

**NO**

**POLICY MEMO**

**BUILDOUT**

**FOR**

**A LOCAL GUIDE TO  
STOPPING, SLOWING,  
AND RESTRICTING DATA  
CENTER EXPANSION**

**BILLIONAIRES**

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This resource supports local governments in confronting one of the most consequential corporate power grabs of our time: Big Tech’s push to consolidate control over our economy, infrastructure, and daily life through its massive data center buildout. The world’s largest tech corporations — Microsoft, Google, Amazon, Meta, and others — are racing to embed artificial intelligence (AI) into every aspect of how we live and work, driven not by social benefit but by profit. To cement this control, they are spending billions to build “hyperscale” data centers with thousands of servers, often sprawling over a million square feet.

This buildout is not inevitable. It reflects a specific corporate strategy: bullying localities into accepting scale at all costs and manipulating democratic processes to prioritize speed over accountability. And the costs of this strategy are devastating. Data centers devour resources that our communities rely on to survive: straining water and energy supply, spiking residents’ utility bills, generating suffocating pollution, and draining public budgets through massive tax breaks. Promised economic benefits rarely materialize. Instead, localities are left to manage the consequences while corporations pocket the profits.

Local elected officials have **real power to fight back**. Corporations are counting on obtaining development approvals quickly and easily, before local communities can fully assess their risks and purported benefits. When localities overhaul their approval and permitting processes — replacing rubber-stamp approvals with rigorous standards, demanding transparency, and asserting their authority — it changes the calculus. Tech companies can no longer count on duping communities into subsidizing their profits.

**This resource offers policy options for jurisdictions that:**

- + Do not yet have a data center but need guardrails in place;
- + Need to update existing laws to protect against new “hyperscaler” centers;
- + Already have a data center(s) and are working to mitigate impacts or address proposed expansion.

We provide a range of interventions so local governments can move at the strongest possible pace, with the goal of strengthening public participation, building community power, and ensuring decisions about technology, land, energy, and water benefit working people — not corporations.

About this resource: This policy memo is a companion resource for Local Progress members, adapted from the comprehensive *North Star Data Center Policy Toolkit*, created by the AI Now Institute in partnership with community organizers, advocates, and policymakers across the country. The full toolkit includes detailed local, state, and federal policy guidance, sample language and examples, and research. We are deeply grateful to AI Now Institute and the Data Center Working Group for their leadership, expertise, and collaboration.

For additional support or to be connected with partners and members working, please reach out to the LP Helpdesk at [helpdesk@localprogress.org](mailto:helpdesk@localprogress.org).



### What is a data center?

Data centers are massive warehouses that hold servers, chips, storage, and networking equipment (i.e. the hardware that enables computing and the “cloud”). They power everything from basic digital tasks to AI. While smaller data centers have existed for a long time, we are currently seeing a rapid buildout of much larger, more energy-intensive “hyperscale” facilities – accompanied by a sprawl of supporting infrastructure, from fossil fuel plants and electricity substations to methane gas turbines and nuclear facilities. Tech giants and their allies are racing to build unsustainable infrastructure for speculative AI tools, which require exponentially more computing power than previous digital services.

### Who is behind this buildout?

Big Tech corporations, private equity, fossil fuel companies, [monopoly utility companies](#), real estate developers, cryptocurrency mining, and military and policing industries are all driving and profiting from this expansion. Tech giants profit from deploying AI products in every aspect of our lives (such as surveillance pricing, facial recognition, data collection, and replacing workers with AI systems), while externalizing infrastructure costs onto localities. Fossil fuel companies justify locking communities into new extractive infrastructure. Real estate investors profit from speculative land deals. Expanded data center capacity powers AI-driven surveillance tools used by police; federal agencies, including Immigration and Customs Enforcement (ICE); the military; and corporate vendors [to spy on us, deport our neighbors, and suppress communities organizing against authoritarianism](#). Meanwhile, hyperscale data centers — which require eye-watering capital investment — are introducing massive risk into our infrastructure, local economies, and financial markets.

### What’s a hyperscaler?

Hyperscalers are data centers requiring immense power capacity, consuming over 100 megawatts of power capacity, [enough to power 80,000 homes](#). Hyperscale facilities are often much larger, [especially when linked to AI development](#). [Texas recently issued air permits for a single complex of data centers and gas power plants at 7.65 gigawatts](#) – the equivalent of 7 million or more homes.

Some industry players define hyperscale data centers as over 10,000 square feet and 5,000 computer servers, but given how rapidly technology is changing, localities should define them based on actual energy and resource use and broader impact. The number of hyperscalers in the U.S. [doubled between 2019 and 2024, reaching 1,136](#) – with thousands more under construction in the next few years.

### How many data centers are there in the U.S.?

**Though corporations don’t share their raw data, researchers [report over 5,500 data centers in the U.S., including over 50 in Michigan, at least 100 in Pennsylvania, and over 300 in Texas, which is on track to have more data centers than anywhere else in the world by 2030. Even if your community isn’t facing a data center today, you may already be feeling the impacts — whether you live next door or share the same water table, air, or power grid.](#)**

### How long does it take to build a data center?

Planning, permitting, and construction typically take years, but Big Tech is aggressively accelerating timelines by [bypassing environmental, water, labor, and land regulations](#), in some cases lobbying utilities to speed up permitting and interconnection processes, and [using non-disclosure agreements to avoid public scrutiny](#). Speed is a central part of their strategy: corporations quietly pursue permits and approvals for multiple sites simultaneously, understanding that not all will go through, so that if one locality pushes back or slows down, they can quickly pivot to the next. Developers also pit localities against each other in a race to the bottom, or move across jurisdictional lines, to move forward in whichever locality rubber-stamps their plans fastest and asks the fewest questions.

This is why it is so critical for local governments to use their full suite of land-use, economic development, and planning tools: because corporations rely on speed and secrecy, ensuring localities fully exercise their power to reject proposals, limit expansion, and hold corporations to rigorous standards can shift power back to communities and ensure requires future economic development serves local residents.

# UNDERSTANDING DATA CENTER IMPACTS

## Data centers are raising utility costs and destabilizing our power grids.

- By 2028, data centers are expected to [consume 12% of U.S. electricity](#), triple today's share and more than what's needed to power 26 million households.
- This extraordinary electricity use strains local grids, increases outage risks, and causes energy shortfalls nationwide. In July 2024, [Virginia narrowly avoided blackouts when 60 data centers dropped off the grid at once](#) to prioritize their own operations during an equipment failure.
- Data center buildouts are driving up [energy bills for regular ratepayers](#). In 2024, customers in just seven of PJM's thirteen states, the largest energy market in the U.S., [paid \\$4.4 billion for data center transmission costs](#). Across all thirteen states, customer rates are [projected to rise 30%-60% by 2030](#), in a "[massive wealth transfer](#)" from consumers to the industry.
- The wealthiest companies in the world are [offloading costs onto ratepayers](#) – not just through higher utility bills, but because supplying data centers with energy requires additional infrastructure like substations and distribution lines that, without stronger regulation, communities end up funding.

## Data centers threaten our natural resources and public health.

- Data center expansion is reversing climate progress. States are keeping coal plants open, building new gas plants, and reopening nuclear facilities solely for data center use. [Carbon emissions from data centers are expected to triple by 2035](#).
- A single data center can [consume 5 million gallons per day, or about 1.8 billion annually](#), as much water as a city of 50,000 people. The [strain on local water systems is staggering](#), driving up utility bills, straining infrastructure, and contaminating local wells.
- Roughly 40% are built in [the most water-stressed regions](#) of the country. In Texas, [data centers are projected to use 49 billion gallons in 2025](#) – despite drought conditions. In Arizona, where drought conditions are so extreme that the state has revoked permits for new homes due to lack of groundwater, [Google's Mesa datacenter has a permit to use 5.5m cubic meters of water a year](#) – about the same quantity used by 23,000 ordinary Arizonans.

- Noise, construction, diesel generators, and cooling systems expose residents to air and noise pollution linked to asthma, stress, disrupted sleep, cognitive impairment, and cardiovascular risk for workers and nearby residents. Data centers could cause [600,000 additional asthma cases annually](#) in the US and [1,300 premature deaths in 2028 alone](#).
- Black, [Indigenous](#), low-income and working-class, and rural communities bear the brunt of these health impacts. In [Memphis, TN](#) and nearby Southaven, MS, Elon Musk's xAI has been routinely firing up [dozens of methane gas turbines without federally required pollution controls](#), dumping toxic pollution into Black neighborhoods. In Southaven, the corporation is [now getting sued over it](#). In Richland Parish, LA, Entergy plans to power [Meta's \\$27 billion data center](#) with [three new methane gas plants](#) – threatening a "digital" cancer alley.
- This buildout layers new industrial harms onto localities [already burdened by extraction and environmental racism](#), including in states like Louisiana, where cancer risks soar to [50 times the national average](#) in parishes surrounded by petrochemical plants.

## Data centers are bad for economic development – they take more than they give.

- Data center tax breaks are costing states and localities billions. Three states are each losing \$1 billion or more per year to data centers: [Virginia](#) (\$1.9b), [Georgia](#) (\$2.5b), [Texas](#) (\$3.2b). [Others are close behind](#). And these are just the states that we know about: of the 32 states offering data center tax incentives, [14 fail to disclose aggregate revenue losses](#).
- Corporations demand massive tax incentives—often 10-20 years of property tax exemptions worth tens of millions of dollars for a single facility or campus, [draining funding from schools](#), libraries, emergency services, and infrastructure.
- These tax breaks significantly reduce or totally eliminate corporations' obligation to pay taxes. In Caldwell County, NC, for example, [Google received over \\$73 million in tax breaks](#), and over 12 years, paid just \$5 million in local taxes.

- Contrary to developers’ claims, data centers [create few permanent jobs](#) and the ones they do are costly. Studies show that data centers collect almost [\\$1-2 million in public subsidies per job](#). In Virginia, data centers generate [just 1 job](#) for every \$13 million invested. In Rockland County, NY, a data center is receiving [a \\$77 million tax break for promising one job](#).

### Data centers are bad for schools and students

- Tax breaks given to data centers divert revenue that would otherwise fund public schools – and report after report shows the damage is growing. In Oregon, 191 school districts collectively lost \$275 million to property tax abatements in 2024 alone as data centers have expanded. Around St. Louis, tax abatements have cost 24 school districts more than \$380 million over eight years, with data centers now identified as a “hyper-threat” to school funding. In both cases, school districts have no say in whether the abatements are granted.
- Because a single large facility can divert tens of millions of dollars in potential school funding each year, data centers worsen existing disparities for Black, low-income, and special-needs students. In 2024 alone, St. Louis Public Schools lost \$2,360 per student, nearly 39 times the per-pupil losses in more affluent Rockwood, while Black and low-income students lost three to four times more than their white or higher-income peers.
- School districts spend about \$8 billion annually on energy costs, making energy the second largest expense for K-12 school systems. As data center expansion strains electrical grids and drives up utility rates, those costs will climb – straining school budgets already stretched thin.

- Data centers are a “health earthquake,” releasing fine particulate matter, nitrogen dioxide, and other pollutants linked to respiratory illness, lung cancer, and other health issues. Researchers estimate that by 2028, data centers could contribute to roughly 600,000 asthma cases a year nationwide, with the heaviest burden falling on neighboring communities – including children who spend hours each day at nearby schools.
- Data centers generate constant 24/7 noise from industrial cooling systems and generators, and when near schools, that noise can disrupt children’s health and ability to focus in class. Research shows that sustained background noise pollution impairs students’ concentration and comprehension.

### Data centers undermine democratic governance

- Tech corporations routinely push projects through with little transparency, using code names, shell companies, and LLCs so the community can’t identify who is behind a project. For example, [Meta has obscured its involvement in data center projects by burying its operations behind opaque subsidiaries nationwide](#), making it nearly impossible for officials to know who is behind these projects. This subterfuge means that even when Big Tech’s false promises are exposed in one community, they don’t face consequences elsewhere.
- Data center companies often pressure elected officials to sign non-disclosure agreements (NDAs), hiding the project’s details or even existence from the public and preventing community members from evaluating the impact of the proposed data center on their grid, household utility bills, air quality, or local budget. In Tucson, Arizona, Amazon negotiated [behind closed doors for two years](#), so the public learned of the deal only days before final approval. And in Virginia, [the majority of localities that host data centers have signed NDAs](#).

**Data centers are not inevitable and local leaders have the power to change our current direction.** Localities hold real power. Across Pennsylvania, Michigan, Arizona, Texas, and beyond, local residents across ideological lines are flooding town halls to oppose these projects. Local elected leaders can ensure these voices shape decisions – and push back an industry counting on moving too fast for anyone to notice.

# HOW TO USE YOUR LOCAL POWER

Local governments are the frontline decision-makers when it comes to data center development. While the federal administration continues to deregulate Big Tech and extractive industries, local electeds have real, immediate authority to work with residents to stop or restrict harmful development and to simultaneously push state legislators and utility regulators for change on those levels.

Local and state governments each hold distinct tools. Local authority typically includes zoning and land use approvals, water use, some energy regulations, noise mitigation, some transparency requirements, and local tax breaks and abatements (more below). State and regional authority tends to cover energy regulations and public utility commission oversight, ratepayer protections, tax breaks and policy more broadly, and transparency (more here). In many cases, both local and state electeds can ban, pause, or restrict data center development. Understanding where your authority is strongest – and where state law may limit local action – is critical. Local electeds can seek legal support early to clarify what’s possible in your jurisdiction.

School boards across the country can, and should, push back against data center expansion in their communities through advocating at the local and state level against their expansion. School board members should always advocate for what’s best for kids and families and should be sharing that data center expansion has real impacts on a child’s ability to learn and on school general operating budgets and, more specifically, facility costs.

There are many available interventions, outlined in the section that follows. Here’s a map for how to think about using them:

## ➔ **Start by pushing for a ban.**

If your jurisdiction has the legal authority to, and the political conditions support it, pursue an outright prohibition on data center development. Depending on the jurisdictions, bans can be complete, specific to data centers over a certain amount of resource use or size, or specific to certain geographic areas or zoning categories. Bans are the clearest, most protective action available. *Skip the moratorium if you can go straight here – a moratorium is a means to buy time, not a necessary first step.*

## ➔ **If you need time, pass a moratorium.**

If you’re not sure you can achieve an outright ban or other strong protections, pursue a moratorium and use the time to develop your strategy. A moratorium halts all data center approvals – we recommend at least one year – giving your community time to update local laws and build organizing power against harmful development. Use that time to find out the extent of your local land-use authority and whether state law limits your options. Consult with colleagues and community partners to assess the most urgent threats – water scarcity, grid strain, pollution, affordability, community health – that your data center policy interventions and narratives will prioritize. Look into local ordinances that you can build on or need to update, and opportunities to collectively advocate for state-level policy changes.

**Note: These strategies are clearest before a data center has been approved. However, local electeds and communities are also finding ways to restrict and stop previously-approved facilities. Reach out to LP for support on what’s possible in your jurisdiction.**

➔ **If a ban isn't possible, define and restrict data centers tightly.**

Where preemption or political conditions prevent an outright ban, use every tool you have to discourage extractive development. These tools can include defining and then restricting certain types of data centers in zoning, stringent permitting, aggressive environmental and noise standards, water use regulations, and transparency requirements. Identify legal support to understand your authority, any preemption limits, and where you have room to act. (Reach out to LP for support).

➔ **Connect and organize with your fellow electeds in neighboring jurisdictions.**

Data center impacts cross jurisdictional boundaries: a facility approved next door can strain your water supply, overload your grid, and route heavy truck traffic through your streets. Building a regional approach can protect your residents from spillover effects of nearby data centers, and help build the collective political momentum needed to push your state legislature to take action, including [statewide moratoria that several states are now already considering](#). School board members have a critical role to play in organizing families, teachers, and districts and should exercise every available district authority – in tandem with other electeds on city councils and other bodies – to protect students and school communities from the harm data centers bring to the neighborhoods where kids live and learn.

## AT EVERY STEP: WATCH OUT FOR COMMON TRAPS.

- ➔ Do not sign NDAs with developers. Transparency is essential to your community's ability to organize and respond.
- ➔ Be wary when developers volunteer community benefits agreements or similar development frameworks. [CBAs can be useful tools for certain types of development, but are insufficient on their own to address the impacts of data centers](#).
- ➔ And above all, refuse the false choice of “data center development or nothing.” You have the power – and responsibility – to ensure that your city's public dollars go into investments that actually benefit your communities.

# KEY MUNICIPAL POLICY INTERVENTIONS

Here are 10 key recommendations for local policy action. These are generally ordered from most to least powerful, taking into account local versus state authority. Not every intervention will be feasible in every locality – treat them as a menu to analyze against your local conditions. Contact the LP Helpdesk for additional detail on these policy approaches.

## EXAMPLES

### **Monterey Park, CA**

Amended land-use ordinance to ban data centers permanently.

### **Groton, CT**

After a year-long moratorium, banned data centers larger than 12,500 square feet.

### **Atlanta, GA**

Banned data centers in the Beltline Overlay District.

### **Prince William County, VA**

Prohibits data centers in agricultural districts.

### **Chandler, AZ; Londonderry, PA; Atlanta, GA**

Sample definitions for data centers. Based on these references, here is suggested definition: *“A facility, or portion of a facility, used or planned for use for the housing, operation, and/or co-location of computer and communication equipment and/or other associated components related to digital data operations for the purpose of storage, management, processing, and/or transmission of digital information.”*

## EXAMPLES

### **Chandler, AZ**

Stipulates that “[d]ata centers are not permitted to operate unless explicitly approved[.]”

### **Warrenton, VA**

Removes data centers as a permissible use within industrial districts.

## 1 PROHIBIT NEW OR EXPANDED DATA CENTER DEVELOPMENT

### PURPOSE

Stop data center construction outright where possible, altogether or in specific situations.

### KEY POLICY DIRECTIONS

- Define data centers in the most expansive possible way to avoid loopholes, currently and for future technological developments
- Ban construction of new data centers (sample definition below) and prohibit expansion of existing facilities
- Set strict resource use and size limits that effectively prevent hyper-scale development
- Prohibit data centers in specific overlay districts or zones

## 2 USE PROACTIVE ZONING AND CONDITIONAL USE PERMITTING TO TIGHTLY DEFINE AND RESTRICT DATA CENTER DEVELOPMENT

### PURPOSE

Ensure that no proposed development can be approved by right and require stringent review, binding conditions, and strict siting for each proposal

### KEY POLICY DIRECTIONS

- Set distinct class for data centers and require conditional use permits for all data centers and proposed expansions
- Attach binding conditions on the approval process (see #3)
- Prohibit variances and special use permits for data center siting
- Establish setback requirements from property lines, streets, or specific areas (e.g. transit hubs)
- Specify design requirements and require green building standards
- Prohibit rezoning that threaten historic sites or agricultural districts
- Prohibit data centers in mixed-use, commercial, residential, or agricultural zones; restrict to designated industrial zones only

## EXAMPLES

### **Pontiac, MI; Coweta County, GA**

Passed 180-day moratorium on data centers.

### **New Orleans, LA**

Passed one year moratorium.

### **Denver, CO; New Orleans, LA**

Passed a one-year moratorium.

## 3 ENACT A TEMPORARY PAUSE ON NEW DATA CENTER DEVELOPMENTS (MORATORIUMS)

### PURPOSE

Institute time-bound moratoriums on new data center approvals, to give the city or county time to update the municipal code, change zoning restrictions, or issue other regulations

### KEY POLICY DIRECTIONS

- Temporarily pause new data center development through moratoriums (e.g., at least 180 days to 1 year) while updating regulations
- Use the pause period to engage community participation, conduct community education, develop protective ordinances, and assess local capacity for water, energy, and infrastructure
- Build in mechanisms to extend moratoriums if needed to complete comprehensive planning and policy change

## 4 ESTABLISH STRONG STANDARDS WITHIN ALL LOCAL PLANNING PROCESSES THAT PROTECT PEOPLE AND RESOURCES

### PURPOSE

Set clear standards for environmental protections, resource use, and beyond, and establish policy-based authority to reject proposals that fail to meet them

### KEY POLICY DIRECTIONS

- Develop and pass strong standards in consultation with community, including but not limited to, a water usage plan, energy usage plan, heat mitigation plan, economic development plan, environmental standards, environmental justice goals, public health goals, and city equity plans
- Introduce legislation requiring all data centers to prove how proposal fits within local goals during approval process for a conditional use permit (see #2)
- Ensure independent review by experts of developers' application and reject any proposals that fail to effectively demonstrate compliance
- Make sure that these standards are enforceable. Institute penalties that go beyond nominal fines, including the ability to revoke approvals and operational permits



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## EXAMPLES

### **Big Rapids Township, MI**

Prohibits employees and elected officials from signing NDAs around issues pertaining to the public interest or taxpayer funding.

### **Pima County, AZ**

Institutes 90-day sunshine period prior to approvals or votes.

## EXAMPLES

### **Divide County, ND**

Establishes the maximum continuous sound level for data centers during the daytime as 50 dBA, and 45 dBA at night.

### **Phoenix, AZ**

Limits all sound levels for data centers to 55 dBA during the daytime and 45. dBA at night.

### **Prince William County, VA**

Classifies noise-level violations after the first-time as a misdemeanor.

## 5 ENSURE TRANSPARENCY AT EVERY STAGE OF A PROPOSAL REQUIREMENTS

### PURPOSE

Ensure public access to information and prevent secret deals

### KEY POLICY DIRECTIONS

- Ban the use of NDAs in data center development deals
- Specify minimum transparency requirements as part of the application process, before any approval is granted, including but not limited to, water/energy usage and mitigation; noise study and mitigation; on-site emissions; value of tax abatements; name of all companies involved (developer, shell companies, financiers, end users); jobs (short-term and permanent, hiring efforts, permanent employee wages); and a displacement and holistic environmental impact report,
- Mandate multilingual public notice (at least 90 days) with extended comment periods and public meetings with both local officials and the developer(s) and engage in proactive community outreach
- Require monthly public disclosure of critical information, including water and electricity usage
- Ensure mechanisms for community reporting of issues/violations to their local government
- Ensure meaningful enforcement power if transparency or other requirements are violated

## 6 INSTITUTE STRONG NOISE-MITIGATION MEASURES

### PURPOSE

Protect residents from 24/7 noise pollution

### KEY POLICY DIRECTIONS

- Require sound-modeling studies as part of proposal (see #5)
- Set lowest possible threshold for permissible noise levels
- Require data centers to undergo noise-mitigation measures
- Include noise violations in enforcement mechanisms

## EXAMPLES

### Marana, AZ

Prohibits municipal water department from supplying potable water for data center cooling systems.

## 7 PROTECT WATER RESOURCES

### PURPOSE

Prevent water depletion and ensure accountability

### KEY POLICY DIRECTIONS

- Define large-quantity water users as those whose water use equals or exceeds 10,000 centum cubic feet (ccf), equivalent to 7,480,000 gallons per month, inclusive of most data centers
- Require application process for all large-quantity water users
- Require comprehensive accounting of projected water usage and sources
- Require submission of water conservation plans with independent review
- Specify requirements around cooling, including prohibiting evaporative air cooling
- Require upfront payment for all infrastructure costs related to water usage
- Require water-quality testing and reporting, including regulation of any discharge
- Require continued transparency mechanisms, including usage monitoring
- Tax water usage with no exemptions and increase the daily rate during droughts
- Implement water shut-offs for violations

## 8 REGULATE AND LIMIT ENERGY USE

### PURPOSE

Prevent grid strain, rate increases, and fossil fuel expansion.

*Note: While critical energy regulations (i.e. ratepayer protections, public utility commissions, renewable energy) are best done at the state level, local governments can help limit the harmful effects in the following ways*

### KEY POLICY DIRECTIONS

- Require data centers procure locally deliverable, additional, and zero-emissions renewable energy at all hours as a condition for approval (*Note: “additional” ensures that data centers do not take energy away from another project that would have used the available renewable energy to decarbonize*)
- Prohibit off-grid and behind-the-meter generation that allows corporations to bypass utility oversight and shift costs to ratepayers
- Prohibit backup diesel generations
- Require capacity commitments as a condition for approval
- Tax all electricity use with no exemptions; increase rates during grid emergencies
- Retain power to curb or shut down energy during citywide emergencies (e.g., heatwave)
- Require public disclosure of electricity use in monthly reporting
- Establish non-nominal strong enforcement mechanism for data centers exceeding energy thresholds

## 9 IMPLEMENT AIR POLLUTION AND COMMUNITY HEALTH MEASURES

### PURPOSE

Protect residents from degraded air quality and health impacts

### KEY POLICY DIRECTIONS

- Prohibit and speak out against exemptions from emission rules
- Prohibit back-up diesel generators
- Prohibit data centers from requesting exemption from state emission rules
- Establish cumulative impact requirements, considering pollution burden from all existing sources in overburdened communities
- Require fenceline air quality monitoring

## EXAMPLES

### **Henrico County, VA**

Passed an increase in tax on data center computers and related equipment (from \$0.40 per \$100 of assessed value to \$2.60).

### **Pima County, AZ**

Voted to lobby against Arizona's sales tax exemptions for data centers.

## 10 END LOCAL PUBLIC SUBSIDIES FOR DATA CENTERS

### PURPOSE

Stop subsidizing corporations and protect local budgets.

**Note:** Sales and use-tax exemptions for data centers are largely enacted at the state level, effectively preempting local control, although localities may provide (and can repeal) additional sales and use tax breaks and other incentives. While taxation can be a mechanism to claw back some public costs, it is not a sound long-term economic strategy for data centers. Localities must consult state law to determine any preemption concerns or conflicts, and where possible, take the following actions.

### KEY POLICY DIRECTIONS

- Repeal and/or prohibit local property and sales tax abatements for data centers
- Institute aggressive taxation on data centers, where possible
- Practice full disclosure of tax subsidies
- Speak out against state tax breaks that preempt local control



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