



Hamilton County Board of Commissioners

RESOLUTION

No. 726-23

A RESOLUTION APPROVING AND AUTHORIZING A MORATORIUM ON DATA CENTERS IN THE UNINCORPORATED AREAS OF HAMILTON COUNTY, TENNESSEE.

WHEREAS, Hamilton County, Tennessee, through its Commission, possesses authority under Tennessee Code Annotated §§ 13-7-101 et seq. and related statutes to regulate land use, zoning, and development in the unincorporated areas of the County for the protection of the public health, safety, and welfare; and

WHEREAS, the Hamilton County Commission has established the Hamilton County Planning Department to provide dedicated planning services, zoning administration, and land use recommendations specifically for the unincorporated areas of Hamilton County, distinct from the joint regional planning functions previously shared; and

WHEREAS, the demand for data centers has grown exponentially nationwide and in Tennessee due to the rapid expansion of artificial intelligence (AI), cloud computing, cryptocurrency mining, blockchain operations, and other high-intensity digital infrastructure needs, creating significant potential impacts on local communities; and

WHEREAS, data centers can impose substantial demands on electrical power supply and grid infrastructure (including potential effects on reliability and rates for existing residents and businesses), water resources for cooling, wastewater systems, road networks during construction and operation, and can generate noise from cooling systems and generators, light pollution, visual and aesthetic impacts, and other effects on surrounding land uses; and

WHEREAS, while data centers may bring certain economic activity, many jurisdictions have observed that such facilities often provide limited direct local employment relative to their scale, frequently utilize tax incentives or PILOT agreements that reduce immediate revenue, and raise questions about long-term fiscal and infrastructure costs versus benefits; and

WHEREAS, multiple other Tennessee counties and municipalities, including Coffee County, Knox County, Washington County, Grundy County, and others, have recently enacted or are actively considering temporary moratoriums on new data centers to allow time for study, public input, and the development of appropriate zoning regulations, performance standards, and siting criteria tailored to local conditions; and

WHEREAS, Hamilton County desires to pursue a balanced, evidence-based approach that protects the character, infrastructure capacity, and quality of life in its unincorporated areas (including rural, residential, and environmentally sensitive portions) while thoughtfully evaluating opportunities for responsible economic development; and

WHEREAS, a temporary moratorium will provide the necessary time for the Hamilton County Planning Department to conduct a comprehensive study and develop recommendations without the pressure of pending applications or vested rights claims;

**NOW, THEREFORE, BE IT RESOLVED BY THE HAMILTON COUNTY COMMISSION,
HAMILTON COUNTY, TENNESSEE:**

SECTION 1. Imposition of Moratorium. A one-year moratorium is hereby imposed on the establishment of new Data Centers and on significant expansions of existing Data Centers in the unincorporated areas of Hamilton County. During this period, the County shall not accept, process, approve, or issue any zoning map amendments, zoning text amendments, site plans, development plans, building permits, or any other approvals or permits that would authorize or vest rights for the construction, operation, or significant expansion of a Data Center.

SECTION 2. Definition of Data Center. For purposes of this Resolution, the Hamilton County Commission defines a Data Center as a business that:

Primarily operates:

- a) electronic equipment used to process, store, or transmit digital information; and
- b) environmental control equipment necessary to maintain proper operating conditions for the said electronic equipment; and
- c) (i) said business is projected to have a peak electric demand of 1 MW; or
(ii) said business refuses to disclose its peak electric demand level;

SECTION 3. Scope. This moratorium applies throughout the unincorporated areas of Hamilton County and to all zoning districts. It prohibits any action that would facilitate the location, construction, or operation of a new Data Center or a significant expansion of an existing Data Center.

SECTION 4. Exemptions. This moratorium shall not apply to: (a) Lawfully existing Data Centers operating in the unincorporated areas of Hamilton County as of the effective date of this Resolution (routine maintenance and repairs that do not increase capacity or impacts are permitted); or (b) Any project that has obtained final, unappealable vested rights under applicable Tennessee law prior to the effective date of this Resolution.

SECTION 5. Direction to Hamilton County Planning Department. The Hamilton County Planning Department is hereby directed to: (a) Conduct a thorough study of the potential impacts of Data Centers on Hamilton County's unincorporated areas, including but not limited to electrical and water infrastructure capacity and costs, noise and light pollution, traffic and road impacts, compatibility with surrounding land uses, fiscal and economic effects, environmental considerations, and best practices from other jurisdictions; (b) Evaluate and develop recommendations for appropriate zoning regulations, including definitions, permitted or conditional zoning districts or overlays, performance standards (e.g., setbacks/buffers, noise limits, lighting controls, water efficiency and consumption limits, visual screening, power source considerations, traffic management, and decommissioning requirements), and any necessary amendments to the Hamilton County Zoning Regulations or related plans; (c) Engage with relevant stakeholders, including utility providers, state agencies, the public, and the Hamilton County Commission as appropriate; and (d) Prepare and present written findings and proposed zoning text and/or map amendments to the Hamilton County Commission no later than March 1, 2027, or such earlier date as the Commission may direct, to allow for public hearings, consideration, and potential adoption of permanent regulations prior to or concurrent with the expiration of this moratorium.

SECTION 6. Duration and Modification. This moratorium shall be effective for one (1) year from the date of adoption of this Resolution, unless extended, shortened, or terminated earlier by further resolution of the Hamilton County Commission. The Commission retains full authority to modify the terms of this moratorium or lift it upon receipt and favorable action on recommendations from the Planning Department or upon a determination that permanent regulations have been adopted and are sufficient.

SECTION 7. Anti-Avoidance. No person or entity shall circumvent the intent of this moratorium by, for example, fragmenting projects into multiple smaller facilities or phases, reclassifying uses, or taking other actions intended to avoid the prohibitions herein. The Hamilton County Planning Department and any enforcement officials are directed to interpret this Resolution in a manner that effectuates its purpose.

SECTION 8. Waivers. Any entity may apply for a waiver from the restrictions in this resolution through the Hamilton County Planning Department that shall be reviewed by the Hamilton County Commission and may be granted if it is deemed necessary for the general health or welfare of the County.

SECTION 9. Effective Date. This Resolution shall take effect immediately upon its passage, the public welfare requiring it.

CERTIFICATION OF ACTION

Approved:	☒	<u>W. K. W. Leskey Buole</u>
Rejected:	☐	<u>Weaner, Chief Deputy</u>
		County Clerk
Approved:	☒	<u>Wayne</u>
Vetoed:	☐	<u>County Mayor</u>

July 15, 2026
Date