

BROOKINGS

COMMENTARY

Data center moratoriums are not a substitute for oversight

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- States and localities are advancing moratoriums on data centers in response to communities' concerns about the facilities.
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- But for moratoriums to work, there must also be time spent gathering data, enhancing transparency, and creating greater collaboration among legislators, industry, and community residents.
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- Communities need transparent information that helps them understand the issues, and tech firms need to understand that public education is a vital part of their responsibility to local communities.
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Data center construction is exploding π amid the artificial intelligence (AI) boom—and so is the community backlash against π these projects. Protests across the country and community concerns have prompted legislators to consider π moratoriums on data center construction. At least 15 states have weighed π pauses on data center development, and at least 100 localities have already approved π their own.

While these efforts might be successful in affording communities the time they need to craft community benefit agreements or consider whether they want local data centers, they are not a complete solution to the problem at hand. Data centers require meaningful accountability and oversight in both the short and long term. These measures may temporarily quiet communities' resistance, but they will not slow the national momentum behind projects that are being built or are already underway. For moratoriums to work, there must also be time spent gathering data, enhancing

transparency, and creating greater collaboration among legislators, industry, and community residents. If these factors, at a minimum, are not achieved, community upheavals are likely to persist.

The rise of moratoriums

Officials and legislators have advanced moratoriums as AI data centers have expanded at such a rapid rate over the past six months. These measures have had the most success at the local level, though New York recently became the first state to impose a moratorium through executive order, pausing state environmental permits for data centers using at least 50 megawatts of power for up to one year. Amid the pause, the order directs the Department of Environmental Conservation to identify “potential regulatory, policy, and guidance actions” to address concerns with the operation of data centers within the state.

New York was not the first state to advance a moratorium. Earlier this year, Maine’s legislature approved a measure to bar permitting of the facilities until November 2027, but it was ultimately vetoed by the state’s governor, who rejected the bill because it did not exempt a specific project with strong community support.

Table 1 presents a summary of select states where moratoriums have been introduced, passed, or failed, demonstrating how widespread these efforts have become. According to the National Conference of State Legislatures, lawmakers have considered such legislation in more than half a dozen states.

At least 15 state legislatures have introduced moratoriums on data centers

Status of statewide moratoriums as of July 2026

State	Bill	Description	Status	Other stipulations
Delaware	SB 353	A moratorium on all applications and approvals for new data centers that can use 100 megawatts of power or more until Jan. 31, 2027.	Failed	General Assembly "shall convene working groups, hold public hearings, and commission studies to assess the economic, environmental, and social impacts of data centers and the expansion of data centers" during moratorium
Georgia	HB 1059	Prohibits the authorization of the construction or development of a data center until Dec. 31, 2028.	Failed	Exempts any permits, licenses, or certificates issued prior to July 1, 2026, and would establish a "Data Center Impact Assessment Commission" to conduct a three-year study of the cumulative impacts of data center development in Georgia
Maine	LD 307	Prohibits accepting an application for or approving the development, construction, or operation of a data center with a load of 20 megawatts or more until Nov. 1, 2027.	Vetoed	Would establish the "Maine Data Center Coordination Council" to provide strategic input, facilitate coordinated state planning considerations and evaluate policy tools to address data center opportunities

center development in the state, or until at least July 1, 2027.

New Hampshire	HB 1265	A moratorium on constructing new data centers in the state for one year following enactment.	Failed	Would establish a committee to study the environmental impact of data centers in the state
New York	AB 10141 / SB 9144	Prohibit the Department of Environmental Conservation from approving a data center project with a peak demand of 20 megawatts for one year.	Passed Legislature	Requires (1) the Department of Environmental Conservation to issue a report and (2) host communities to hold a public hearing before a data center can receive permitting approval. Would exempt any project that has commenced construction by the effective date.
Oklahoma	SB 1488	A moratorium on the construction of data centers with a load of 100 or more megawatts until Nov. 1, 2029.	Failed	Requires the Corporation Commission to conduct a study on the potential impacts that data centers before the expiration date and an additional report on ideal locations for data centers in the state
Pennsylvania	SB 1359 / HR	The Senate bill would enact a moratorium on the development or permitting of any new construction or expansion of a hyperscale data center for three years after the	Introduced	

Maryland	HB 120	A moratorium on the construction or approval of construction for a data center in the state until the legislature enacts legislation that ensures all new data centers are co-located with a new or existing natural gas power generation facility, nuclear power generation facility, or small module reactor, and the construction at a co-located power generation facility of additional power generation capacity that meets or exceeds the data center's power needs.	Failed	Exempts construction of a data center that has received all required federal, state, and local permits before the effective date.
Michigan	HB 5594 / HB 5595	Together, these bills prohibit (1) the approval or authorization of a data center and (2) the state's public service commission from approving any contract, tariff, discount, or rate between an electric utility and a qualified data center until April 1, 2027.	Introduced	
Minnesota	HF 4888 / SF 4298	Prohibits issuing a permit for a data center until one calendar year after the Public Utility Commission submits a report that assesses various possible scenarios for data	Failed	

Pennsylvania	2533	bill's enactment. The House bill would empower municipalities to prohibit data centers with a critical IT load of 25 megawatts or higher for up to 18 months.	Introduced
South Carolina	H 5526	Prohibits accepting any application or permit for a data center with a peak demand of five or more megawatts until the General Assembly establishes a comprehensive oversight and approval process for new data centers.	Introduced
South Dakota	SB 232	A moratorium on the construction or expansion of a hyperscale data center with a peak demand of 50 or more megawatts until June 30, 2027.	Failed
Vermont	S 205	Prohibits the permitting, site preparation, or start of construction for new data centers until July 1, 2030.	Failed
Virginia	HB 1515	Prohibits localities from approving any application for a rezoning, special exception, special use permit, site plan, or plan of development for the siting of a new data center until all interconnection requests are fulfilled or, if earlier, July 1,	Failed

2028.

Wisconsin

SB
1061 / AB
1099

Prohibits the operation of a data center in Wisconsin unless 14 conditions are met, including the elimination of state and local subsidies, the creation of an enforcement and penalty structure, and the creation of safeguards around air, water, and noise pollution. Applies to facilities that have at least 5,000 servers, occupy at least 10,000 square feet, and have demands of at least 100 megawatts

Failed

Source: National Conference of State Legislatures and state legislatures' websites.

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At the federal level, Sen. Bernie Sanders (I-Vt.) and Rep. Alexandria Ocasio-Cortez (D-N.Y.) have introduced legislation ⁷ to pause AI data centers that have peak power loads in excess of 20 megawatts and use either high-performance server racks or liquid cooling systems, as well as facilities used for developing or operating AI models at scale, until Congress “passes comprehensive AI legislation that ensures the safety and prosperity of the American people.” The bill has gained relatively little traction on the hill, especially among Republicans and Democrats who reject slowing development ⁷ amid concerns about global leadership in AI and ceding development to China. Still, some, including Rep. Nancy Mace (R-S.C.), have supported moratoriums ⁷ in their own states, and a Democratic leader—House Energy and Commerce Ranking Member Frank Pallone Jr. (D-N.J.)—has since called for a national moratorium ⁷.

The motivating factors

While these moratoriums are largely in response to growing constituent complaints, the citizen opposition cuts across both state and party lines. Hundreds of local groups from rural, urban, and suburban areas have formed to oppose ⁷ them, citing a range of

frustrations and concerns. Recent polling shows $\nearrow$ the most common worries are the environmental impact of hyperscale facilities, costs, and Big Tech setting up $\nearrow$ facilities in their “backyards.” Arguments claiming $\nearrow$ public opposition is the result of Chinese influence operations and propaganda miss the point that there is genuine public concern about data centers’ impact on electricity rates, water usage, and the overall environment.

Given the massive amount of compute needed to run AI models and expectations for future demand, data centers have grown increasingly large. For instance, hyperscale facilities often span multiple football fields of land and require significant resources, causing concerns $\nearrow$ about their implication for the climate at large in addition to more localized worries about air quality, drought, noise, and light pollution.

Researchers have sought to quantify these impacts, yet estimates vary greatly since analysts lack access to proprietary company data on data center construction and operations. The executive branch has been less focused on gathering relevant data, instead promoting permitting reforms $\nearrow$ and expanding energy access. Without robust and transparent public information about short- and long-term effects, communities’ concerns around data centers escalate and create problems for the future of AI.

This sentiment was abundantly clear amid opposition $\nearrow$ to xAI’s facility in Memphis, Tennessee, where residents who already face disproportionately high cancer risk feared the company’s use of turbines would further worsen air quality and community health. Such concerns prompted $\nearrow$ a community organization to undertake $\nearrow$ its own monitoring of data center pollution and the NAACP to file a lawsuit $\nearrow$ against xAI.

The lack of transparency also furthers speculation about companies’ regard—or lack thereof—for the communities in which they build. Beyond worries about electricity rates and water usage, some people express broader concerns about AI in particular taking jobs and Big Tech in general gaining too much power over human affairs. Public opinion surveys $\nearrow$ document a continuing decline in trust in AI and Big Tech, and data centers can largely be seen as the physical manifestation of the companies leading these industries. This cumulative mistrust fuels community resistance and now encourages some policymakers to introduce legislation that would delay the construction of new data centers.

Beyond moratoriums

While most areas pushing back against data centers have proposed moratoriums—or temporary pauses on development—only a few jurisdictions have introduced a longer-term bans. These bills would pose a threat to the digital economy if drafted too broadly and could create massive financial problems for a number of firms. Legislators should resist the impulse to stop technology and instead focus more on implementing responsible guardrails and restrictions that protect broadly shared principles.

Slowing new construction will not stop the overall demand for more computing power, and communities that choose to allow these projects—especially when they are against the will of some residents—should have safeguards and adequate oversight of the facilities' impact. This should begin with increasing transparency into data center development, whether through community benefit agreements or other auditing or reporting requirements. Such measures can help ensure data centers are not built at the expense of local residents but instead serve the needs of the surrounding community.

Similarly, officials and legislators at the state level need to implement protections for ratepayers whose electricity bills may be affected by surrounding developments. The Trump administration has acknowledged a the need for such protections, and some companies have pledged to cover their costs, but enforcement and additional requirements need to move beyond the voluntary stage to more meaningful protections. One bill in Congress addressing these challenges, the Ratepayer Protection Act, recently advanced a in the U.S. House of Representatives.

If enacted, moratoriums should provide time for raising questions, advancing community benefit agreements, and finding reciprocity in the infrastructure needs of host cities. Town halls and other community engagement opportunities are an important part of this process. Communities need transparent information that helps them understand the issues at stake. Large tech firms need to understand that public education is a vital part of their responsibility to local communities.

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