By: Lalani H.B. No. 1255

A BILL TO BE ENTITLED

AN ACT

relating to registration and community outreach requirements for large data centers.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The Utilities Code is amended by adding Title 7 to read as follows:

TITLE 7. DATA CENTERS

CHAPTER 401. DATA CENTER REGISTRATION AND COMMUNITY ENGAGEMENT NOTICE REQUIREMENTS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 401.001. DEFINITIONS. In this title:

(1) "Commission" means the Public Utility Commission of Texas.

(2) "Developer" means a person who owns, develops, or proposes to develop a large data center.

(3) "Electric cooperative" has the meaning assigned by Section 11.003.

(4) "Electric utility" has the meaning assigned by Section 31.002.

(5) "Large data center" means a facility or group of facilities on a single parcel or contiguous parcels of land under common ownership or control that:

(A) comprises at least 250,000 square feet of space; and

(B) is constructed or refurbished primarily to house servers and related equipment for the processing, storage, or distribution of data.

(6) "Municipally owned utility" has the meaning assigned by Section 11.003.

SUBCHAPTER B. REGISTRATION

Sec. 401.051. REGISTRATION. (a) The commission by rule shall:

(1) require a developer to register the site of a large data center under this section before construction of the data center begins; and

(2) establish a method to ensure compliance with this section.

(b) The rules must require the developer, before beginning construction of the large data center, to:

(1) notify the community about the construction of the large data center as provided by Section 401.101;

(2) hold a community meeting as provided by Section 401.102; and

(3) submit an affidavit to the commission in accordance with Section 401.104 stating that the developer has complied with the requirements of Subchapter C.

SUBCHAPTER C. COMMUNITY OUTREACH REQUIREMENTS

Sec. 401.101. NOTIFICATION REQUIREMENTS. (a) Not later than the 60th day before holding a community meeting as required by Section 401.102, a developer shall:

(1) send written notice of the proposed construction

of the large data center:

(A) by first-class mail to each owner of real property located wholly or partly within three miles of the boundary on which the proposed data center will be located, using the most recent certified appraisal roll of the appraisal district in which the property is located; and

(B) by first-class mail or direct delivery to each residential address located within three miles of the boundary of the proposed large data center;

(2) provide written notice of the proposed construction of the large data center to:

(A) the county judge of the county in which the proposed large data center will be located;

(B) the county commissioner who represents the county precinct in which the proposed large data center will be located;

(C) the mayor of the municipality in which the proposed large data center will be located, if applicable;

(D) each member of the legislature who represents the area in which the proposed large data center will be located; and

(E) any other political subdivisions in which the proposed large data center will be located;

(3) publish notice of the proposed construction of the large data center in a newspaper or news publication of general circulation in the county in which the proposed large data center will be located;

(4) post a sign providing notice of the proposed construction of the large data center in a conspicuous location at the site of the proposed data center in a location that is visible from a regularly traveled public road; and

(5) post a written notice of the proposed construction of and information regarding the proposed large data center, including information regarding the community meeting, on a publicly available Internet website maintained by or operated on behalf of the developer.

(b) Notice provided under this section must include:

(1) the developer's name and contact information;

(2) the location of the proposed large data center;

(3) a description in plain language of the proposed large data center;

(4) the anticipated square footage of the proposed large data center;

(5) the date, time, and location of the planned community meeting required by Section 401.102;

(6) a description of the manner in which a person may submit questions or written comments to the developer regarding the proposed large data center; and

(7) the Internet website address at which information regarding the proposed large data center and the community meeting may be found.

Sec. 401.102. COMMUNITY MEETING REQUIRED. (a) A developer shall hold at least one public community meeting before beginning construction of a proposed large data center.

(b) A community meeting held under this section must be held in the county in which the proposed large data center will be located and at a location reasonably accessible to residents who are entitled to notice under Section 401.101. At the meeting, the developer shall:

(1) describe the proposed large data center; and

(2) provide members of the public:

(A) a reasonable opportunity to ask questions regarding the proposed large data center; and

(B) an opportunity to:

(i) provide oral comments on the proposed large data center to the developer; and

(ii) submit written comments on the proposed large data center to the developer.

(c) The developer shall accept written comments on the proposed large data center beginning on the date notice is provided under Section 401.101 and until at least the 10th business day after the date of the community meeting held under this section.

(d) A developer of a large data center or a representative of the developer must attend the community meeting held under this section. The developer or the developer's representative must:

(1) be knowledgeable regarding the proposed large data center; and

(2) make a reasonable effort to respond to questions relevant to the proposed large data center.

(e) The developer shall make an audio or video recording of the community meeting held under this section.

(f) Not later than the 40th day after the date of the community meeting held under this section, the developer shall publish on a publicly available Internet website maintained by or operated on behalf of the developer:

(1) the audio or video recording of the meeting;

(2) a copy or a summary of the written comments received by the developer; and

(3) a written response provided by the developer addressing each relevant and material issue raised by an oral or written comment.

(g) The purpose of a community meeting held under this section is to provide information to the public and allow the public to provide input to the developer. The community meeting is not a governmental meeting subject to the meeting or hearing requirements of the Government Code applicable to meetings held by governmental entities.

Sec. 401.103. COSTS. A developer is responsible for all costs required for compliance with this subchapter.

Sec. 401.104. AFFIDAVIT OF COMPLIANCE. (a) A developer shall submit to the commission a sworn affidavit that the developer has complied with the notice and community meeting requirements under this subchapter.

(b) The commission shall verify that the information in the sworn affidavit is correct and share the affidavit with the electric cooperative, electric utility, or municipally owned utility the developer proposes to receive electric service from at the proposed large data center site.

(c) An electric cooperative, electric utility, or municipally owned utility may not interconnect facilities at a site on which a large data center is or will be located before receiving a copy of the developer's affidavit from the commission.

SUBCHAPTER D. ENFORCEMENT

Sec. 401.152. ENFORCEMENT. For purposes of this chapter, a reference in Chapter 15 to a person includes a developer required to register under this chapter. The commission may use any enforcement mechanism authorized by Chapter 15 against a developer, electric cooperative, electric utility, or municipally owned utility that fails to comply with this chapter.

SECTION 2. Title 7, Utilities Code, as added by this Act, applies only to a large data center the construction of which begins on or after the effective date of this Act.

SECTION 3. This Act takes effect September 1, 2027.