

Colorado HB26-1030 (Rep. Valdez, Rep. Duran, Sen. Mullica) Data Centers: One-Page Community Handout

What Is HB26-1030?

HB26-1030 creates a state certification and incentive program for large data centers (AI and cloud facilities) while adding planning, environmental, and consumer protection requirements.

How the Bill Regulates Data Centers

State Certification Required - Minimum \$250M investment within 5 years. - Construction deadlines and job creation targets. - Annual compliance reporting. - Incentives can be revoked if requirements are not met.

Utility Coordination - Developers must consult utilities before approval. - Grid capacity and infrastructure impacts reviewed early.

Local Authority Preserved - Cities and counties still control zoning, annexation, and water contracts.

Consumer Protections (Electric Bills & Taxes)

Ratepayer Review Requirements - Utilities must evaluate whether projects create unreasonable cost impacts. - Planning required before major infrastructure upgrades.

Local Tax Control - State sales tax exemptions apply only at the state level. - Local governments choose whether to grant local exemptions.

Clawbacks - Companies can lose incentives if commitments are not fulfilled.

Environmental Protections

Water Stewardship - Water management plans required. - Consultation with Colorado Department of Natural Resources. - Encourages closed-loop cooling systems.

Air Quality & Backup Power - Cleaner backup generator standards encouraged. - Alternatives such as battery or hydrogen backup systems promoted.

Energy Standards - Efficiency certification required. - Utilities must plan for increasing clean-energy supply over time.

Economic Incentives

Up to 20 years of state sales/use tax exemptions (possible extension).

Prevailing wage and apprenticeship workforce standards.

Potential Benefits

Attracts investment and construction jobs. Adds local property-tax revenue. Requires environmental planning and reporting. Encourages modern grid infrastructure investment.

Potential Concerns

Electricity rates could still increase depending on utility decisions. No strict statewide water-use cap.

Long-term tax exemptions reduce state revenue. Large land footprint with relatively few permanent jobs.

What It Means for Northern Colorado

Weld County sites are attractive due to land availability and transmission access.

Local governments still decide annexation, zoning, and water agreements.

Community engagement during local approvals remains important.

Key Question for Communities: Does the project provide enough long-term economic benefit to balance energy demand, water use, and tax incentives?