

Colorado HB26-1030 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.
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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.
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Key Question for Communities: Does the project provide enough long-term economic benefit to balance energy demand, water use, and tax incentives?