

SUMMARY OF NO. 26-08

This proposed law would prohibit a city or town from allowing the construction or expansion of a data center unless the data center's operator has a contract with its electricity supplier stating that the supplier will not increase the electricity costs of its other customers due to the data center. The contract must also require the electricity supplier to produce sufficient electricity to meet the data center's needs with 100 percent renewable energy resources without reducing the renewable energy resources available to other customers. Data centers would be required to financially guarantee the recovery of all infrastructure related costs if the facility shuts down, reduces its capacity, or violates terms of the contract.

The proposed law would allow a city or town to issue a permit for the construction or expansion of a data center only if the data center's water supplier has certified that the data center's projected water demand can be met by the existing water system capacity without materially reducing service for existing customers in the host or neighboring communities, and that the data center's operator has a plan to implement water use reductions if there is a drought.

Under the proposed law, when a host community decides whether to approve the construction or expansion of a data center, it must announce its decision publicly and make available, on the internet, all documents submitted by the data

center operator, including the permit application. If the host community approves the permit, it may not issue the permit unless the voters in the host community first approve the data center construction or expansion by a two-thirds vote. The vote must be held on the date of the first municipal, state primary or state general election that takes place at least 180 days after the date that the host community announced publicly that the permit had been approved and all documents have been made public.

Under the proposed law, the State Auditor would be authorized to conduct an audit of all data centers, their electric suppliers, and their host community's water supplier. The audit would be limited to verifying that the data center's ongoing operation complies with the proposed law's electricity and water use requirements. If the State Auditor determines that the data center, the electric supplier or the host community's water supplier violate these requirements, the host community can require that the data center cease operation until the violation is corrected.

The proposed law states that, if any of its parts were declared invalid, the other parts would stay in effect.