



TECH-1: LOCAL AUTHORITY OVER DATA CENTERS AND CRYPTOCURRENCY MINING FACILITIES

STAFF RECOMMENDATION: ADOPT

PROPOSED POLICY: SUPPORT legislation that ensures counties and their residents are not disproportionately burdened by rising electric rates associated with large-scale data centers, including AI-driven facilities, by requiring fair cost allocation and exploring mitigation strategies such as infrastructure surcharges, renewable energy integration, or local benefit agreements.

BACKGROUND: In recent years, state legislatures across the United States have proposed or enacted bills that limit or prohibit local governments from regulating the development of data centers and cryptocurrency mining facilities. These efforts undermine local land use authority that allows counties and municipalities to make decisions in the best interest of their residents, environment and infrastructure capacity.

Across the country, data centers have emerged as major drivers of energy demand, consuming vast amounts of electricity to power servers, maintain cooling systems, and support artificial intelligence operations. According to national reporting, utility customers in several states are experiencing higher bills, with evidence mounting that Big Tech's growing data center footprint contributes to these increases.

Additionally, large-scale data centers can require significant volumes of water for cooling (depending on design and siting). Without adequate planning, these withdrawals—whether from public water supplies, reclaimed-water systems, or private wells—can impose new costs on other ratepayers or affect local water availability. Building in water-supply planning and cost-allocation up front helps protect existing customers and resources.

Florida has a rapidly expanding technology and logistics sector, making it a potential target for large-scale data center development. Unlike manufacturing or traditional agricultural operations, data centers offer limited local employment opportunities while consuming significant energy resources. Without proactive state policy, the increased infrastructure costs required to serve these facilities could fall to residential and small business ratepayers, including counties themselves as large consumers of electricity for public facilities.

ANALYSIS: Counties across Florida could experience significant impacts from the rapid growth of large-scale data centers. At the local level, counties may face higher operational costs for public facilities such as schools, water utilities, and emergency services if utility rates rise to cover infrastructure upgrades tied to data centers. Residents and small



businesses could also shoulder higher monthly bills, particularly in fiscally constrained counties where energy costs already represent a large portion of household budgets.

Regionally, rural and suburban counties may see increased pressure to rezone agricultural or undeveloped land for technology and energy infrastructure, potentially displacing agricultural uses or accelerating sprawl. Urban counties may face grid strain and reliability concerns as demand spikes in densely populated areas.

Statewide, unchecked expansion of data centers could shift billions in energy infrastructure costs onto Florida's ratepayers, undermining affordability and economic competitiveness. Without clear policy direction, Florida risks replicating trends in other states where household and small business customers subsidize the power needs of Big Tech, despite limited local job creation or tax base expansion from these facilities.

FISCAL IMPACT: No direct state fiscal impact anticipated; however, failure to act could result in significant cost shifts to households, businesses, and counties through higher utility bills. Potential legislation may reduce reliance on local subsidies for infrastructure expansion and protect county budgets from increased energy costs.

FAC STAFF NOTES:

- **Florida Statutes**

- [Ch. 366, F.S.](#) (Public Utilities / PSC authority). The Public Service Commission (PSC) regulates investor-owned electric utilities, including base rates, cost allocation, and special contracts for large customers. Cost-recovery structures (who pays for new substations/lines/upgrades) fall under PSC ratemaking.
- [s. 125.01, F.S.](#) (County home rule). Broad county powers for public health, safety, and welfare—including local zoning, siting, and reasonable conditions for large facilities.
- [Part II, Ch. 163, F.S.](#) (Growth Management). Local comprehensive plans and land development regulations (e.g., setbacks, buffering, hours, noise) guide where and how large data/crypto facilities can locate.
- [ss. 163.3220–163.3243, F.S.](#) (Development Agreements). Allows counties to negotiate project-specific conditions and public-benefit terms (e.g., infrastructure cost-sharing, community benefits).
- [s. 163.31801, F.S.](#) (Impact Fees). Framework for proportionate, legally defensible fees to fund growth-related infrastructure.
- [Ch. 373, F.S.](#) (Water Resources). Consumptive use permits for significant water withdrawals (including cooling water) are issued via the water management districts; conditions can address source reliability, conservation, reclaimed-water substitution, and impacts on other users.
- [s. 187.201, F.S.](#) (State Comprehensive Plan—Energy). Encourages efficiency and reliability—context for pairing new load with demand-side management and renewables.



- **Resources**

- [AP News: “As electric bills rise, evidence mounts that data centers share blame”](#) – Overview of national trend linking higher electricity prices to Big Tech’s growing data center footprint.

- **Data Center Stakeholder Intervention in FPL Rate Case**

- The Florida Energy for Innovation Association (representing data center developers) filed to intervene in Florida Power & Light’s proposed \$2.5 billion rate increase before the Public Service Commission, highlighting the impact of data center energy demand—but FPL preliminarily opposed their participation.
- Several states are exploring regulatory changes to insulate residents from rate impacts tied to data centers

SUBMITTING COUNTY AND CONTACT: Palm Beach County – Commissioner Gregg Weiss gweiss@pbc.gov

ASSIGNED COMMITTEE: TECH

BOARD SUPPORT: No Position

UNFUNDED MANDATE: No

PROTECTIVE OF HOME RULE: Yes