July 1, 2025 as a general jobs incentive within LED for jobs paying above parish average wages with basic health benefits.
HB 3	2024	passed	Act 6 state business tax reform—Repealed the corporate franchise tax for corporate franchise tax periods beginning on or after January 1, 2026.
HB 827	2024	passed	Act 730 data center incentive framework—Created the data center incentive framework now codified in La.

Maine (ME)

Inc: L | Cost: L | Site: M | Ops: M | Acct: M

Incentives.

Program	Description & Qualifications	Term
Investment tax credit	Dirigo Business Incentives provides eligible certified businesses with a capital-investment credit for qualifying property placed in service after December 31, 2024, and a $2,000 qualified-employee training credit.	—
Property tax abatement Public Law 2025, c. 768; LD 713	Business Equipment Tax Exemption (BETE) is described by Maine Revenue Services as a 100% property-tax exemption for eligible business equipment first subject to Maine tax on or after April 1, 2008.	—
Property tax abatement	Business Equipment Tax Reimbursement (BETR) remains a reimbursement program for qualifying older property and some retail property.	—
Other	Municipal Tax Increment Financing (TIF) remains available as a development-finance tool that lets municipalities use incremental property taxes from a development to finance public or private project costs;	—
Other	Pine Tree Development Zone (PTDZ) and Employment Tax Increment Financing (ETIF) closed to new applications on December 31, 2024, so new data-center projects cannot enter those legacy programs.	—
Other LD 1259; LD 1722	No active data-center-specific sales-tax exemption was identified in current Maine law.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	—	
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	•	Bangor, Sanford, Westbrook, Brunswick, Scarborough; There is no statewide data-center moratorium in effect as of June 14, 2026.
Zoning	Restrictive	Maine municipalities are using local zoning and development-review authority to slow, condition, or prohibit data-center projects.
Preemption	Local	
Env. siting req.	3	Maine DEP Site Location of Development Act review applies to developments that may substantially affect the environment, including projects occupying more than 20 acres, large structures, subdivisions, and oil-terminal facilities; DEP Site Law standards include stormwater, groundwater, infrastructure, wildlife and fisheries, noise, and unusual natural areas; Local moratoria cited concerns including water, electricity, infrastructure, environmental, neighboring-property, energy, light, noise, generator-control, decommissioning, monitoring, and ratepayer impacts

Operating standards.

Instrument	Status	Details
Water restrictions	—	
Noise standards	•	
Generator controls	—	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	—	
Legislative audit	•	
Reporting req.	1	
Repeal / reform	•	LD 713/Public Law 2025, chapter 768 was signed on April 23, 2026 and enacted a prospective rollback by excluding data centers beginning operations on or after August 1, 2026 from BETE and Dirigo eligibility.
Comm. opposition	High	noise, water, property values, environmental justice, tax fairness. Community and municipal opposition escalated in 2025-2026.

Recent legislation.

Bill	Year	Status	Description
Executive Order	2026	signed	Maine Data Center Advisory Council—Governor Mills created the Maine Data Center Advisory Council on April 29, 2026 and charged it to make recommendations by January 29, 2027 on ratepayer protection, grid reliability, environmental impacts, and responsible economic development.
LD 307	2026	vetoed	An Act to Establish the Maine Data Center Coordination Council and Place a Temporary Limitation on Certain Data Centers—Would have paused state and municipal permitting for data centers with loads of 20 MW or more until November 1, 2027.
LD 713 /Public Law 2025, c. 768	2026	signed	Signed April 23, 2026.
MPUC Docket 2026-00142	2026	pending	Informal investigation regarding development of large data centers—Maine Public Utilities Commission opened the docket on May 27, 2026.
LD 912 /Public Law 2025, c. 85	2025	signed	Amended Title 35-A section 102 to define data center for utility-law purposes and limit a private-distribution exception when more than 25% of nameplate capacity serves data centers.

Maryland (MD)

Inc: L | Cost: M | Site: M | Ops: **H** | Acct: L

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption Tax-General Section 11-239	State sales and use tax exemption for qualified data center personal property for eligible data centers and qualified tenants that meet statutory investment and job requirements.	—
Property tax abatement Tax-Property Section 7-248	Counties are authorized to grant a property tax reduction for qualified data center personal property.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	25 MW threshold, Dkt. Public Conference 72; Rulemaking 93; HB 1532/Chapter 353. HB 1532/Chapter 353 lowered Maryland's large-load rate-schedule threshold to 25 MW, requires a large-load customer registry and registration fee, requires submission of large-load interconnection requests and agreements to the PSC, and directs the PSC to develop a voluntary data center clean capacity rating program by December 15, 2027.
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	•	Prince George's County, Baltimore City, Harford County, Howard County, Baltimore County, Calvert County; Prince George's County adopted CR-098-2025 creating a temporary pause on processing, review, and approval of preliminary plans of subdivision that include qualified data centers for the earlier of 180 days or subsequent legislation.
Zoning	Mixed (local variation)	Calvert County defined data centers and limited them to industrial zones, with I-2 permitted with conditions and I-1 requiring conditional use or special exception review.
Preemption	Local	
Env. siting req.	6	HB 1532 directed the Maryland PSC to develop a voluntary data center clean capacity rating program by December 15, 2027; Calvert County proposed reduced cooling-water use, prohibitions on wells for cooling, stronger stormwater controls, developer-funded infrastructure, Tier 4 backup generators, setbacks, noise limits, and public engagement requirements; Montgomery County proposed amendments included a verifiable 100% clean-energy requirement for larger data centers, a carbon compliance plan, annual DEP reporting, prohibition on potable water for cooling systems, a water usage plan, school and park setbacks, and a backup energy generation plan; Prince George's County taskforce recommendations included restrictions near environmentally sensitive areas, sustainable operations plans, green design standards, a high-energy-use surcharge, and generator-testing noise controls

Operating standards.

Instrument	Status	Details
Water restrictions	—	
Noise standards	•	
Generator controls	•	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	—	
Legislative audit	—	
Reporting req.	1	Energy disclosure
Repeal / reform	•	HB 560 in the 2026 regular session was a direct repeal bill for the data-center sales/use tax exemption and local data-center personal-property tax reduction authority, but the memo says it did not enact and provides no evidence that it passed a chamber.
Comm. opposition	High	noise, water, traffic, environmental justice, tax fairness. Multiple counties and Baltimore City considered or enacted moratoria, study periods, tighter zoning standards, or bans.

Recent legislation.

Bill	Year	Status	Description
Bill 26-005	2026	failed	Harford County emergency measure that would have created a temporary moratorium on building permits and certificates of occupancy for data center uses for 90 days, with possible extension.
Bill 26-011	2026	introduced	Zoning Data Centers—Harford County permanent-ban legislation introduced with a June 9, 2026 public hearing.
Bill 3-26	2026	passed	Baltimore County suspended permits and development-plan approvals for data centers until January 1, 2027 or 90 days after the Planning Board submits its required report, whichever is earlier.
CB031-2026	2026	passed	Howard County temporary moratorium on certain plans for data processing centers and creation of a task force to recommend best practices for siting, setbacks, screening, water and energy consumption, noise mitigation, tax-credit removal, impact fees, excise taxes, and decommissioning plans.
File 26-0158	2026	passed	Data Centers - Moratorium—Baltimore City one-year moratorium bill for data centers drawing 10 MW or more while the city studies energy infrastructure, ratepayer, economic, environmental, and public-health impacts.

Massachusetts (MA)

Inc: M | Cost: L | Site: **H** | Ops: **H** | Acct: L

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption Acts of 2024, c.238; M.G.L. c.23A Section 70; M.G.L. c.64H Section 6(zz); 400 CMR 9.00; DOR TIR 25-5	Qualified Data Center sales and use tax exemption for certified qualified data centers covering eligible data center equipment, computer software, electricity, and construction costs incurred after November 20, 2024. $50M minimum investment; 100 jobs required; clawback provision.	20 yr
Property tax abatement	Markley Group's Lowell data center marketing materials cite a personal property tax exemption on equipment as a facility benefit, indicating a local incentive or exemption at that site.	—
Property tax abatement Chapter 121A-style PILOT	Westfield previously negotiated a Chapter 121A-style PILOT for a proposed hyperscale campus, with local reporting describing average annual PILOT payments of about $6.4 million and projected $360 million over 40 years;	40 yr
Other H.5436	Pending H.5436 would create a Massachusetts Quantum Center and amend the data-center certification statute to cover qualified quantum corporations alongside qualified data centers for the sales/use tax exemption process; clawback provision.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	—	
PILOT	•	Markley Group's Lowell data center marketing materials cite a personal property tax exemption on equipment as a facility benefit, indicating a local incentive or exemption at that site.; Westfield project documents projected a PILOT averaging about $6.4 million per year, an additional $2.4 million in state sales/excise taxes, and $360 million over 40 years, but these are projected agreement amounts rather than audited collections.
Host community fee	—	
CBA	—	
Fiscal impact	$17M/yr	No Massachusetts auditor or legislative fiscal impact study was located for data center incentives.

Siting controls.

Instrument	Status	Details
Moratorium	•	Lowell, Shutesbury, Gill; No enacted statewide data center moratorium as of June 14, 2026.
Zoning	Restrictive	Municipal zoning under M.G.L. c.40A remains central.
Preemption	Local	
Env. siting req.	4	Water Management Act permits for withdrawals over 100,000 gallons per day average or 9 million gallons in any 3-month period; MassDEP air plan approval under 310 CMR 7; Noise regulation under 310 CMR 7; MEPA review may apply to large campuses depending on site size, land alteration, impervious area, water, and other thresholds

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	•	
Generator controls	—	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	•	clawback
Legislative audit	—	
Reporting req.	2	Energy disclosure
Repeal / reform	—	
Comm. opposition	High	noise, water, environmental justice, grid reliability, jobs quality. Local pushback intensified between March and May 2026.

Recent legislation.

Bill	Year	Status	Description
400 CMR 9.00	2026	passed	Qualified Data Centers—EOED finalized the qualified data-center regulation on March 27, 2026, establishing certification procedures and replacing the earlier draft/regulatory-hearing status.
Article 7	2026	passed	Gill data center and BESS moratorium—Gill voters approved Article 7 at the May 4, 2026 Annual Town Meeting, creating a one-year moratorium on data centers and certain BESS facilities through May 3, 2027 so the Planning Board can develop zoning regulations.
H.5175	2026	pending	House energy affordability bill—House-passed bill defining data centers as facilities designed for 20 MW or more, requiring new or expanded data centers seeking DPU or EFSB permits to procure at least 80% renewable energy, requiring a demonstration that onsite battery storage is infeasible before a MassDEP permit for fossil-fuel backup generation, and requiring each electric company to file a data-center tariff.
H.5436	2026	pending	MassQuantum—Would create a Massachusetts Quantum Center and modify the data-center exemption framework by adding qualified quantum corporations to the same certification structure, including application information for data center or quantum facilities, certification deadlines, revocation, and 10-year reporting.
HD.5404	2026	pending	Large/qualified data center electricity-cost bill—Would add M.

Michigan (MI)

Inc: **H** | Cost: **H** | Site: **H** | Ops: **H** | Acct: **H**

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption PA 181 of 2024; Michigan Treasury RAB 2025-18	Enterprise Data Center sales and use tax exemption for construction, renovation, or expansion of an enterprise data center and qualified data center equipment; $250M minimum investment; 30 jobs required; clean energy condition; sunset 2029.	—
Sales/use tax exemption PA 181 of 2024; Michigan Treasury RAB 2025-18	Enterprise Data Center exemption generally ends Dec. $250M minimum investment; 30 jobs required; clean energy condition.	—
Sales/use tax exemption PA 181 of 2024; PA 207 of 2024; Michigan Treasury RAB 2025-18	Qualified Data Center sales and use tax exemption extended to Dec.	—
Investment tax credit PA 207 of 2024	Research and development tax credit for tax years beginning Jan.	—
Property tax abatement Industrial Facilities Exemption Act, Act 198 of 1974	Industrial Facilities Tax exemption allows local units to approve Industrial Development Districts or Plant Rehabilitation Districts for industrial and high-tech facilities, with up to 12 years of property tax abatement.	12 yr
Other Brownfield Redevelopment Financing Act, Act 381 of 1996	Brownfield tax increment financing can capture incremental property taxes for eligible activities under Act 381.	—
Infrastructure grant	Michigan Business Development Program provides discretionary, performance-based grants or loans for business attraction and retention, often tied to investment and job commitments;	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	100 MW threshold, 80% min. demand, Dkt. U-21859; U-21990; U-22058; U-22061. Consumers Energy U-21859 applies to data center loads of 100 MW or more and includes a 15-year minimum contract term, 80% minimum billing demand, ramp-up period, automatic extensions, and case-by-case filings to show other customers are not subsidizing the load.
PILOT	—	
Host community fee	—	
CBA	•	$24M. Oracle announced a $10 million commitment to expand and modernize the Saline Recreation Center, adding to previously announced $14 million in direct investments in local fire services and community/farmland preservation funds.
Fiscal impact	$20M/yr	The 2015 House Fiscal Agency analysis estimated an immediate annual revenue reduction of about $20 million to $30 million from SB 616-SB 618 and gave a $1.0 billion investment example with $45 million in sales/use tax loss in the purchase year and about $100 million in foregone personal property tax over four years.

Siting controls.

Instrument	Status	Details
Moratorium	•	51 Michigan cities and townships identified by MLive/GovTech, Detroit, Huron County, Filer Township, Ypsilanti Community Utilities Authority, Green Charter Township, Howell Township; As of June 14, 2026, the label audit counts 54 enacted local moratoria or utility-service pauses: 51 cities and townships identified by MLive/GovTech, plus Huron County, Filer Township, and the Ypsilanti Community Utilities Authority.
Zoning	Restrictive	Michigan has no statewide data center siting preemption or statewide data center zoning standard.
Preemption	Local	
Env. siting req.	5	Large quantity water withdrawals of at least 100,000 gallons per day require registration and review through the Water Withdrawal Assessment Tool; Water withdrawals above 2,000,000 gallons per day require a permit; Data centers are subject to applicable state air permitting and local noise ordinances; Water and wastewater capacity became a local policy constraint, including Ypsilanti Community Utilities Authority's water and sewer service moratorium pending environmental and system-capacity studies

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	•	
Generator controls	—	
Clean energy cond.	•	Incentive-linked
Wage standards	•	Wage floor

Accountability.

Instrument	Status	Details
Sunset / clawback	•	Sunset provision
Legislative audit	•	
Reporting req.	2	Energy disclosure
Repeal / reform	•	The furthest 2024-2026 statewide rollback effort was introduction of HB 5396-HB 5398 in December 2025 to repeal the EDC sales/use tax exemptions
Comm. opposition	High	noise, water, tax fairness, grid reliability, jobs quality. Community opposition and delays were reported around Van Buren Township/Google, Saline Township/Stargate, Ypsilanti Township/University of Michigan-Los Alamos, Gaines Township/Microsoft, and York Township/Sansone.

Recent legislation.

Bill	Year	Status	Description
HB 5594-HB 5596	2026	pending	Statewide data center moratorium and utility approval ban—Would create a temporary statewide data center pause until April 1, 2027 by blocking local site-plan and permit approvals, EGLE approvals, and new operation.
HB 5777	2026	pending	Large-scale data center life-cycle financial responsibility act—Would create financial responsibility requirements for large-scale data centers.
HB 5785-HB 5787	2026	pending	Enterprise data center construction labor act and tax-condition package—Would condition sales and use tax exemption access on compliance with a proposed enterprise data center construction labor act requiring prioritization of local union labor.
HB 5846	2026	pending	Data center zoning overlay districts—Would create zoning overlay districts for data centers.
HB 5849	2026	pending	Data center cyber-physical and operational-technology protections—Would create cyber-physical and operational-technology protections for data centers.

Minnesota (MN)

Inc: **H** | Cost: M | Site: **H** | Ops: **H** | Acct: **H**

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption Minnesota Statutes 297A.68; Minnesota Statutes 297A.75	Qualified data center sales/use tax refund exemption for qualifying purchases of enterprise information-technology equipment, computer software, and certain power infrastructure. $30M minimum investment; sunset 2042.	35 yr
Sales/use tax exemption Minnesota Statutes 297A.68	Qualified refurbished data centers must meet the 25,000 square foot threshold and reach at least $50 million of qualifying investment within 24 months. $50M minimum investment; sunset 2042.	35 yr
Sales/use tax exemption Minnesota Statutes 297A.68	Large-scale qualified data center category created for fiber-connected buildings of at least 25,000 square feet with at least $250 million of qualifying investment within 60 months beginning after June 30, 2025; $250M minimum investment; clean energy condition; clawback provision; sunset 2042.	35 yr
Property tax abatement	Pine Island City Council approved a tax-abatement agreement on February 4, 2026 for the Project Skyway/Google data center development area.	—
Property tax abatement	Hermantown scheduled a May 4, 2026 public hearing on proposed development and tax-abatement agreements for the Google data center project, then tabled the development-agreement resolution for further consideration.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	100 MW threshold, Dkt. E-002/M-26-170; E-015/M-26-159. Minnesota's 2025 very-large-customer statutes require special treatment for loads of at least 100 MW and direct the PUC to prevent incremental costs caused by those customers from shifting to other ratepayers.
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	$69M/yr	The January 2026 statewide evaluation found gross forgone state tax revenue ranging from $43.9 million in 2013 to $101.6 million in 2015, with 2024 forgone revenue estimated at $68.7 million.

Siting controls.

Instrument	Status	Details
Moratorium	•	Carver, Eagan, Inver Grove Heights, Minneapolis, Wright County; No statewide data center moratorium was enacted as of June 14, 2026.
Zoning	Discretionary review	Local governments retain primary zoning and interim-ordinance authority over data center siting.
Preemption	Local	
Env. siting req.	5	DNR water-use permit generally required for withdrawals exceeding 10,000 gallons per day or 1 million gallons per year; For data centers meeting the statutory large-load definition, proposed consumptive use above 100 million gallons per year can trigger preapplication information requirements and special permit conditions; Very large customer and large-load cost-allocation statutes require Public Utilities Commission cost-causation protections for loads of at least 100 MW served by investor-owned utilities; Large behind-the-meter or backup generation attached to data centers can trigger certificate-of-need or other Public Utilities Commission review depending on size and configuration

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	—	
Generator controls	—	
Clean energy cond.	•	Incentive-linked
Wage standards	•	Wage floor; prevailing wage

Accountability.

Instrument	Status	Details
Sunset / clawback	•	Sunset provision; clawback
Legislative audit	•	
Reporting req.	2	
Repeal / reform	•	Minnesota enacted a material rollback in its 2025 tax legislation by ending the electricity component of the data center sales/use tax exemption after June 30, 2025, while leaving the equipment/software refund program in place.
Comm. opposition	High	noise, water, property values, environmental justice, visual impact. Public objections in 2026 centered on water demand, electricity demand and cost allocation, backup generation and air emissions, noise and light, aquifer effects, property values, nondisclosure agreements, and the sufficiency of environmental review.

Recent legislation.

Bill	Year	Status	Description
Chapter 128	2026	signed	2026 tax law technical refund statute reference change—Amended the refund provision by changing the cross-reference for data center refunds to subdivision 42.
HF4153/SF4681	2026	failed	Would have modified water preapplication criteria, exempted data center electricity sales from the utility solar-energy-standard calculation, and restored or added data center electricity-related exemptions.
HF4173/SF4203	2026	failed	Proposed modifying the data center sales/use tax exemption.
HF4990/SF5100	2026	failed	Proposed broader water, solar-standard, exemption, and backup-generation changes.
HF5125/SF5231	2026	failed	Proposed repealing the data center sales/use tax exemption and a related contingent special-education aid reduction.

Mississippi (MS)

Inc: **H** | Cost: M | Site: L | Ops: L | Acct: L

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption Mississippi Code Sections 57-113-21, 57-113-23, and 57-113-25	MDA-certified data center enterprises receive state sales and use tax exemptions on component building materials and equipment for initial construction or expansion, and on replacement hardware, software, and technology. $20M minimum investment; 20 jobs required; clawback provision.	10 yr
Franchise tax relief Mississippi Code Sections 57-113-21, 57-113-23, and 57-113-25	MDA-certified data center enterprises receive exemption from franchise tax on capital employed, subject to eligibility certification, performance requirements, and MDA agreement or recapture provisions. $20M minimum investment; 20 jobs required.	10 yr
Other Mississippi Code Sections 57-113-21, 57-113-23, and 57-113-25	MDA-certified data center enterprises receive exemption from income tax on income earned, subject to eligibility certification, performance requirements, and MDA agreement or recapture provisions. $20M minimum investment; 20 jobs required.	10 yr
Property tax abatement Mississippi Code Section 27-31-101	County boards of supervisors and municipal authorities may grant local ad valorem exemptions to enumerated new enterprises, including data and information processing enterprises and data centers;	10 yr
Infrastructure grant HB 1393 / Chapter 459 (2026)	The Mississippi Energy Infrastructure Fund, administered by MDA, may provide grants, loans, or other financial assistance to local entities for approved projects, with eligible project language that includes data centers;	—
Other SB 3410 / Chapter 936 (2026)	Brandon and the West Rankin Utility Authority may contract with a data center or related technology facility for water and wastewater infrastructure, reclaimed water delivery, wastewater treatment, capacity guarantees, negotiated rates, and developer or operator reimbursement on a progress-payment basis.	—
Property tax abatement SB 3116 / Chapter 363 (2026)	SB 3116 added battery energy storage system facilities to specified local ad valorem exemption authority and extended the Section 27-31-101 reverter to 2028;	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	—	
PILOT	•	County boards of supervisors and municipal authorities may grant local ad valorem exemptions to enumerated new enterprises, including data and information processing enterprises and data centers; (Mississippi Code Section 27-31-101); 10 yr
Host community fee	—	
CBA	—	
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	—	
Zoning	Discretionary review	Mississippi municipalities and counties retain land-use zoning authority, with zoning ordinances and amendments requiring a public hearing and at least 15 days' notice.
Preemption	Local	
Env. siting req.	5	MDEQ Office of Land and Water Resources permits groundwater withdrawals and surface-water diversion, withdrawal, and impoundment; MDEQ administers the state air-quality permitting program under Clean Air Act permitting in Mississippi and EPA Region 4; Amazon stated its Canton campus will transition to 100% recycled wastewater for cooling by 2027, reusing an average of 83 million gallons annually; The Mississippi Environmental Quality Permit Board approved an MZX Tech/xAI construction permit for 41 methane gas-fired turbines in Southaven on March 10, 2026

Operating standards.

Instrument	Status	Details
Water restrictions	—	
Noise standards	—	
Generator controls	—	
Clean energy cond.	—	
Wage standards	•	Wage floor

Accountability.

Instrument	Status	Details
Sunset / clawback	•	clawback
Legislative audit	•	
Reporting req.	—	
Repeal / reform	•	HB 4045 (2026) would have rolled back part of the data-center incentive by ending the income-tax exemption for certain data-center projects after calendar year 2026, but it did not pass either chamber and died on the House calendar on February 25, 2026.
Comm. opposition	High	water, environmental justice, tax fairness, grid reliability. xAI's Southaven turbine operations generated sustained noise, air-quality, and procedural objections from residents and advocacy groups during the February-March 2026 permit process.

Recent legislation.

Bill	Year	Status	Description
HB 1049	2026	failed	Broad wastewater and utility bring-forward bill included language treating data centers or supercomputing centers with an average constant draw of at least 1 MW as critical infrastructure for anti-impeding provisions.
HB 1393	2026	signed	Mississippi Energy Infrastructure Fund—Enacted April 8, 2026 as Chapter 459, creating the Mississippi Energy Infrastructure Fund for local-entity infrastructure support, including for approved projects that may include data centers.
HB 4045	2026	failed	Would have ended the income-tax exemption for income from certain data center projects after calendar year 2026 and created a Mississippi Strategic Development Fund mechanism tied to large fee-in-lieu projects.
SB 3116	2026	signed	Enacted March 16, 2026 as Chapter 363, adding battery energy storage system facilities to specified local ad valorem exemption authority and extending the reverter on Section 27-31-101.
SB 3410	2026	signed	Brandon/West Rankin data-center water and wastewater agreements—Enacted April 8, 2026 as Chapter 936, authorizing Brandon and the West Rankin Utility Authority to contract with a data center or related technology facility for water and wastewater infrastructure, reclaimed water delivery, wastewater treatment, capacity guarantees, negotiated rates, and reimbursement.

Missouri (MO)

Inc: L | Cost: **H** | Site: M | Ops: **H** | Acct: M

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption RSMo §144.810	State and local sales/use tax exemption for eligible new data storage centers in NAICS 518210 or 519130 on utilities, machinery, equipment, computers, and construction materials. $25M minimum investment.	15 yr
Sales/use tax exemption RSMo §144.810	State and local sales/use tax exemption for eligible data storage center expansions in NAICS 518210 or 519130 on utilities, machinery, equipment, computers, and construction materials. $5M minimum investment.	10 yr
Property tax abatement RSMo Chapter 100	Chapter 100 industrial development bond and leaseback structures allow locally negotiated property tax abatement and state/local sales tax exemptions through city or county ownership, with DED certification for sales tax treatment.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	100 MW threshold, 80% min. demand, Dkt. EO-2025-0154; ET-2025-0184; ET-2026-0184. Missouri PSC says Ameren Missouri and Evergy have approved large-load tariffs, while Liberty's case remained open as of June 14, 2026.
PILOT	•	Chapter 100 industrial development bond and leaseback structures allow locally negotiated property tax abatement and state/local sales tax exemptions through city or county ownership, with DED certification for sales tax treatment. (RSMo Chapter 100)
Host community fee	•	
CBA	•	Community benefit and local contribution examples include the St. Louis Armory framework requiring 30 per square foot of approved data center development, estimated at 15000000, for multimodal enhancements, digital access, economic and environmental justice, local distributed energy, and weatherization;
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	•	City of St. Charles, City of Columbia, Jackson County, Stone County, Webster County; St. Charles moved from a 2025 one-year moratorium to a permanent zoning ban after a 7-1 City Council vote on May 19, 2026, making data centers ineligible for permitting or conditional use in any city zoning district.
Zoning	Mixed (local variation)	Missouri local approaches diverge.
Preemption	Local	
Env. siting req.	4	DNR air construction and operating permits may be required for backup diesel generators or on-site generation depending on potential emissions; Major Water Users Registration requires entities capable of withdrawing 100,000 gallons/day to register and report annual withdrawals; Camden County Ordinance 04-24-2026 includes rainwater and closed-loop cooling rules, utility-service and on-site-generation showings for larger facilities, setbacks, noise controls, and daily penalties; St

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	•	
Generator controls	•	
Clean energy cond.	—	
Wage standards	•	Wage floor

Accountability.

Instrument	Status	Details
Sunset / clawback	—	
Legislative audit	•	
Reporting req.	—	
Repeal / reform	•	The furthest 2024-2026 rollback stage was enacted locally: Camden County adopted Ordinance 04-24-2026, which included a local bar on tax incentives, property-tax abatements, and special taxing districts for data centers.
Comm. opposition	High	noise, water, property values, environmental justice, tax fairness. 2026 opposition focused on energy demand, water supply, noise, tax abatements, transparency, and land-use compatibility, especially in Independence, Festus, Franklin County, Webster County, Nodaway County, St. Charles, Columbia, Camden County, and the St. Louis region.

Recent legislation.

Bill	Year	Status	Description
B121-26	2026	passed	Columbia administrative delay for data centers—Proposed an administrative delay on accepting or processing applications for new or expanded data center facilities.
EO 26-02	2026	pending	DNR and PSC data center energy review—Governor Kehoe directed DNR, in collaboration with the Public Service Commission, to investigate energy regulations and infrastructure planning for AI-supporting data centers, with ratepayer protection, energy-needs assessment, and natural-resource management findings due to the Governor's Office by November 30, 2026.
HB 2239	2026	failed	Artificial Intelligence Data Center Environmental Accountability Act—Would have applied to AI-optimized data centers at or above 100 MW and required closed-loop or comparably low-water cooling, continuous water and discharge monitoring, annual DNR reporting, and penalties.
HB 3362	2026	failed	Industrial utility users—Would have required electric tariffs for projected annual peak demand above 50 MW, water tariffs for users above 2 million gallons/day or 80% of system capacity, load-shedding plans, and DNR major-industrial-water-user permits above 2 million gallons/day.
HB 3364	2026	failed	Industrial utility users—Paired with HB 3362, this bill would have required electric tariffs for projected annual peak demand above 50 MW, water tariffs for users above 2 million gallons/day or 80% of system capacity, load-shedding plans, and DNR major-industrial-water-user permits above 2 million gallons/day.

Montana (MT)

Inc: L | Cost: L | Site: L | Ops: L | Acct: L

Incentives.

Program	Description & Qualifications	Term
Property tax abatement MCA 15-6-162	Qualified data center property is Class 17 property taxed at a 0.9% taxable valuation rate.	—
Property tax abatement HB 424 (2025)	HB 424 extended the qualified data center construction window to 2037, revised ownership requirements, added qualifying on-site generation and storage equipment, preserved 10-year Class 17 treatment for qualified dedicated communications infrastructure, and applied retroactively to tax years beginning after December 31, 2024.	10 yr
Other	Montana has no general sales tax, so the state incentive posture is primarily property-tax based rather than a sales-and-use-tax exemption regime.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	5 MW threshold, Dkt. 2026.04.023. NorthWestern filed a proposed Large New Load tariff on March 31, 2026 for new or expanded bundled electric loads of 5 MW or more.
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	—	
Zoning	Discretionary review	Missoula County is reviewing Krambu's proposed Bonner data center under special-exception procedures.
Preemption	Mixed	
Env. siting req.	3	MEIC reported that Montana has no state regulations limiting data-center energy or water use; Missoula County zoning-permit review addresses special-exception compatibility, e-waste recycling, and renewable-energy compliance at zoning-permit stages; Utility rates and interconnection are under Montana Public Service Commission authority rather than county zoning authority

Operating standards.

Instrument	Status	Details
Water restrictions	—	
Noise standards	—	
Generator controls	—	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	•	Sunset provision
Legislative audit	—	
Reporting req.	—	
Repeal / reform	•	The furthest 2024-2026 rollback effort was introduced legislation: SB 32 in 2025 would have materially raised the qualified data-center Class 17 property-tax rate from 0.9% to 1.5%, but it failed and did not pass a chamber.
Comm. opposition	Mod.	water, traffic, tax fairness, grid reliability, jobs quality. Local scrutiny is concentrated around specific projects.

Recent legislation.

Bill	Year	Status	Description
Docket 2026.04.023	2026	pending	NorthWestern Large New Load tariff proceeding—NorthWestern filed a Large New Load tariff proposal on March 31, 2026, and the Montana Public Service Commission opened Docket 2026.
—	2026	pending	2027 data-center bill-draft requests—The Legislature's 2027 bill-draft request list includes requests to generally revise laws relating to data centers, revise property taxation of data centers, and generally revise data center laws.
HB 424	2025	signed	Enacted as the principal state incentive expansion for data centers and associated generation/storage property. It extended the qualified data center construction window to 2037, revised ownership requirements, added qualifying on-site generation and storage equipment, preserved 10-year Class 17 treatment for qualified dedicated communications infrastructure, and applied retroactively to tax years beginning after December 31, 2024.
HB 877	2025	failed	Montana Data Center Development Act—Proposal to establish a Montana Data Center Development Act.
HJ 46	2025	failed	Study resolution on data centers that did not advance, leaving Montana without a completed legislative study or statewide data-center energy/water reporting regime as of June 14, 2026.

Nebraska (NE)

Inc: **H** | Cost: M | Site: M | Ops: **H** | Acct: **H**

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption Neb. Rev. Stat. § 77-5725	Nebraska Advantage Act Tier 2 large data center eligibility includes sales/use tax exemptions or refunds and direct payment permit mechanics during entitlement years after meeting employment and investment levels. $200M minimum investment; 30 jobs required.	—
Investment tax credit Neb. Rev. Stat. § 77-5725	Nebraska Advantage Act Tier 2 large data center projects can receive a 10% investment credit during statutory entitlement years. $200M minimum investment; 30 jobs required; sunset 2020.	—
Job creation credit Neb. Rev. Stat. § 77-5725	Nebraska Advantage Act Tier 2 large data center projects can receive wage credits during statutory entitlement years. $200M minimum investment; 30 jobs required; sunset 2020.	—
Property tax abatement Neb. Rev. Stat. § 77-5725	Nebraska Advantage Act Tier 2 large data center projects can receive personal property tax exemptions for computer systems and other project personal property during statutory exemption windows. $200M minimum investment; 30 jobs required; sunset 2020.	—
Sales/use tax exemption Neb. Rev. Stat. § 77-2704.62; LB209 (2023); LB901 (2026)	Standalone data center sales/use tax exemption for qualifying tangible personal property and services, expanded by LB209 to include data center equipment, electricity and fuel for generators, construction materials, and contractor purchases as purchasing agent.	—
Property tax abatement Neb. Rev. Stat. § 77-202(10); LB901 (2026)	Standalone data center personal property tax exemption in § 77-202(10), removed by LB901 operative January 1, 2027.	—
Sales/use tax exemption Neb. Rev. Stat. §§ 77-6818 and 77-6831	ImagiNE Nebraska Act sales/use tax incentives remain available for qualified locations including Data Processing, Hosting, and Related Services and Computer Facilities Management Services, with tiered thresholds such as $5 million investment plus 30 new employees, $50 million investment, or $250 million investment plus 250 new employees during the ramp-up period. $5M minimum investment.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	20 MW threshold, Dkt. LB1010. LB1010 authorizes public power suppliers to establish or negotiate rates, charges, and operating standards for each large load customer to fairly allocate electricity system costs and mitigate operational, resource adequacy, and financial risks to other customers.
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	$7M/yr	UNL BBR estimated state government net fiscal impact during the Nebraska Advantage incentive period as a 10020000 annual loss, turning into a 3590000 annual gain after incentives end;

Siting controls.

Instrument	Status	Details
Moratorium	•	Otoe County, Gage County, Fully appropriated or overappropriated surface water basins; Otoe County commissioners voted in May 2026 to suspend permits needed for new data centers for up to one year while studying regulations.
Zoning	Discretionary review	County boards and municipalities retain zoning authority.
Preemption	Local	
Env. siting req.	4	Surface water diversions require state permits, and new permits cannot be filed in fully appropriated or overappropriated basins unless a variance is granted; Nebraska Air Quality Regulations Title 129 require construction permits for covered emission sources, including potentially large standby-generator fleets; Local noise ordinances, such as Papillion maximum permitted sound levels, can constrain data center operations including generator testing; LB1010 requires large load interconnection standards for new or expanded service above 20 MW at a single site

Operating standards.

Instrument	Status	Details
Water restrictions	—	
Noise standards	•	
Generator controls	—	
Clean energy cond.	—	
Wage standards	•	Wage floor

Accountability.

Instrument	Status	Details
Sunset / clawback	•	Sunset provision
Legislative audit	•	
Reporting req.	2	Energy disclosure
Repeal / reform	•	LB901 was enacted in 2026 and materially rolled back data-center-specific incentives by repealing the standalone sales/use tax exemption in § 77-2704.62 and removing the § 77-202(10) personal-property exemption on specified operative dates.
Comm. opposition	High	water, environmental justice, grid reliability, visual impact. Community concern and county-level action appeared in Otoe, Madison, and Gage Counties in 2026, including a permit suspension, special-permit requirements, and moratorium hearings tied to concerns about water, power, and land-use impacts.

Recent legislation.

Bill	Year	Status	Description
LB1010	2026	signed	Large Load Customer Regulation Act—Approved by the Governor on April 14, 2026.
LB1111	2026	failed	Proposed an annual data center load report and public-power supplier duties.
LB1131	2026	failed	Proposed eliminating data center personal property and sales/use tax exemptions.
LB1257	2026	failed	Broader tax bill that would have eliminated certain sales tax exemptions and was indefinitely postponed on April 17, 2026.
LB1261	2026	signed	Approved by the Governor on April 14, 2026.

Nevada (NV)

Inc: **H** | Cost: L | Site: M | Ops: M | Acct: **H**

Incentives.

Program	Description & Qualifications	Term
Property tax abatement NRS 361.0683; NRS 360.754	GOED-approved data centers may receive a partial abatement of personal property taxes up to 75%, with 1-10 year terms for baseline applicants and 10-20 year terms for extended applicants. sunset 2036.	20 yr
Sales/use tax exemption NRS 374.356; NRS 360.754	GOED-approved data centers may receive a partial local sales/use tax abatement on eligible machinery or equipment, tied to NRS 360.754 eligibility;	—
Other NRS 360.754	GOED 10-year abatement eligibility requires the applicant and tenants, within five years, to employ 10 full-time Nevada-resident employees, pay at least 100% of the statewide average wage, and invest at least $25 million in cumulative capital expenditures. $25M minimum investment; sunset 2036.	10 yr
Other NRS 360.754	GOED 20-year abatement eligibility requires the applicant and tenants, within five years, to employ 50 full-time Nevada-resident employees, pay at least 100% of the statewide average wage ($31.57 for FY26), and invest at least $100 million in cumulative capital expenditures. $100M minimum investment; sunset 2036.	20 yr

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	25 MW threshold, Dkt. PUCN Dockets 26-03009, 26-03010, 25-08029. NV Energy filed Rule 9 tariff revisions to address extra-large-load interconnection costs and avoid socializing data-center interconnection costs to other customers.
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	$140M/yr	No Nevada-specific official or peer-reviewed net fiscal impact study was located through June 14, 2026.

Siting controls.

Instrument	Status	Details
Moratorium	•	Reno, Nye County; Reno finalized a temporary ban on special use permits for new data centers on June 1, 2026, lasting until Aug.
Zoning	Restrictive	Nevada land-use controls are primarily local under NRS 278.250.
Preemption	Local	
Env. siting req.	2	Any new appropriation or change in use of Nevada public waters requires a State Engineer permit under NRS 533; NRS 278

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	—	
Generator controls	—	
Clean energy cond.	—	
Wage standards	•	Wage floor

Accountability.

Instrument	Status	Details
Sunset / clawback	•	Sunset provision
Legislative audit	—	
Reporting req.	2	
Repeal / reform	•	AB226 in the 2025 Nevada session would have revised economic-development abatement provisions by adding community-benefit-related conditions, but it was vetoed on June 10, 2025 and returned to the 2027 Session.
Comm. opposition	High	noise, water, environmental justice, tax fairness, grid reliability. Reno's moratorium followed public pressure from environmental groups, Indigenous water protectors, and residents concerned about water, power, air pollution, water pollution, noise, and light impacts.

Recent legislation.

Bill	Year	Status	Description
PUCN Docket 26-05007; PUCN Dockets 26-05026 through 26-05030	2026	pending	PUCN 2026 IRP and Large Load Electric Service Agreements—NV Energy filed its 2027-2046 Triennial Integrated Resource Plan on May 7, 2026 and later filed Large Load Electric Service Agreement applications for Amazon Data Services, PR RNO/SV RNO, Vantage NV11, Novva Las Vegas/Proton NLV, and VIP Landco/Prologis.
PUCN Dockets 26-03009 and 26-03010	2026	pending	PUCN Rule 9 revisions—NV Energy filed tariff applications on March 6, 2026 to modify Electric Line Extensions Rule No.
—	2026	passed	Reno data center special use permit moratorium—Reno City Council approved a 30-day pause on conditional/special use permits for new data centers on May 14, 2026, then finalized a temporary ban on special use permits for new data centers on June 1, 2026, lasting until Aug.
—	2026	passed	Nye County data center application moratorium—Nye County approved a countywide moratorium on new commercial data center applications while it drafts regulations after a June 2, 2026 agenda item on pausing applications for data centers or related facilities.
—	2026	—	2026 legislative-session outcome—Nevada did not have a regular legislative session in February-June 2026.

New Hampshire (NH)

Inc: L | Cost: L | Site: L | Ops: L | Acct: L

Incentives. No data center–specific incentive programs identified.

Cost allocation.

Instrument	Status	Details
Large-load tariff	—	
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	—	
Zoning	Discretionary review	Local zoning authority remains the default under RSA 674:16 and RSA 674:43, and no enacted statewide data-center preemption or by-right siting law was identified by 2026-06-14.
Preemption	Local	
Env. siting req.	2	Local building inspectors may not issue building or occupancy permits for construction that does not comply with current zoning ordinances, building codes, or planning-board regulations under RSA 676:13; Withdrawals of more than 57,600 gallons of groundwater in any 24-hour period from wells at a single property or place of business require prior Department of Environmental Services approval under RSA 485-C:21, with notice to affected municipalities and water suppliers and the possibility of a municipal-requested public hearing

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	—	
Generator controls	—	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	—	
Legislative audit	—	
Reporting req.	—	
Repeal / reform	•	The furthest relevant rollback/pause effort was HB 1265 (2026), an introduced bill that would have imposed a one-year statewide moratorium on new data center construction and created a study committee
Comm. opposition	High	noise, water, property values, environmental justice, visual impact. Community opposition was prominent in 2026 local controversies, especially Nottingham, where a proposed Route 4 data center drew opposition and was withdrawn on 2026-05-27.

Recent legislation.

Bill	Year	Status	Description
HB 1124	2026	pending	Right to compute—Adjacent right-to-compute bill, not a data-center siting, tax, water, or utility-cost bill.
HB 1265	2026	failed	Statewide data center construction moratorium—Would have imposed a one-year statewide moratorium on new data center construction and created a committee to study environmental impacts.
HB 1722	2026	failed	Large-energy-use facility tariff framework—Would have created a 20 MW-plus large-energy-use facility class covering NAICS 518210 services such as computer processing, data processing centers, and web hosting, with separate cost-based tariffs and anti-cost-shifting contract requirements.
HB 1724	2026	pending	Utility transparency and reporting for data center load—Would have required annual utility reports on transmission costs, wholesale market impacts, capacity, generation adequacy, anticipated generation-capacity needs for data centers requiring 5 MW or more, and recommendations to insulate ratepayers from data center interconnection, transmission, rate-structure, and stranded-cost risks.
HB 1739	2026	failed	Data center development program—Would have established a data-center development program under new RSA 162-V, including municipal property-tax stabilization or PILOT agreements for up to 12 years, transferable Business Profits Tax and Business Enterprise Tax credits tied to qualifying construction costs and capped statewide at 20% of total construction costs, grid-modernization agreements, non-gas generation obligations, demand response enrollment, clawbacks, host-community agreements, and workforce conditions.

New Jersey (NJ)

Inc: **H** | Cost: M | Site: M | Ops: **H** | Acct: **H**

Incentives.

Program	Description & Qualifications	Term
Job creation credit P.L.2020, c.156	Economic Recovery Act NJEDA tax credit programs, including Emerge, provide job-creation and capital-investment tax credits.	—
Investment tax credit Next New Jersey Program - AI	Next New Jersey Program - AI covers businesses primarily engaged in the large-scale artificial intelligence data center industry. $100M minimum investment.	5 yr
Property tax abatement N.J.S.A. 40A:20-1 et seq.	Municipalities may use the Long Term Tax Exemption Law to grant PILOT agreements for qualifying redevelopment projects for up to 30 years from project completion or 35 years from agreement, whichever is earlier.	30 yr
Property tax abatement N.J.S.A. 40A:21-1 et seq.	Municipalities may grant shorter exemptions or abatements for qualifying improvements under the Five-Year Exemption and Abatement Law.	5 yr

Cost allocation.

Instrument	Status	Details
Large-load tariff	—	
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	—	
Zoning	Restrictive	Municipalities retain zoning authority under the Municipal Land Use Law.
Preemption	Local	
Env. siting req.	4	Water Supply Allocation Permit required for diversions exceeding 100,000 gallons per day, including aggregated sources; NJDEP statewide industrial/commercial noise limits of 65 dBA daytime and 50 dBA nighttime at residential property lines; Backup generation and on-site generation can trigger preconstruction permits and operating certificates for significant air-emission sources; Pending S680/A1170 would require energy usage plans for proposed AI data centers and cryptocurrency mining facilities and would require electricity for such facilities to come from new clean energy sources

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	•	
Generator controls	—	
Clean energy cond.	—	
Wage standards	•	Wage floor

Accountability.

Instrument	Status	Details
Sunset / clawback	•	Sunset provision
Legislative audit	•	
Reporting req.	2	
Repeal / reform	•	NJEDA had already administratively paused new Next NJ Program - AI applications by the June 10, 2026 cutoff, which counts as a pause/roll-back of new incentive approvals
Comm. opposition	High	noise, water, environmental justice, tax fairness, grid reliability. Community opposition is reflected in multiple 2026 local prohibitions and reversals.

Recent legislation.

Bill	Year	Status	Description
A2770	2026	introduced	Would require utilities serving large load data centers of at least 50 MW monthly demand to collect a peak-demand surcharge for deposit into a BPU Grid Modernization Fund.
A3966 /S4400	2026	pending	Would require DEP, in consultation with BPU, to study large-scale data center water use and report within 15 months of enactment. A3966 was reported from Assembly Environment, Natural Resources, and Solid Waste with amendments and referred to Assembly Appropriations on March 16.
A3980	2026	pending	Powering Up New Jersey Act—Broader grid-modernization bill relevant to large loads.
A5165 /S4390	2026	introduced	End Data Center Tax Credits Act—Introduced June 1, 2026.
A5224	2026	introduced	Introduced June 8, 2026.

New Mexico (NM)

Inc: L | Cost: **H** | Site: M | Ops: **H** | Acct: **H**

Incentives.

Program	Description & Qualifications	Term
Property tax abatement N.M. Stat. Ann. Chapter 3, Article 32; Section 7-36-3	Industrial Revenue Bonds may be issued by cities and counties for qualifying projects;	—
Infrastructure grant N.M. Stat. Ann. Chapter 5, Article 10	Local Economic Development Act authorizes state and local economic-development assistance, including land, buildings, infrastructure, and other assistance to qualifying entities under project participation agreements.	—
Other Bernalillo County data-center IRB resolution approved 2026-02-10	Bernalillo County approved a 2026 resolution adding guardrails for data-center projects seeking county IRBs, including responsibility for electricity and water usage, wage and workforce expectations, water conservation and reuse planning, and renewable-energy expectations. clean energy condition.	—
Other Lea County data-center regulations approved 2026-02-26	Lea County adopted local data-center regulations requiring closed-loop or other low-water cooling, behind-the-meter power or negotiated power arrangements that avoid rate increases for existing customers, and IRB or payment-in-lieu-of-tax structures benefiting school and hospital districts countywide.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	—	
PILOT	•	Industrial Revenue Bonds may be issued by cities and counties for qualifying projects; (N.M. Stat. Ann. Chapter 3, Article 32; Section 7-36-3); Local incentives include Los Lunas IRB and GRT-related arrangements for Meta and Doña Ana County authorization of up to 165000000000 in IRBs for Project Jupiter with a 30-year property-tax abatement offset by PILOT payments.
Host community fee	•	Lea County adopted local data-center regulations requiring closed-loop or other low-water cooling, behind-the-meter power or negotiated power arrangements that avoid rate increases for existing customers, and IRB or payment-in-lieu-of-tax structures benefiting school and hospital districts countywide. (Lea County data-center regulations approved 2026-02-26)
CBA	—	
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	•	Socorro County, Santa Fe County; Socorro County adopted a one-year moratorium on data centers and related infrastructure in unincorporated county land on 2026-06-09.
Zoning	Discretionary review	Data-center siting is primarily handled through local county and municipal land-use processes.
Preemption	Local	
Env. siting req.	5	Water rights and groundwater availability are central siting constraints under New Mexico's prior-appropriation system; Lea County requires closed-loop or other low-water cooling for data centers; LEDA funds may not be used to purchase or pay for water rights; On-site generation and air permitting are material constraints

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	—	
Generator controls	—	
Clean energy cond.	•	Incentive-linked
Wage standards	•	Wage floor

Accountability.

Instrument	Status	Details
Sunset / clawback	—	
Legislative audit	•	
Reporting req.	2	
Repeal / reform	•	In 2026, local governments enacted data-center incentive guardrails/conditions: Bernalillo County approved a resolution for projects seeking county IRBs, and Lea County approved regulations that condition IRB/PILOT structures.
Comm. opposition	High	water, environmental justice, tax fairness, grid reliability. Local opposition had become a recurring policy driver by June 2026 in Socorro, Santa Fe County, Bernalillo County, and Dona Ana County discussions, with water, electricity costs, emissions, transparency, and local fiscal return as recurring themes.

Recent legislation.

Bill	Year	Status	Description
HB 207	2026	failed	Water Quality Commission Produced Water Rules—Would have required produced-water permitting rules by 2026-12-31.
HB 27	2026	failed	Technology Jobs R&D Tax Credit Expansion—Would have expanded general technology jobs and R&D tax credits.
HB 329	2026	failed	Energy Affordability & Grid Reliability Council—Would have created a council to evaluate rate affordability, generation and infrastructure needed for growing demand and economic development, and impacts on residential, rural, tribal, and small-business customers.
SB 177	2026	failed	General fund transfers for advanced technology—Included appropriations for high-performance computing, quantum-computing access, and data-center renovations tied to bioscience and AI or quantum activities, but was not a private data-center siting or incentive bill.
SB 235	2026	failed	Microgrid Oversight Act—Would have created PRC oversight of large microgrids, required annual energy-generation and water-use reporting, set renewable or zero-carbon milestones, allowed limited alternative compliance through low-income residential solar, and barred public utility rate increases to cover microgrid infrastructure-development costs.

New York (NY)

Inc: L | Cost: **H** | Site: M | Ops: L | Acct: L

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption Tax Law §§1115(a)(37) and 1115(y); Form ST-121.5	State sales and use tax exemption for qualifying Internet data center operators on machinery, equipment, prewritten software, racks and cages, climate-control property, power equipment, qualifying building systems, and related services used directly in an Internet data center.	—
Property tax abatement General Municipal Law Article 18-A	Local Industrial Development Agencies may negotiate project-specific property-tax and PILOT assistance under General Municipal Law Article 18-A rather than through a statewide data-center property-tax abatement program.	—
Sales/use tax exemption General Municipal Law Article 18-A	Local IDAs may negotiate project-specific sales-tax assistance.	—
Other General Municipal Law Article 18-A	Local IDAs may negotiate project-specific mortgage-recording-tax assistance.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	—	
PILOT	•	Local Industrial Development Agencies may negotiate project-specific property-tax and PILOT assistance under General Municipal Law Article 18-A rather than through a statewide data-center property-tax abatement program. (General Municipal Law Article 18-A); Stream materials described PILOT/host payments, a 1900000 incentive-zoning payment, fire-district fees, and water/electrical infrastructure benefits rather than a separately executed CBA.
Host community fee	•	
CBA	—	
Fiscal impact	$12M/yr	3.0:1 ROI; GCEDC/MRB estimated a 3-to-1 local benefit for Stream US Data Centers, with 1960000000 in local benefits against 673300000 in local costs on a 2% discounted basis.

Siting controls.

Instrument	Status	Details
Moratorium	—	
Zoning	Discretionary review	Cities, towns, and villages retain zoning authority for siting, site-plan, special-permit, conditional-use, by-right, and PUD decisions unless state law specifically displaces local authority.
Preemption	Mixed	
Env. siting req.	5	SEQRA environmental review and mitigation requirements for discretionary local, utility, or state approvals; Environmental justice siting law scrutiny for projects affecting disadvantaged communities, including disproportionate pollution burden review in applicable permitting and SEQRA contexts; DEC Water Withdrawal Permit required when a withdrawal system has capacity to take 100000 gallons per day or more; DEC air permits may be required for backup generators and other stationary sources

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	—	
Generator controls	—	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	—	
Legislative audit	—	
Reporting req.	2	
Repeal / reform	•	The furthest 2024-2026 incentive-rollback effort documented is introduction/committee consideration of S9182B/A10852B, the Stop Subsidizing Data Centers Act, which would remove data centers from NYPA economic-development power allocations and restrict or bar IDA assistance
Comm. opposition	High	noise, water, property values, environmental justice, tax fairness. Stream's STAMP project drew more than 200 attendees at a March 19, 2026 public hearing, with residents and Tonawanda Seneca Nation members opposing the project and tax breaks over noise, natural lands, electricity use, water, diesel backup generation, and public subsidies.

Recent legislation.

Bill	Year	Status	Description
A11423	2026	pending	NDA/transparency bill—Would void certain confidentiality provisions for data centers and other large energy-intensive developments when they restrict public discussion of environmental, infrastructure, utility, subsidy, ratepayer, noise, land-use, or public-health impacts.
A11560/S10642	2026	passed	Responsible Data Center Development Act—Passed both houses on 2026-06-04 and remained unsigned as of a June 18, 2026 verification.
A9136	2026	pending	Thermal energy networks—Would require data centers above 1 MW and major expansions permitted on or after 2027-01-01 to submit a thermal-energy-network feasibility assessment and design for waste-heat capture or reuse unless PSC determines infeasibility or undue hardship.
PSC Case 26-E-0045	2026	pending	Energize NY Development large-load proceeding—PSC instituted a proceeding in February 2026 to review interconnection processes, cost-allocation mechanisms, and tariff structures for large loads, with DPS to solicit comments, hold a technical conference, and prepare a white paper for PSC consideration.
S6394B/A9086B	2026	pending	Sustainable Data Centers Act—Would require disclosure of energy, emissions, waste heat, water, labor, and related information.

North Carolina (NC)

Inc: M | Cost: M | Site: **H** | Ops: **H** | Acct: M

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption G.S. 105-164.13(55)	Sales and use tax exemption for electricity and eligible business property used at an eligible Internet datacenter, including property used for the primary user's services, power infrastructure, or related computer engineering/science research; $250M minimum investment.	—
Sales/use tax exemption G.S. 105-164.13(55a)	Sales and use tax exemption for electricity and datacenter support equipment used at a qualifying datacenter; $75M minimum investment.	—
Property tax abatement G.S. 158-7.1	Counties and cities may make economic development appropriations under G.S. 158-7.1, often structured as performance-based grants tied to tax receipts.	20 yr

Cost allocation.

Instrument	Status	Details
Large-load tariff	—	
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	$45M/yr	5% fiscal dep.; Commerce estimated current North Carolina data center sales/use tax exemptions reduce state revenue by $45M-$57M per year, planned construction could produce $1.5B-$2.3B in exempted construction-related sales/use tax, and annual post-construction exemptions could exceed $450M if the full planned pipeline is built.

Siting controls.

Instrument	Status	Details
Moratorium	•	Gates County, Chatham County, Orange County, Durham, Charlotte, Wendell, Apex, Harnett County, Cumberland County, Fayetteville; Multiple local moratoria or temporary suspensions were active or under consideration in 2025-2026.
Zoning	Restrictive	North Carolina delegates land-use authority to local governments under Chapter 160D.
Preemption	Local	
Env. siting req.	7	Water withdrawal registration required for withdrawals of 100000 gallons/day or more of surface or groundwater; NC DEQ water use reporting requires annual reporting for non-agricultural withdrawals at the 100000 gpd threshold; Central Coastal Plain Capacity Use Area requires groundwater permits for users withdrawing more than 100000 gpd in 15 counties; Air emissions permits generally required before construction and operation for stationary sources emitting air contaminants, including backup generation where not exempt, under G

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	•	
Generator controls	—	
Clean energy cond.	—	
Wage standards	•	Wage floor

Accountability.

Instrument	Status	Details
Sunset / clawback	•	clawback
Legislative audit	—	
Reporting req.	1	
Repeal / reform	•	The furthest 2024-2026 rollback effort was SB730: its engrossed June 3, 2026 version would restrict local governments from granting G.S. 158-7.1 incentives for data centers, and the House passed it on June 3, 2026, but it was not enacted after Senate nonconcurrence.
Comm. opposition	High	noise, water, environmental justice, tax fairness, grid reliability. Public concerns in Gates County, Orange County, Charlotte, and other local moratorium debates focused on electricity demand, water usage, noise, infrastructure capacity, environmental effects, land-use compatibility, and utility costs.

Recent legislation.

Bill	Year	Status	Description
HB1180	2026	pending	Data Center Amendments—Filed May 4, 2026.
HB1189	2026	pending	Datacenter Transparency Act—Filed May 5, 2026.
HB1213	2026	pending	Protect Taxpayers and Consumers—Filed May 5, 2026.
SB730	2026	pending	Ratepayer Protection Act—June 3, 2026 engrossed bill would require utility service contracts for data centers of 100 MW or more, require protection of other customers from subsidies and stranded costs, mandate contracted-versus-actual demand reporting, require local sound and environmental review steps, restrict certain local incentives, prohibit condemnation for data center siting, restrict adversarial foreign government ownership, and direct a Collaboratory study.
SB730	2026	pending	Data center local incentives restriction and water standards—June 3, 2026 engrossed version would bar local governments from granting G.

North Dakota (ND)

Inc: **H** | Cost: M | Site: **H** | Ops: M | Acct: L

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption N.D.C.C. § 57-39.2-04.17	Sales/use tax exemption for enterprise information technology equipment and computer software, including replacement equipment/software, purchased for use in a qualified data center.	—
Property tax abatement N.D.C.C. ch. 40-57.1	New or Expanding Business Property Tax Exemption allows local governments to grant a property tax exemption for up to 5 years, with up to 5 additional years for agricultural processors or government-leased property, and PILOT agreements up to 20 years.	5 yr
Property tax abatement N.D.C.C. ch. 40-63	Renaissance Zone incentives may provide income and property tax incentives in designated municipal renaissance zones, administered locally with state approval.	—
Other N.D.C.C. ch. 40-57.1	Income tax exemption for new or expanding business available through the State Board of Equalization;	—
Investment tax credit N.D.C.C. § 57-38-30.5	Research expense credit for qualified North Dakota research expenses.	—
Sales/use tax exemption N.D.C.C. § 57-39.2-04.3	Sales/use tax exemption for computer and telecommunications equipment integral to a new primary sector business or economic expansion;	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	Dkt. PU-22-337; PU-24-332; PU-24-330; PU-26-022. MDU Rate 45 - High Density Contracted Demand Response is the primary identified tariff mechanism for very large data-center load.
PILOT	•	New or Expanding Business Property Tax Exemption allows local governments to grant a property tax exemption for up to 5 years, with up to 5 additional years for agricultural processors or government-leased property, and PILOT agreements up to 20 years. (N.D.C.C. ch. 40-57.1); 5 yr
Host community fee	—	
CBA	—	
Fiscal impact	$19M/yr	No full cost-benefit audit, state auditor report, Legislative Council cost-benefit study, or Tax Department net fiscal-impact study specific to data centers was located through June 14, 2026.

Siting controls.

Instrument	Status	Details
Moratorium	•	Morton County, Mercer County, Oliver County, Barnes County; No statewide data-center moratorium was enacted in 2026.
Zoning	Discretionary review	Local zoning remains the primary siting control.
Preemption	Local	
Env. siting req.	6	Williams County requires at least 1 mile from sensitive properties and 3 miles from any existing data center; Williams County requires underground electrical wiring, security fencing, buffering and landscaping, lighting controls, storm drainage and erosion controls, road maintenance agreements, and financial security equal to 125% of estimated maintenance and reclamation costs; Stutsman County requires anticipated water and electricity needs, an acoustic study, a project-area map, permits/documentation, and a signed electrical power purchase agreement before CUP approval; Stutsman County requires 2-mile setbacks from dwellings, schools, places of religious assembly, and parks, plus 3-mile separation from existing data centers

Operating standards.

Instrument	Status	Details
Water restrictions	—	
Noise standards	•	
Generator controls	—	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	—	
Legislative audit	—	
Reporting req.	•	Energy disclosure
Repeal / reform	—	
Comm. opposition	High	noise, tax fairness, grid reliability. County records and local coverage show recurring concerns about noise, utility rates, local control, transparency, land-use compatibility, water, and ordinances being in place before projects advance.

Recent legislation.

Bill	Year	Status	Description
—	2026	—	No 2026 regular-session data-center bills—The 2026 period is an interim period for the 69th Legislative Assembly.
—	2026	pending	HB 1579 interim study status—The Energy Development and Transmission Committee's June 2, 2026 agenda confirmed HB 1579-related work was still in the study phase rather than enacted 2026 legislation.
HB 1427	2025	failed	Data center siting compatibility regulation—Would have authorized the Public Service Commission to regulate siting compatibility for data centers and provided penalties.
HB 1539	2025	signed	Backup electric generation definitions and siting requirements—Amended N.
HB 1579	2025	passed	Interim study on large energy consumers—Requires a 2025-2026 interim legislative management study on the impact of large energy consumers, including data centers, on grid reliability, infrastructure needs, costs, regulatory structure, and economic development.

Ohio (OH)

Inc: **H** | Cost: **H** | Site: **H** | Ops: L | Acct: M

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption ORC 122.175	Ohio data center sales/use tax exemption for qualifying computer data center equipment, software, and related purchases tied to a qualifying data center. $100M minimum investment.	—
Job creation credit ORC 122.17	Refundable Job Creation Tax Credit tied to new payroll under a development agreement.	15 yr
Other ORC 122.171	Job Retention Tax Credit based on retained payroll for projects that prevent job loss.	15 yr
Property tax abatement ORC 5709.62; ORC 5709.63	Enterprise Zone property tax exemptions.	30 yr
Property tax abatement ORC 3735.67	Community Reinvestment Area commercial and industrial tax exemptions by agreement, generally up to 15 years and up to 30 years for megaprojects.	30 yr
Utility rate discount AEP Ohio Schedule DCT; PUCO-approved settlement	AEP Ohio Schedule DCT applies to new or increased data center loads of at least 25,000 kW and requires minimum demand commitments intended to reduce cost shifting from speculative or under-used load.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	25 MW threshold, Dkt. PUCO Case No. 24-508-EL-ATA. PUCO adopted AEP Ohio's Data Center Tariff settlement on July 9, 2025, and the compliance tariff became effective July 23, 2025.
PILOT	—	
Host community fee	•	
CBA	•	$40M. No public stand-alone CBAs specific to older Ohio data center deals were identified, but DOE says SB Energy committed to a $40M Community Benefits Agreement for the Portsmouth/Pike County project.
Fiscal impact	$1.6B/yr	2.1:1 ROI; Ohio Chamber/PwC estimates $5.21B in state/local tax revenue for 2017-2024, $2.5B in foregone incentives, and a net fiscal benefit of about $2.71B.

Siting controls.

Instrument	Status	Details
Moratorium	•	Jerome Township (Union County), Kent, Findlay, Williamsburg, Jackson Township (Franklin County), Pleasant Township (Franklin County), Cleveland; Local restrictions accelerated in 2026, with reporting that roughly 18 municipalities were considering or had enacted data center moratoria by Feb.
Zoning	Restrictive	Ohio zoning authority is local under municipal, township, and county zoning enabling statutes.
Preemption	Local	
Env. siting req.	3	Ohio law requires registration and annual reporting for facilities capable of withdrawing more than 100,000 gallons per day from surface or ground water under ORC 1521; HB 784 and SB 378 would require data center water consumption reporting or address responsible water use; Proposed 2026 constitutional amendment would prohibit construction of data centers with peak monthly load greater than 25 MW

Operating standards.

Instrument	Status	Details
Water restrictions	—	
Noise standards	—	
Generator controls	—	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	—	
Legislative audit	—	
Reporting req.	2	
Repeal / reform	•	The furthest rollback stage was an administrative halt: on May 27, 2026, Gov. Mike DeWine directed the Ohio Tax Credit Authority to pause consideration of new ORC 122.175 data-center tax exemption requests after the June 1, 2026 meeting.
Comm. opposition	High	water, tax fairness, grid reliability, jobs quality. Concerns reported in 2026 include noise, water use, wastewater, electricity costs, environmental impacts, loss of farmland, tax incentives, and nondisclosure agreements.

Recent legislation.

Bill	Year	Status	Description
HB 646	2026	pending	Data Center Study Commission—Introduced Jan.
HB 646 Senate substitute	2026	pending	Data center incentive, rate class, abatement, and NDA changes—June 9 Senate Energy substitute proposal would reduce future state sales-tax exemptions to a 50%-75% range, tie the higher rate to brownfield locations or outside power generation, limit local tax abatements to 50%, require PUCO to establish a data center rate class, and address nondisclosure agreements by reference to current law.
HB 695	2026	pending	Restrictions on certain local-government nondisclosure agreements—Introduced Feb.
HB 706	2026	pending	Minimum requirements for data center customers and electric-service agreements—Introduced Feb.
HB 784	2026	pending	Data center water consumption reporting—Would require data center water consumption reporting or address responsible water use.

Oklahoma (OK)

Inc: M | Cost: **H** | Site: **H** | Ops: L | Acct: M

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption 68 O.S. § 1357(21); OAC 710:65-13-54	State sales/use tax exemption for machinery and equipment, including computers and data processing equipment, purchased by qualifying establishments primarily engaged in computer services/data processing that meet out-of-state revenue thresholds and file annual affidavits with the Oklahoma Tax Commission.	—
Sales/use tax exemption 68 O.S. § 1357(38); OAC 710:65-13-650	State sales/use tax exemption for tangible personal property, machinery, and equipment sold to a web search portal located in Oklahoma if it derives at least 80% of revenue from out-of-state customers.	—
Property tax abatement 68 O.S. § 2902	Five-year ad valorem exemption for qualifying manufacturing/R&D facilities, including certain establishments primarily engaged in computer services and data processing, subject to NAICS classification and out-of-state revenue requirements.	5 yr
Other	PILOT and local incentive packages are being used or discussed project-by-project, including the Stillwater Google campus, through local negotiation rather than a statewide data-center-specific incentive statute.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	75 MW threshold, Dkt. HB 2992. The Data Center Customer Ratepayer Protection Act of 2026 defines covered large load customers to include new data centers, cryptocurrency mining operations, and AI computing facilities adding 75 MW or more after July 1, 2026.
PILOT	•	Five-year ad valorem exemption for qualifying manufacturing/R&D facilities, including certain establishments primarily engaged in computer services and data processing, subject to NAICS classification and out-of-state revenue requirements. (68 O.S. § 2902); 5 yr
Host community fee	—	
CBA	—	
Fiscal impact	$89M/yr	Tax-year 2025 exempt-manufacturing reimbursements totaled 88635421 statewide, including 34361140 in the Computer reimbursement type, or 39% of the total.

Siting controls.

Instrument	Status	Details
Moratorium	•	Oklahoma City, Tulsa, Edmond; Oklahoma City approved an immediate temporary moratorium on new data centers on April 21, 2026, pausing rezoning requests and permits through December 31, 2026 or earlier zoning-code amendments, with exceptions for pending or in-progress projects.
Zoning	Restrictive	Primary land-use regulation remains local.
Preemption	Local	
Env. siting req.	3	Oklahoma Water Resources Board permits are required for non-domestic groundwater and surface-water uses; Surface water is appropriated and groundwater is regulated under permit programs; Data centers that trigger air permitting thresholds, such as through backup generators, are subject to Oklahoma DEQ air quality construction and operating permit requirements under OAC 252:100-8-4 and OAC 252:100-7-18

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	—	
Generator controls	—	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	—	
Legislative audit	•	
Reporting req.	1	
Repeal / reform	•	The furthest 2024-2026 incentive rollback effort was HB 4424 (2026), which would have restricted eligibility for the five-year ad valorem exemption for computer-services/data-processing establishments, but it was only introduced/referred and had no votes as of June 10, 2026.
Comm. opposition	High	water, traffic, tax fairness, grid reliability. Multiple local governments adopted data-center moratoria or zoning pauses in 2026, and Project Atlas in Coweta was withdrawn after a rezoning application.

Recent legislation.

Bill	Year	Status	Description
HB 2992	2026	signed	Data Center Customer Ratepayer Protection Act of 2026—Enacted law approved May 11, 2026 defining large load customer to include new data centers, cryptocurrency mining operations, and AI computing facilities adding 75 MW or more after July 1, 2026.
HB 3394	2026	failed	Oklahoma Hyperscale Data Center Directory Act—Would have required Oklahoma Corporation Commission directory/reporting for hyperscale data centers and annual electric and water usage reporting.
HB 4194	2026	failed	Data Center Decommissioning Act—Would have defined covered data centers as facilities designed for 100 MW or more and required owner-funded decommissioning, remediation, site restoration, and financial assurance before construction.
HB 4424	2026	failed	Would have limited data-center eligibility for the five-year ad valorem exemption by requiring computer-services/data-processing establishments to be in operation before January 1, 2027.
SB 1488	2026	failed	Would have imposed a statewide moratorium on building or establishing data centers until November 1, 2029 for facilities designed for 100 MW or more and required an Oklahoma Corporation Commission study of impacts on water supply, utility rates, property values, siting, the electric grid, waters, and environment.

Oregon (OR)

Inc: M | Cost: **H** | Site: L | Ops: **H** | Acct: **H**

Incentives.

Program	Description & Qualifications	Term
Property tax abatement ORS 285C.175; ORS 285C.200; ORS 285C.215; HB 4084 (2026, Chapter 50)	Standard Enterprise Zone local property tax exemption on qualified new investment inside an enterprise zone.	3 yr
Property tax abatement OAR 123-674-6000; ORS 285C.170	Construction-in-Process Enterprise Zone Exemption for qualified enterprise-zone property not yet in service as of the assessment date, available to authorized firms with annual filing with the county assessor.	2 yr
Property tax abatement	Long-Term Rural Enterprise Zone Facilities Program provides a 7- to 15-year property tax exemption for certified facilities in rural enterprise zones, requiring a local written agreement with zone sponsors and county and city approval where applicable.	15 yr
Property tax abatement	Strategic Investment Program provides a 15-year property tax exemption on a portion of large traded-sector investments, with lower minimum investment thresholds in rural areas and local approval requirements.	15 yr
Investment tax credit ORS 315.507; ORS 315.508	E-Commerce Zone Tax Credit provided an income or corporate excise tax credit equal to 25% of qualifying capital investment, subject to statutory limits, for electronic commerce in a designated e-commerce zone or city where property also qualified for enterprise-zone exemption.	—
Other	Oregon Investment Advantage provides a 10-year taxable-income exemption for certified businesses in eligible counties and can be combined with property tax abatement.	10 yr

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	20 MW threshold, 90% min. demand, Dkt. UM 2377; Order No. 26-154; UE 424; UE 430; UE 433; UE 435; UE 463. HB 3546/POWER Act created a separate rate classification for large energy use facilities capable of using 20 MW+ and primarily engaged in NAICS 518210 data processing, hosting, and related services.
PILOT	—	
Host community fee	•	Long-Term Rural Enterprise Zone Facilities Program provides a 7- to 15-year property tax exemption for certified facilities in rural enterprise zones, requiring a local written agreement with zone sponsors and county and city approval where applicable.; LRZ school support fee set at 15-30% (default 22.5%) of otherwise due property taxes;
CBA	•	Community-related payments and infrastructure commitments in LRZ agreements: Google The Dalles fees of about 800000 annual plus about 1200000 additional, with fees totaling about 9200000;
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	—	
Zoning	By-right common	Local zoning varies.
Preemption	Local	
Env. siting req.	4	DEQ streamlined data center permit framework for backup generators with equipment-control and emissions-threshold conditions; Water use generally requires an applicable water right, municipal supply authorization, or other OWRD-recognized authority under prior appropriation; Stormwater, wastewater, lighting, airport-impact, wetlands, noise, and building-scale concerns appear in local approvals and opposition; Amazon agreed to pay 20500000 to settle claims related to nitrate-contaminated groundwater in northeast Oregon while denying liability

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	—	
Generator controls	•	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	—	
Legislative audit	•	
Reporting req.	2	Energy disclosure
Repeal / reform	•	HB 4084 was enacted as 2026 Chapter 50 and materially rolled back/conditioned data-center access to enterprise-zone benefits by pausing new data-center project authorizations and barring the extended exemption period for data-center property.
Comm. opposition	High	water, environmental justice, tax fairness, grid reliability. Forest Grove's first data center faced neighborhood pushback over noise, light, wetlands, and building scale but proceeded under existing Light Industrial zoning.

Recent legislation.

Bill	Year	Status	Description
HB 4084	2026	signed	Enacted as Chapter 50. Establishes the Joint Permitting Council and coordinated permitting program, updates enterprise-zone requirements, expands some non-data-center enterprise-zone flexibility, temporarily pauses new data-center enterprise-zone authorizations, and bars data-center property from the extended exemption period.
SB 1586	2026	failed	Would have modified the semiconductor research tax credit and included broader provisions touching enterprise zones, regionally significant industrial sites, and Washington County rural-reserve changes for high-technology and advanced-manufacturing purposes. OLIS listed no chapter number and the measure remained in Senate Finance and Revenue.
—	2026	pending	Governor's Data Center Advisory Committee—Governor Tina Kotek convened a Data Center Advisory Committee to develop recommendations for a comprehensive regulatory framework covering economic development, water, land use, energy, affordability, and taxation.
HB 3546	2025	signed	POWER Act—Chapter 323, effective June 16, 2025, directs the PUC to create a separate rate class for large energy use facilities capable of using 20 MW or more and primarily engaged in NAICS 518210, and requires biennial PUC reporting from September 2026 through January 2035 on load trends from large energy use facilities.
HB 3698	2025	failed	Would have required quarterly data-center water and electricity reporting to OWRD and ODOE and directed EQC to adopt standby-generator emissions standards. OLIS listed no chapter number and the measure remained in House Climate, Energy, and Environment after the 2025 session.

Pennsylvania (PA)

Inc: **H** | Cost: **H** | Site: **H** | Ops: **H** | Acct: M

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption 72 P.S. Section 9935-D; 72 P.S. Section 9931-D; Act 56 of 2024 (SB 654)	Computer Data Center Equipment Exemption Program exempts qualified computer data center equipment sold to, used, or consumed in a certified data center by an owner, operator, or qualified tenant from Pennsylvania sales and use tax. $75M minimum investment; sunset 2032.	25 yr
Other GRID Standards proposal, 2026-05-27	Governor's Responsible Infrastructure Development (GRID) Standards proposal for data centers seeking Commonwealth support, including coordinated support through the Office of Transformation and Opportunity, faster permitting, and access to state tax incentives. $250M minimum investment; 50 jobs required; clean energy condition.	—
Property tax abatement	Keystone Opportunity Zones, Keystone Opportunity Expansion Zones, and Keystone Opportunity Improvement Zones provide state and local tax abatements for businesses and residents in designated zones.	—
Investment tax credit	Keystone Innovation Zone Tax Credit for for-profit businesses less than eight years old in targeted industries within a Keystone Innovation Zone, based on KIZ-attributable gross revenue increases and subject to program limits.	—
Investment tax credit	Manufacturing and Investment Tax Credit requires a $1,000,000 annual taxable payroll increase from new full-time jobs;	5 yr
Infrastructure grant	Tax Increment Financing Guarantee Program provides state credit enhancement for local TIF projects, with a maximum guarantee of $5 million per project.	—
Infrastructure grant	Commonwealth committed $10 million for workforce development tied to Amazon's $20 billion Pennsylvania data-center investment and highlighted the data-center equipment sales tax exemption. $20.0B minimum investment; 1250 jobs required.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	50 MW threshold, Dkt. M-2025-3054271. PA PUC issued a Final Order on May 13, 2026 establishing a model tariff framework for large-load customers including data centers.
PILOT	—	
Host community fee	—	
CBA	•	$20M. Lancaster AI Hub has a published Community Benefits Agreement summary and draft agreement with $20 million in total community funding split between an Economic Development Fund and a Sustainable Development & Clean Energy Fund, plus commitments for 100% clean-energy electricity, water-use caps, closed-loop cooling, noise limits, a local hiring plan, and remedies for non-compliance.
Fiscal impact	$188M/yr	The 2026-27 tax-expenditure report projects the Computer Data Center Equipment Exemption will reduce revenue by $188.4 million in FY 2026-27, $260.3 million in FY 2027-28, $345.9 million in FY 2028-29, $431.6 million in FY 2029-30, and $517.2 million in FY 2030-31.

Siting controls.

Instrument	Status	Details
Moratorium	•	Hazle Township; No statewide enacted moratorium as of June 14, 2026.
Zoning	Discretionary review	Pennsylvania's Municipalities Planning Code delegates zoning authority to municipalities and allows conditional uses and special exceptions through local hearings and conditions.
Preemption	Local	
Env. siting req.	7	SRBC regulates withdrawals >=100,000 gallons per day on a 30-day average and consumptive use >=20,000 gallons per day in the Susquehanna basin; DRBC review applies to water withdrawals >100,000 gallons per day on a 30-day average; HB 2150 would require annual energy and water reporting by data centers; HB 2246 would address covered data centers in water-resources planning

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	•	
Generator controls	—	
Clean energy cond.	•	Incentive-linked
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	•	Sunset provision
Legislative audit	—	
Reporting req.	2	
Repeal / reform	•	In 2024-2026, repeal/rollback efforts reached introduction/referral but not passage of a chamber: HB 2198 and HB 2532 would repeal or materially change the Computer Data Center Equipment Incentive Program and were referred to House Finance.
Comm. opposition	High	noise, water, tax fairness, grid reliability, jobs quality. Active local opposition and oversight are described across multiple projects and jurisdictions, including Project Hazelnut litigation and Hazle Township's curative amendment, Montour County's denial of Talen Energy rezoning, Green Fig's withdrawal of an expanded East Whiteland application after public opposition, and East Vincent Township's rejection of a conditional-use application for a proposed Pennhurst AI data center.

Recent legislation.

Bill	Year	Status	Description
HB 1834	2026	pending	Data Center Act—Would regulate commercial data centers, establish PUC/DHS/PEDA duties, create LIHEAP and energy-independence accounts, require clean firm energy, address utility contracts and cost recovery, and impose penalties.
HB 2061	2026	pending	Would add prevailing-wage requirements as a condition of data-center exemption eligibility.
HB 2150	2026	pending	Data Center Energy and Water Reporting Act—Would require annual energy and water reporting.
HB 2151	2026	pending	Data center ordinance assistance—Would direct development of a model ordinance and local government assistance framework.
HB 2198	2026	introduced	Would repeal or materially change the Computer Data Center Equipment Incentive Program.

Rhode Island (RI)

Inc: **H** | Cost: L | Site: L | Ops: L | Acct: M

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption S2346 / H7695 (2026 proposed)	Proposed Qualified Data Center Location Incentive in 2026 bills S2346/H7695 would create a Commerce Corporation certification process for a 30-year sales and use tax exemption for qualified data center equipment. clean energy condition; clawback provision.	30 yr
Job creation credit	Qualified Jobs Tax Credit is a redeemable credit of up to $7,500 per job per year for up to 10 years, with IT/software and data analytics among targeted industries;	10 yr
Investment tax credit	Rebuild Rhode Island Tax Credit is a gap-financing tax credit for qualifying real-estate projects, with credits generally based on eligible project costs and a possible sales-tax exemption for construction materials, furnishings, and equipment;	—
Infrastructure grant	State Tax Increment Financing program provides rebate support tied to incremental state tax revenue where a financing gap is demonstrated;	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	—	
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	•	Smithfield; No statewide moratorium was enacted as of 2026-06-14.
Zoning	Restrictive	Rhode Island zoning law places permitted uses and performance standards primarily in municipal zoning ordinances, including performance standards for air quality, water quality, noise, glare, and energy consumption.
Preemption	Local	
Env. siting req.	3	Backup generators and other stationary sources can trigger RIDEM air permitting requirements; RIDEM Office of Water Resources permits and certifications may apply for freshwater wetlands, water quality, and construction stormwater impacts; Proposed S2776/H7331 would require data centers of 50 MW or greater to report average daily water withdrawal, peak daily withdrawal, cooling technology, and water recycling/reuse practices annually to RIDEM, and would authorize RIDEM to require a water efficiency, conservation, or recycling plan as a permit condition

Operating standards.

Instrument	Status	Details
Water restrictions	—	
Noise standards	—	
Generator controls	—	
Clean energy cond.	•	Incentive-linked
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	•	clawback
Legislative audit	•	
Reporting req.	1	
Repeal / reform	—	
Comm. opposition	High	noise, water, environmental justice, grid reliability, jobs quality. Local reporting described a packed May 5, 2026 Smithfield Town Council meeting with residents opposing the data-center proposal over quality-of-life, environmental, water, electricity, noise, and limited-jobs concerns.

Recent legislation.

Bill	Year	Status	Description
H7270	2026	pending	Large-load tariff—House companion to S2427.
H7331	2026	pending	Data-center cost allocation, siting consultation, and water reporting—House companion to S2776.
H7695	2026	pending	Qualified data center tax incentive—House companion to S2346.
S2346	2026	pending	Qualified data center tax incentive—Would create a qualified data center tax incentive with $200M/$400M investment thresholds, $30M labor, $10M in-state renewable/storage investment, 30-year sales/use tax certification, penalties, and labor-standard provisions.
S2427	2026	pending	Large-load tariff—Would define a large energy use facility as a 20 MW facility primarily engaged in NAICS 518210-type services and require a separate PUC service classification, tariff/rate schedule, cost allocation/direct assignment, and contracts of at least 10 years.

South Carolina (SC)

Inc: M | Cost: M | Site: **H** | Ops: **H** | Acct: L

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption S.C. Code Section 12-36-2120(79)	Sales/use tax exemption for computers, computer equipment, software, eligible business property, and electricity used at a qualifying data center. $50M minimum investment; 25 jobs required; sunset 2032.	10 yr
Property tax abatement	County-negotiated FILOT agreements may reduce the assessment ratio and stabilize millage for qualifying projects, including data centers. $2M minimum investment.	30 yr

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	50 MW threshold, Dkt. 2026-9-E. Santee Cooper adopted an April 2025 special experimental rate for data centers and other customers requiring 50 MW or more, with 15-year contracts, higher charges during high-demand periods, and ramp-up to full contracted usage within three years.
PILOT	•	County-negotiated FILOT agreements may reduce the assessment ratio and stabilize millage for qualifying projects, including data centers.; 30 yr
Host community fee	—	
CBA	—	
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	•	Newberry County, Chesterfield County; No statewide moratorium had been enacted as of 2026-06-14.
Zoning	Discretionary review	Counties and municipalities may adopt zoning ordinances and regulate land use, including conditional uses and performance zoning.
Preemption	Local	
Env. siting req.	4	In designated Capacity Use Areas, groundwater withdrawal permits are required for withdrawals of 3 million gallons per month or more, and permitted or registered users must report water use; Outside designated Capacity Use Areas, wells using 3 million gallons per month or more must register, and registered or permitted groundwater users report annual water use; Surface-water withdrawals over 3 million gallons per month require permits or registration under Regulation R; York County proposed requirements included acoustical studies, projected peak water and electric demand disclosure, setbacks, screening, and closed-loop or similar low-water cooling

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	•	
Generator controls	—	
Clean energy cond.	—	
Wage standards	•	Wage floor

Accountability.

Instrument	Status	Details
Sunset / clawback	•	Sunset provision
Legislative audit	—	
Reporting req.	—	
Repeal / reform	•	H.5122 / Act 242 was enacted in May 2026 and directly excluded data centers from a newly created sales-tax exemption/refund for internet access and communications service providers, making the furthest 2024-2026 incentive rollback/exclusion stage an enacted one.
Comm. opposition	High	noise, water, tax fairness, grid reliability, jobs quality. Community opposition intensified in 2026, including Newberry County's denial and moratorium, York County's rulemaking and moratorium proposal, Spartanburg County's Project Spero withdrawal after local opposition and expected county action against tax incentives, and litigation/local opposition in the ACE Basin area around Colleton County approvals.

Recent legislation.

Bill	Year	Status	Description
H.4583	2026	pending	Data Center Responsibility Act—Would require data centers to operate with complete energy independence, prohibit incentives, require closed-loop water or liquid cooling with zero net water withdrawal and zero wastewater discharge, impose strict environmental liability, require minimum on-site staffing, and require annual reporting.
H.5122 /Act 242	2026	signed	Created sales-tax relief for internet access and communications service providers but expressly prohibits data centers from claiming or using the exemption or refund. It also created a statutory definition of data center for purposes of the exclusion: a facility, campus, or interconnected array under a single electric supply agreement used primarily for storing, retrieving, or transmitting data, with peak demand of 50 MW or greater, that becomes an electric-service customer after December 31, 2026.
H.5286	2026	pending	Proposed a statewide pause on final approvals, permits, and incentives for new data centers until January 1, 2028. It was not enacted by June 14, 2026.
H.5526	2026	pending	Proposed a broader pause on accepting or acting on data-center permits until a comprehensive state oversight process is established. It was not enacted by June 14, 2026.
S.724	2026	pending	Commercial Data Center Water Usage Report—Would require commercial data centers with at least 100 MW peak demand that consume 3 million gallons or more per month to report prior-year and anticipated water use to SCDES, with civil penalties for late or false reporting.

South Dakota (SD)

Inc: M | Cost: L | Site: M | Ops: L | Acct: L

Incentives.

Program	Description & Qualifications	Term
Other SDCL 1-16G-56	Reinvestment Payment Program framework includes data centers as eligible project types, with project thresholds for new or expanded facilities over $20 million or equipment upgrades over $2 million; $20M minimum investment.	—
Other SDCL 1-16G-56	Reinvestment Payment Program framework includes equipment-upgrade projects over $2 million as eligible projects; $2M minimum investment.	—
Property tax abatement SDCL 10-6-137	County commissioners may adopt a discretionary property tax reduction formula that can include all, part, or none of assessed value for qualifying new commercial or industrial structures and additions for any or all of five tax years after construction.	5 yr
Other SDCL chapter 11-9	South Dakota law provides a tax increment financing district framework, including special-fund treatment for tax increments.	—
Infrastructure grant SDCL 61-5-29.1	Employer's Investment in South Dakota's Future Fund supports research and economic development uses;	—
Other	South Dakota does not impose a corporate income tax, so there is no corporate income tax credit or abatement program to tailor for data centers.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	10 MW threshold, Dkt. EL24-027; EL24-028; EL26-008. SB 135 requires separate data-center service terms for data centers of 10 MW or greater and requires reimbursement for costs fairly attributed to service demand and utility consumption, including costs incurred if the customer leaves the system or materially reduces load.
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	—	
Zoning	Discretionary review	Municipalities and counties retain local zoning authority.
Preemption	Local	
Env. siting req.	5	SB 135 requires data-center operators with peak demand of 10 MW or greater to notify local water providers of projected water consumption before operation; SB 135 requires written compatibility determinations from local water providers and presentation of those determinations to the Board of Water Management; SB 135 requires compliance with Board of Water Management allocation limits after residential and essential public service allocations; SB 135 requires semiannual public water-use reports

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	—	
Generator controls	—	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	—	
Legislative audit	—	
Reporting req.	1	
Repeal / reform	•	The furthest 2024-2026 incentive rollback/conditioning activity was introduced-but-not-enacted legislation: SB 235 would have paired data-center purchasing relief with ratepayer, local-control, and water provisions, and SB 239 would have modified SDCL 1-16G-56 for data centers/cryptocurrency costs...
Comm. opposition	High	noise, water, traffic, environmental justice, visual impact. Local and statewide debates focused on electricity cost-shifting, water compatibility, noise, land use, environmental effects, and incentives.

Recent legislation.

Bill	Year	Status	Description
HB 1005	2026	failed	Data-center sales/use tax exemption—Would have created a sales/use tax exemption for enterprise IT equipment and software used in qualifying data centers during a July 1, 2026-June 30, 2036 qualifying window.
HB 1038	2026	signed	PUC cost recovery for data-center regulatory review—Authorizes the PUC to assess a public-utility data-center customer with peak demand of 10 MW or greater for actual costs of processing a contract-with-deviations or other electric-service agreement review.
HB 1198	2026	failed	Adjacent-jurisdiction conditional-use permits for certain high-energy-use facilities—Would have required adjacent-jurisdiction conditional-use permits for certain high-energy-use facilities.
HB 1246	2026	failed	Data-center agreement nondisclosure ban—Would have prohibited nondisclosure agreements for data-center construction, development, and location agreements.
HB 1301	2026	failed	Large-data-center cost/risk controls plus moratorium—Would have imposed cost-allocation, annual reporting, decommissioning, and a moratorium through June 30, 2027 for large data centers.

Tennessee (TN)

Inc: **H** | Cost: **H** | Site: **H** | Ops: L | Acct: M

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption TCA § 67-6-206; TCA § 67-6-102	Qualified data center sales and use tax exemptions for qualifying purchases of computer equipment, software, cooling equipment, backup power infrastructure, related items, and reduced state sales tax treatment for electricity used by a qualified data center. $100M minimum investment; 15 jobs required.	—
Utility rate discount TCA § 67-6-206	Electricity for a qualified data center is listed at a 1.5% state tax rate; $100M minimum investment; 15 jobs required.	—
Job creation credit	Data centers can qualify for Tennessee job tax credits as eligible business enterprises if they satisfy applicable job and investment rules.	—
Infrastructure grant Public Chapter 961; HB1847/SB2128	FastTrack discretionary incentives remain generally available for eligible economic-development projects, but Public Chapter 961 limits utility and municipal absorption of electrical-infrastructure costs for covered data centers.	—
Property tax abatement Public Chapter 961; HB1847/SB2128	Industrial development corporations can negotiate or waive payments in lieu of taxes under local delegation authority, but covered data-center electrical-infrastructure costs are subject to Public Chapter 961's no-subsidy rule.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	—	
PILOT	•	Industrial development corporations can negotiate or waive payments in lieu of taxes under local delegation authority, but covered data-center electrical-infrastructure costs are subject to Public Chapter 961's no-subsidy rule. (Public Chapter 961; HB1847/SB2128)
Host community fee	—	
CBA	—	
Fiscal impact	$3M/yr	2016 fiscal summary estimated a $4,058,200 state revenue decrease and $841,800 local revenue decrease from expanding the qualified data center exemption.

Siting controls.

Instrument	Status	Details
Moratorium	•	McMinnville, Cedar Hill, Washington County, Nashville/Davidson County, Knoxville, Knox County; No statewide construction moratorium was enacted through June 14, 2026.
Zoning	Mixed (local variation)	Tennessee has a mixed model: Public Chapter 961 creates a statewide electrical-infrastructure cost rule, while local governments continue using zoning, use definitions, moratoria, development review, conditional-use permits, building permits, site-plan review, and grading permits.
Preemption	Mixed	
Env. siting req.	4	Public Chapter 961 applies to data centers projected to have 50 MW or more of peak electric demand during the first three years and generally prohibits municipalities or electric utilities from paying or absorbing electrical-infrastructure costs incurred to serve the data center; Tennessee regulates significant water withdrawals through TDEC's water resources framework; TDEC and local air programs regulate construction and operation of emission sources, including on-site generation and backup generation; Failed 2026 bills would have added clean-transition tariffs, registration and reporting, water-review permitting, site assessments, BYOG clean-energy rules, and foreign-adversary equipment restrictions

Operating standards.

Instrument	Status	Details
Water restrictions	—	
Noise standards	—	
Generator controls	—	
Clean energy cond.	—	
Wage standards	•	Wage floor

Accountability.

Instrument	Status	Details
Sunset / clawback	—	
Legislative audit	—	
Reporting req.	1	
Repeal / reform	•	The furthest 2024–2026 rollback/conditioning effort was enacted: HB1847/SB2128 became Public Chapter 961 in 2026 and imposed a statewide no-subsidy/cost-allocation rule barring municipalities and electric utilities from absorbing covered electrical-infrastructure costs for 50 MW+ data centers.
Comm. opposition	High	water, environmental justice, tax fairness, grid reliability. Major local opposition includes the Nashville Zoo/DC BLOX dispute, where a proposed 69,220-square-foot data center at 648 Grassmere Park next to the Nashville Zoo drew more than 350,000 petition signatures by June 9, 2026, and xAI Colossus environmental-justice disputes focused on methane gas turbines, air pollution, utility demand, and procedural transparency.

Recent legislation.

Bill	Year	Status	Description
BL2026-1391; BL2026-1392	2026	introduced	Metro Nashville bills introduced June 2 to add data-center uses, definitions, conditions, and construction-material restrictions to the zoning code.
HB0946/SB0962	2026	pending	High-energy-use facility site-assessment proposal would require local site assessments before rezoning or special-use approval for projects needing 100 MW or more, including data centers.
HB1461/SB1832	2026	failed	Did not become law, but fiscal materials listed 61 data centers in Tennessee and cited high-capacity sites including xAI Memphis at 280 MW, Meta Gallatin at 300 MW, Evoque Sumner at 100 MW, and a second xAI Memphis data center expected in 2026 with 1,563 MW planned capacity.
HB1847/SB2128	2026	signed	Public Chapter 961—Defines covered data centers at 50 MW or more projected peak demand during the first three years, bars municipalities and electric utilities from paying or absorbing covered electrical-infrastructure costs, and allows data centers to buy power from in-state independent power producers subject to federal law and TVA/electric-utility facility-access terms.
HB2047/SB2584	2026	failed	Would have allowed electronic certification for qualified data centers applying for job tax credits that they had not recently violated WARN Act, FLSA, or federal immigration laws.

Texas (TX)

Inc: **H** | Cost: M | Site: **H** | Ops: M | Acct: M

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption Tex. Tax Code §151.359	Qualified data center exemption for qualifying tangible personal property, including electricity and equipment, from state sales/use tax only;	10 yr
Sales/use tax exemption Tex. Tax Code §151.359	Qualified data center exemption for $250M+ projects lasts 15 years;	15 yr
Sales/use tax exemption Tex. Tax Code §151.3595	Large data center project exemption requires 40 qualifying jobs, $500M+ capital investment within 5 years, and a contract for 20 MW of transmission capacity;	20 yr
Property tax abatement Tex. Tax Code ch. 312	Cities and counties may offer Chapter 312 property tax abatements under the Property Redevelopment and Tax Abatement Act. sunset 2029.	—
Property tax abatement Tex. Gov't Code ch. 403, Subch. T	JOBS Act / JETI creates a school district limitation on taxable value for eligible projects with a 10-year incentive period;	10 yr
Infrastructure grant Chapter 380/381 agreements	Chapter 380/381 agreements allow municipalities and counties to provide economic development grants, loans, infrastructure reimbursements, rebates, or other negotiated local support.	—
Sales/use tax exemption Texas Enterprise Zone Program	Texas Enterprise Zone Program is a state sales/use tax refund program for qualified projects in designated enterprise zones;	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	75 MW threshold, Dkt. PUCT Project Nos. 58480, 58479, 58481, 58484; SB 6. SB 6 requires covered large-load customers to contribute to interconnection cost recovery and directs ERCOT-region large-load interconnection standards with a 75 MW default threshold unless PUCT sets a lower one.
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	$1.3B/yr	32% fiscal dep.; No statewide net fiscal impact evaluation was found.

Siting controls.

Instrument	Status	Details
Moratorium	•	Harlingen; No statewide data-center moratorium or statewide siting ban was enacted from 2026-02-01 through 2026-06-14.
Zoning	Mixed (local variation)	Municipalities may regulate land use, building size, density, and related factors under Local Gov't Code §211.003.
Preemption	Mixed	
Env. siting req.	5	Water-use review and public reporting of anticipated electricity demand, water use, and infrastructure impacts became central policy issues in Caldwell County and other local responses; New or changed surface-water appropriations generally require TCEQ water-rights authorization; Emergency/standby engines and other generator configurations must fit TCEQ permit-by-rule requirements or obtain other air authorizations; Fort Worth proposed noise and operational constraints including ambient noise studies, limits based on pre-development ambient noise, acoustic barriers, residential setbacks, generator screening and setbacks, generator-testing limits, and water/wastewater policy amendments

Operating standards.

Instrument	Status	Details
Water restrictions	—	
Noise standards	•	
Generator controls	—	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	•	Sunset provision
Legislative audit	•	
Reporting req.	2	Energy disclosure
Repeal / reform	—	
Comm. opposition	High	noise, water, traffic, tax fairness, grid reliability. Local opposition expanded from project votes to county-level governance.

Recent legislation.

Bill	Year	Status	Description
16 TAC §25.194;PUCT Project 58481	2026	pending	PUCT proposed large-load interconnection standards—Proposed 16 TAC §25.
16 TAC §25.205	2026	passed	PUCT large-load co-location/net-metering rule—PUCT adopted new 16 TAC §25.
16 TAC §25.370	2026	passed	PUCT large-load forecasting rule—PUCT adopted new 16 TAC §25.
Caldwell County Resolution 29-2026	2026	passed	Caldwell County data center impact reporting resolution—Caldwell County urged state agencies to require public reporting of anticipated electricity demand, water use, and infrastructure impacts before data-center approvals, and to require independent assessments of reliability, water availability, drought planning, agricultural land, stormwater, and taxpayer infrastructure costs.
ERCOT NPRR1325;ERCOT PGRR145	2026	pending	ERCOT Batch Zero large-load interconnection process—ERCOT NPRR1325 and PGRR145 for the transitional Batch Zero large-load interconnection process were recommended for approval by the ERCOT Board on 2026-06-02 and listed for PUCT consideration as the next step.

Utah (UT)

Inc: L | Cost: L | Site: M | Ops: L | Acct: L

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption Utah Code §59-12-104; Utah Code §59-12-102	Sales/use tax exemption for qualifying purchases or leases of machinery, equipment, and normal operating repair/replacement parts used in a qualifying data center or an occupant's operations in the qualifying data center.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	100 MW threshold, Dkt. 26-035-05; 25-R318-01; 24-035-43. Utah Code Chapter 54-26, enacted through S.B. 132, applies to new or incremental electric service expected to reach at least 100 MW within five years and requires large-load contracts to allocate just and reasonable incremental costs to the large-load customer, require financial security and separate accounting, and protect existing ratepayers.
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	•	Iron County, Box Elder County; No statewide data center moratorium was enacted during the 2026 general session.
Zoning	Mixed (local variation)	Utah uses mixed local land-use approaches.
Preemption	Mixed	
Env. siting req.	4	H; Beginning July 1, 2026, operators of new large data centers must notify and report anticipated water needs 90 to 360 days before construction and annually report water-reduction efforts and actual withdrawals by July 1; H; Executive Order 2026-03 directs state agencies to apply a Data Center Framework focused on water resources and the Great Salt Lake, air quality, rural jobs, wildlife, utility ratepayers, energy generation and transmission consistency, pro-human AI, and public comment

Operating standards.

Instrument	Status	Details
Water restrictions	—	
Noise standards	—	
Generator controls	—	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	—	
Legislative audit	—	
Reporting req.	—	
Repeal / reform	•	Utah enacted H.B. 507 in 2026, a material rollback/conditioning of local incentives for data centers: it prohibits political subdivisions from providing incentives to large-load data centers outside specified development-zone/authority pathways beginning May 6, 2027.
Comm. opposition	High	water, environmental justice, tax fairness, grid reliability, jobs quality. February-June 2026 opposition centered on water, air, land-use, transparency, and local-control concerns in Box Elder and Iron counties, including protests over Stratos, litigation challenging MIDA's role and approval process, and local pushback around Iron County's Antelope and Red Butte proposals.

Recent legislation.

Bill	Year	Status	Description
Box Elder County Ordinance 654	2026	signed	180-day temporary land use regulation—Adopted June 10, 2026.
Executive Order 2026-03	2026	signed	Higher Bar for Data Center Development—Signed May 29, 2026.
H.B. 507	2026	signed	State Coordination of Regional and Local Economic Development Projects Amendments—Signed March 25, 2026 and effective May 6, 2026.
H.B. 585	2026	failed	Data Center Amendments—Would have required large data centers to report energy-use information to electrical corporations and required aggregated reporting to the Public Service Commission.
H.B. 76	2026	signed	Data Center Water Transparency Amendments—Signed March 23, 2026 and effective May 6, 2026.

Vermont (VT)

Inc: **H** | Cost: L | Site: L | Ops: L | Acct: **H**

Incentives.

Program	Description & Qualifications	Term
Job creation credit 32 V.S.A. Sec. 3330; 32 V.S.A. Sec. 3333; 32 V.S.A. Sec. 3326; 32 V.S.A. Sec. 3331	Vermont Employment Growth Incentive (VEGI) is a general performance-based economic development incentive paid as direct cash payments in annual installments and supported by a cost-benefit model;	5 yr
Other	Vermont Economic Development Authority (VEDA) financing provides state financing and loans for business, commercial, agricultural, and energy projects;	—
Infrastructure grant 24 V.S.A. Sec. 1891	Tax Increment Financing (TIF) is a municipal tool that captures incremental property-tax growth within a district to finance public infrastructure, including utilities, transportation, public facilities, and site preparation;	—
Sales/use tax exemption 32 V.S.A. Sec. 9741	Vermont has general sales and use tax exemptions, including for certain manufacturing machinery and equipment, but no explicit data-center, server, or data-center-equipment exemption was identified.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	—	
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	—	
Zoning	Discretionary review	Municipal bylaws determine whether uses are by-right, conditional, or prohibited, and municipalities may adopt interim bylaws while studying permanent bylaws.
Preemption	Local	
Env. siting req.	3	Act 250 applies where jurisdictional triggers are met, and permits cannot be issued if a project would cause undue water or air pollution, among other criteria; Water withdrawals of 10,000 gallons per day or 150,000 gallons per 30 days must register and report to the state; H

Operating standards.

Instrument	Status	Details
Water restrictions	—	
Noise standards	—	
Generator controls	—	
Clean energy cond.	—	
Wage standards	•	Wage floor

Accountability.

Instrument	Status	Details
Sunset / clawback	•	Sunset provision
Legislative audit	•	
Reporting req.	2	
Repeal / reform	—	
Comm. opposition	Mod.	water, grid reliability, environmental justice. Community opposition and preemptive concern are documented through Royalton's town-meeting vote, South Burlington's zoning work, and legislative testimony on H.727, focused on energy use, water use, noise, PFAS and wastewater, ratepayer cost shifting, and local scale.

Recent legislation.

Bill	Year	Status	Description
H.727	2026	vetoed	Sustainable data center deployment / Vermont Sustainable Data Centers Act—Would have applied to data centers using or able to use 20 MW or more.
S.205	2026	failed	Temporary moratorium on AI data centers—Would have prohibited operation, construction, or site preparation for AI data centers requiring more than 100 MW of new load until 2030-07-01 and required a PUC investigation and report by 2027-01-15.
H.687 /Act 181	2024	signed	Reformed land-use and Act 250 administration, created the Land Use Review Board, and revised Act 250's framework.
H.708	2024	introduced	Proposed a forgivable-loan track within VEGI and repeal of the VEGI sunset.
S.247	2024	introduced	Proposed repealing the VEGI sunset and allowing VEPC to continue accepting VEGI applications beyond a statutory end date.

Virginia (VA)

Inc: **H** | Cost: **H** | Site: L | Ops: **H** | Acct: **H**

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption Virginia Code § 58.1-609.3	Retail sales and use tax exemption for qualifying data centers that enter a memorandum of understanding with the Virginia Economic Development Partnership and satisfy investment, employment, and wage conditions. $150M minimum investment.	—
Property tax abatement Virginia Code §§ 58.1-3295.3, 58.1-3503, 58.1-3506	State framework treats data center fixtures using the cost approach for local real property assessment and separately classifies computer equipment and peripherals used in a data center as business tangible personal property, allowing localities to set distinct tax rates for data-center equipment.	—
Job creation credit Virginia Code § 59.1-542	Virginia Enterprise Zone program provides a Job Creation Grant for qualified investors in designated zones, with local incentives included in Enterprise Zone applications and implemented by localities.	10 yr
Infrastructure grant Virginia Code § 59.1-542	Virginia Enterprise Zone program provides a Real Property Investment Grant for qualified investors in designated zones, with local incentives included in Enterprise Zone applications and implemented by localities.	10 yr
Infrastructure grant SB417; SB709	Cloud Computing Cluster Infrastructure Grant Fund remains distinct from the sales-tax exemption, but 2026 bills that would have tied grant eligibility to reclaimed-water use or other conditions carried over rather than becoming law.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	25 MW threshold, 85% min. demand, Dkt. PUR-2026-00011. The SCC created a new Dominion GS-5 class for customers demanding 25 MW or more, effective January 1, 2027.
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	$1.9B/yr	1.7:1 ROI; 38% fiscal dep.; Official FY2024/FY2025 report found $3.234 billion in reported sales-and-use-tax benefits across two fiscal years, including $1.292 billion in FY2024 and $1.941 billion in FY2025.

Siting controls.

Instrument	Status	Details
Moratorium	—	
Zoning	Mixed (local variation)	Local approaches vary.
Preemption	Local	
Env. siting req.	5	HB153/SB94, Acts of Assembly Chapters 567 and 568, require localities before rezoning, special-exception, or special-use-permit approval for a new high-energy-use facility to require a site assessment of sound impacts on residential units and schools within 500 feet; HB496/SB553, Acts of Assembly Chapters 623 and 896, effective January 1, 2027, require registered water users supplying offsite water to report monthly potable and reclaimed-water volumes provided to data centers with DEQ air permits and certain other customer categories; HB507, Acts of Assembly Chapter 397, bars DEQ from issuing an air permit for a data-center application submitted on or after July 1, 2026 unless each engine-generator emission limit is at or below Tier 4-equivalent emissions; HB323, Acts of Assembly Chapter 591, directs the Department of Energy to lead a work group on accelerating data-center waste-heat use, with a report due September 1, 2026

Operating standards.

Instrument	Status	Details
Water restrictions	—	
Noise standards	•	
Generator controls	•	
Clean energy cond.	—	
Wage standards	•	Wage floor

Accountability.

Instrument	Status	Details
Sunset / clawback	•	Sunset provision
Legislative audit	•	
Reporting req.	2	
Repeal / reform	•	The furthest documented 2024-2026 rollback effort was the 2026 budget fight over ending the data-center sales and use tax exemption: the Senate position sought to end the tax break, while the House rejected that approach and the dispute remained unresolved as of June 10, 2026.
Comm. opposition	High	noise, water, traffic, environmental justice, tax fairness. Local opposition and litigation are significant.

Recent legislation.

Bill	Year	Status	Description
HB1101;HB1132; HB641/SB393;SB93	2026	failed	Tax and local-fiscal proposals—Proposals involving school-funding local composite index treatment of data-center revenue, a local residential renewable-energy incentive funded by new data-center revenue, a data-center land-conservation tax, and tax treatment for data-center tenants that are banks did not pass.
HB1151/SB423	2026	signed	Utility service-delay authority—Passed as Chapter 745 and, effective July 1, 2027, permit electric distributors to delay service when necessary to maintain grid reliability, avoid generation or transmission-capacity constraints, or comply with SCC or FERC load-interconnection policies.
HB1393/SB253	2026	signed	Large-load cost allocation—Passed as Chapters 1123/1124 and require Dominion, in rate cases after January 1, 2027 and before July 1, 2033, to propose allocation of certain capacity-procurement and distribution-infrastructure costs to a customer class for customers with at least 25 MW demand and at least 75% average annual load factor, with specified exclusions.
HB1515	2026	pending	Temporary local approval moratorium—Would have temporarily prohibited local final approvals for data centers until relevant interconnection requests were fulfilled or July 1, 2028.
HB153/SB94	2026	signed	High-energy-use facility site assessments—Passed as Chapters 567/568 and created a site-assessment requirement before local rezoning, special-exception, or special-use-permit approval for a new high-energy-use facility.

Washington (WA)

Inc: L | Cost: M | Site: L | Ops: M | Acct: **H**

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption RCW 82.08.986; RCW 82.12.986; ESSB 6231 / Chapter 266 (2026)	Rural county sales and use tax exemption for eligible server equipment, eligible power infrastructure, and related installation labor or services for qualifying rural-county data centers. clean energy condition; sunset 2048.	—
Sales/use tax exemption RCW 82.08.9861; RCW 82.12.9861; ESSB 6231 / Chapter 266 (2026)	Non-rural sales and use tax exemption for eligible server equipment, eligible power infrastructure, and related installation labor or services for qualifying data centers in counties with population over 800,000. clean energy condition; sunset 2038.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	—	
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	$134M/yr	DOR 2024 Tax Exemption Study estimated FY2026 foregone taxpayer savings of $87.040M state and $24.790M local for the rural exemption, plus $13.900M state and $6.700M local for the limited-counties exemption, totaling $133.730M.

Siting controls.

Instrument	Status	Details
Moratorium	•	Seattle; Seattle adopted a one-year emergency local moratorium on June 9, 2026 for covered data centers above 20 MVA.
Zoning	Mixed (local variation)	Local zoning remains the main siting-control channel.
Preemption	Local	
Env. siting req.	4	Washington Department of Ecology maintains data-center air-permitting materials, including Notice of Construction permit materials and health-impact-review materials by city and operator; Data centers that trigger Washington toxic-air-pollutant thresholds can require second-tier review with a health impact assessment before air-permit approval; Air regulation is split between Ecology and local clean air agencies depending on location; Seattle's moratorium work plan studies electrical-grid capacity, water use, utility rates, land use, local jobs, and public health

Operating standards.

Instrument	Status	Details
Water restrictions	—	
Noise standards	—	
Generator controls	—	
Clean energy cond.	•	Incentive-linked
Wage standards	•	Wage floor

Accountability.

Instrument	Status	Details
Sunset / clawback	•	Sunset provision
Legislative audit	•	
Reporting req.	2	
Repeal / reform	•	ESSB 6231 / Chapter 266 was enacted in 2026 and materially rolled back Washington's data-center sales/use-tax exemptions by removing replacement server equipment and ending the refurbishment route, even though it did not repeal all new-construction/original-equipment exemptions.
Comm. opposition	Mod.	water, traffic, environmental justice, tax fairness, grid reliability. Seattle's 2026 moratorium responded to five large Seattle proposals from four companies totaling 369 MW of maximum demand and requires a work plan and public hearing.

Recent legislation.

Bill	Year	Status	Description
Council Bill 121214	2026	passed	Seattle emergency data-center moratorium and policy framework—Seattle City Council unanimously adopted emergency legislation on June 9, 2026 freezing new covered large data-center siting while the city studies grid capacity, water use, utility rates, land use, local jobs, and public health.
ESSB 6231	2026	signed	Chapter 266—Passed in March 2026 and signed April 1, 2026.
HB 2515	2026	failed	Emerging large energy use facilities—Broader large-load and data-center regulatory bill passed the House 51-41 on February 14, 2026 and advanced through the Senate Environment, Energy & Technology Committee, but returned to House Rules on March 12 without enactment.
SB 6171	2026	failed	Senate companion to HB 2515 remained unenacted in the 2026 session.
Executive Order 25-05	2025	signed	Data Center Workgroup—Governor Ferguson created the Data Center Workgroup in February 2025 to evaluate data-center impacts on the economy, tax revenue, energy use, and environment.

West Virginia (WV)

Inc: M | Cost: M | Site: L | Ops: L | Acct: M

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption W. Va. Code §11-15-9h	High-technology business sales and use tax exemption for qualifying tangible personal property and services used by a high-technology business;	—
Property tax abatement W. Va. Code §11-6J	High-Technology Valuation Act provides a special valuation method for qualifying high-tech equipment, including servers and related tangible property, with salvage value set at 5% of original cost.	—
Property tax abatement HB 2014 (2025); W. Va. Code §§11-6N-2, 11-6N-4, 11-6N-5	HB 2014 (2025) created Article 11-6N for high impact data centers, defining qualifying facilities as having at least 90 MW of sustained power capacity and creating a special property-tax distribution framework. sunset 2055.	—
Other HB 4983 (2026); 145 CSR 20	HB 4983 (2026) authorized Department of Commerce legislative rule 145 CSR 20 for certification of a microgrid district or high impact data center.	—
Investment tax credit SB 857 (2025)	SB 857 (2025) proposed a corporate net income tax credit and other incentives for qualifying data centers with large investment and job thresholds, but did not pass.	—
Sales/use tax exemption SB 623 (2026)	SB 623 (2026) proposed the West Virginia-Powered Data Center Incentive Act, including salvage-value property-tax treatment, a sales/use tax exemption for qualifying data-center equipment, and utility B&O tax changes for qualifying data centers using at least 80% coal-generated electricity for primary operational capacity; $50M minimum investment; 50 jobs required.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	—	
PILOT	—	
Host community fee	•	
CBA	—	
Fiscal impact	—	

Siting controls.

Instrument	Status	Details
Moratorium	—	
Zoning	Largely unzoned	State preemption bars counties and municipalities from enforcing zoning, horticultural, noise, viewshed, lighting, development, land-use, building-permitting, inspection, code-enforcement, and local-license requirements against certified microgrid districts and certified high impact data centers.
Preemption	State	
Env. siting req.	6	WVDEP air-permitting authority remains the key state environmental review path for large on-site generation; The West Virginia Air Quality Board largely upheld the Fundamental Data/Ridgeline air permit in February 2026 while requiring additional stack testing once operational; HB 4683 (2026) proposed prohibiting groundwater or aquifer withdrawals for data-center cooling and requiring public water-use reporting, but did not pass; HB 5590 (2026) proposed pre-construction public notice, projected withdrawal submissions to WVDEP, and annual actual-withdrawal reports for certified high impact data centers, but did not pass

Operating standards.

Instrument	Status	Details
Water restrictions	—	
Noise standards	—	
Generator controls	—	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	•	Sunset provision
Legislative audit	—	
Reporting req.	1	Energy disclosure
Repeal / reform	•	In 2024–2026, the furthest documented rollback stage was introduction only: HB 4854 (2026) would have barred state or local data-center subsidies, and SB 652/HB 4822 would have restructured high-impact data-center property-tax distributions, but none passed.
Comm. opposition	High	water, environmental justice, tax fairness, grid reliability. Community opposition and litigation continued in Tucker County over the Ridgeline power plant/data-center air permit;

Recent legislation.

Bill	Year	Status	Description
HB 4509;SB 658;HB 5620	2026	failed	Proposed to restore local jurisdiction or local regulatory authority over certified microgrid and high-impact data-center projects.
HB 4683	2026	failed	Would have prohibited data centers from withdrawing groundwater or aquifer water for cooling and required public water-use reporting.
HB 4854	2026	failed	Would have prohibited the state or any political subdivision from subsidizing any data center in West Virginia.
HB 4948	2026	failed	Would have created a 500-foot buffer between any data center and a residence, school, or house of worship.
HB 4983	2026	signed	Authorized the Department of Commerce rule for certification of microgrid districts and high impact data centers.

Wisconsin (WI)

Inc: L | Cost: **H** | Site: **H** | Ops: M | Acct: M

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption 2023 Wis. Act 19; Wis. Stat. §§ 77.54(70), 238.40	Certified data center sales and use tax exemption administered through WEDC certification and DOR guidance. $50M minimum investment.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	100 MW threshold, Dkt. 6630-TE-113; 6680-TE-115. On April 24, 2026, PSC approved We Energies' Very Large Customer and Bespoke Resources tariff in docket 6630-TE-113 with modifications: a 15-year minimum initial term, eligibility threshold lowered from 500 MW to 100 MW, tariff revisions addressing transmission cost-shifting risk, removal of a capacity-only option under which data centers would have paid 75% of generating-facility costs, a Full-Benefits model requiring VLCs to pay 100% of their costs, and added reporting.
PILOT	—	
Host community fee	—	
CBA	•	$3M. Vantage, Oracle, and OpenAI announced a $225,000 commitment to the Port Washington-Saukville Education Foundation, and Vantage announced a $3 million Valley Creek Corridor revitalization commitment framed as a water-positivity initiative.
Fiscal impact	$369M/yr	Wisconsin Watch and WPR reported in April 2026, citing a Wisconsin Legislative Fiscal Bureau projection, that four certified projects could cost $1.5 billion in foregone state sales tax revenue during construction and $369 million annually once built.

Siting controls.

Instrument	Status	Details
Moratorium	•	Madison, Dane County, Hampden, Manitowoc County, Middleton, Cassville; No statewide moratorium was enacted;
Zoning	Restrictive	Wisconsin relies on local zoning and permitting for data center siting.
Preemption	Local	
Env. siting req.	3	Large water withdrawals may require DNR high-capacity well approval under Wis; AB 840/SB 843 would have created utility, environmental, cooling, water-reporting, and reclamation-bond provisions, but failed on March 23, 2026; AB 722/SB 729 would have created data center building and water-use requirements, renewable resource tariff provisions, large energy customer fees, and a very large customer utility class, but failed on March 23, 2026

Operating standards.

Instrument	Status	Details
Water restrictions	•	
Noise standards	—	
Generator controls	—	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	—	
Legislative audit	•	
Reporting req.	1	Energy disclosure
Repeal / reform	•	The only documented 2024-2026 effort to change the principal state incentive was AB 245/SB 244, which would have modified the qualified data center sales/use tax exemption but failed when the 2025-26 session closed
Comm. opposition	High	noise, water, traffic, environmental justice, tax fairness. Multiple local disputes were reported.

Recent legislation.

Bill	Year	Status	Description
2026 Res. 039	2026	signed	Dane County temporary hyperscale data center moratorium—County Board approved an 18-month hyperscale data center moratorium on June 4, 2026 for towns under county zoning authority, running to December 2027.
AB 1036/SB 969	2026	failed	Data center nondisclosure agreement transparency—Would have prohibited nondisclosure agreements intended to conceal information about data centers from the public.
AB 1099/SB 1061	2026	failed	Statewide data center moratorium—Would have created a statewide moratorium on data centers.
AB 228/SB 241	2026	failed	Tax incremental financing rules for TIDs containing qualified data centers—Would have modified tax incremental financing rules for TIDs containing qualified data centers.
AB 245/SB 244	2026	failed	Qualified data center sales and use tax exemption modifications—Would have modified the sales and use tax exemption for qualified data centers.

Wyoming (WY)

Inc: L | Cost: M | Site: L | Ops: L | Acct: M

Incentives.

Program	Description & Qualifications	Term
Sales/use tax exemption W.S. 39-15-101(a)(xliv); W.S. 39-15-105; W.S. 39-16-105	Sales and use tax exemption for qualifying data-center equipment and software used in a data processing services center. $5M minimum investment.	—
Franchise tax relief	Wyoming promotes no franchise tax as a general business-climate attribute rather than a data-center-specific incentive.	—
Other	Wyoming promotes no corporate state income tax as a general economic-development attribute rather than a data-center-specific incentive.	—

Cost allocation.

Instrument	Status	Details
Large-load tariff	•	5 MW threshold. WPSC approval of tariffs, rates, and utility certificates is the main statewide ratepayer-protection mechanism for public utilities.
PILOT	—	
Host community fee	—	
CBA	—	
Fiscal impact	$46M/yr	35.3:1 ROI; The LSO memo estimated that repealing the data processing services center exemption would increase revenue by $46.1 million, split $23.5 million to the General Fund and $22.6 million to local governments.

Siting controls.

Instrument	Status	Details
Moratorium	—	
Zoning	Discretionary review	Wyoming has no statewide by-right data-center siting category.
Preemption	Local	
Env. siting req.	4	Data-center campuses with backup generation, gas turbines, or other regulated sources remain subject to Wyoming Department of Environmental Quality air permitting where applicable; New groundwater wells and water appropriations remain subject to Wyoming State Engineer permitting; Executive Order 2026-03 emphasizes water sustainability, wildlife and natural-resource protection, ratepayer protection, transparency, and local authority; Local proceedings have raised water, coolant, diesel-generator emissions, noise, livestock, wildlife, property-value, and community-change concerns

Operating standards.

Instrument	Status	Details
Water restrictions	—	
Noise standards	—	
Generator controls	—	
Clean energy cond.	—	
Wage standards	—	

Accountability.

Instrument	Status	Details
Sunset / clawback	—	
Legislative audit	•	
Reporting req.	2	
Repeal / reform	—	
Comm. opposition	Mod.	noise, water, traffic, property values, tax fairness. Cheyenne and Laramie County debates documented resident concerns about water, property values, noise, wildlife, and community change, but Cheyenne rejected a moratorium.

Recent legislation.

Bill	Year	Status	Description
EO 2026-03	2026	signed	Data Centers the Wyoming Way—Governor Mark Gordon issued an executive order creating a framework focused on ratepayer protection, water sustainability, wildlife and natural-resource protection, local authority, workforce priority, transparency, national security, regulatory efficiency, and interagency coordination.
HB0077	2026	failed	Zoning protest petition-repeal—Failed introduction on February 10, 2026.
HB0087	2026	signed	Omnibus water bill-planning—Enacted water-planning legislation relevant to data-center water context but not data-center-specific.
HB0139	2026	failed	Specified retail electric sales exemption—Would have exempted specified retail electric sales from public-utility regulation.
HB0155	2026	failed	Sales and use tax exemptions-reporting requirements—Bill was not considered for introduction and no new data-center reporting requirement was enacted.

Source: Author's compilation from state statutes, legislative databases, public utility commission filings, and development authority records. Most state-policy label inputs carry a June 10, 2026 cutoff; selected later status corrections are reflected in individual state rows where noted. Statutory citations are to current codifications where available.