Policy Matters Ohio

STATEMENT

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Data center committee should listen to impacted communities, workers, and experts

Ohio lawmakers have announced a new joint committee focused on data centers and their impact on Ohio. The joint committee is unrelated to a proposed Data Center Study Commission that would be established by H.B. 646, which recently passed the Ohio House with unanimous support. Policy Matters Ohio researcher Molly Bryden issued the following statement:

"Ohioans have been raising concerns about the impacts of planned data center projects, including on water, energy affordability, and public health. The lack of transparency and accountability involved in local data center development decisions has emerged as a throughline, while other stakeholders note the potential positive impacts of job growth.

"Insofar as the joint committee will allow Ohioans to have an opportunity to inform data center policy, it is a positive step.

"The joint committee has the potential to quickly advance recommendations and should use its time before summer recess to set Ohio up for more comprehensive tax and regulatory policy. Among other priorities, it should recommend eliminating the costly sales-tax break the state gives to data center companies.

"Ohio is currently forgoing hundreds of millions in public revenue to subsidize a highly profitable industry. At a time when families are facing higher utility bills, Ohioans need legislators to stand up to powerful corporations to ensure they contribute their fair share rather than relying on taxpayer support.

"The committee should recommend requiring greater transparency from data centers about their emissions, and their energy and water use. They should also recommend limits — such as those in H.B. 695 — on non-disclosure agreements for economic development incentives between local officials and developers. Finally, the committee should recommend repealing the language in H.B. 184 that criminalized public disclosure of information about local economic development assistance. Doing so would enable residents to more meaningfully participate in local decision-making.

"Ohioans have been calling for legislators to act on data centers. It remains to be seen whether this new committee — or the proposed Data Center Study Commission — will have any meaningful impact. Legislators can and should craft industrial policy that is good for working people, impacted communities, and long-term energy and environmental sustainability."

Policy Matters Ohio's data center policy recommendations are available here.

Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute with offices in Cleveland and Columbus.