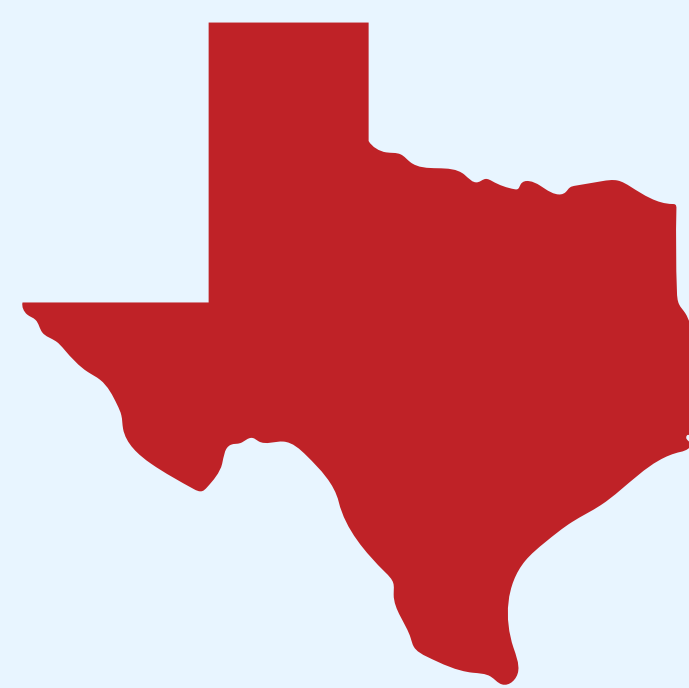


DATA CENTERS IN TEXAS: WHAT YOU NEED TO KNOW

TAXPAYERS
PROTECTION
ALLIANCE



Recently, data center operations and newly proposed data centers have received a significant amount of attention from Texas policymakers, pundits, and economic analysts. As the law firm [Foley & Lardner notes](#), Texas is at the epicenter of America's data center boom; "The drivers of Texas's position are well-established: no state income tax, a deregulated electricity market, abundant land, strong fiber infrastructure, and a historically business-friendly regulatory environment. Vacancy rates in existing North American data centers held at a record-low 1 percent for the second consecutive year in 2025, per JLL's year-end report, with the Texas market operating at virtually zero."

PROPOSED RESTRICTIONS ON DATA CENTERS

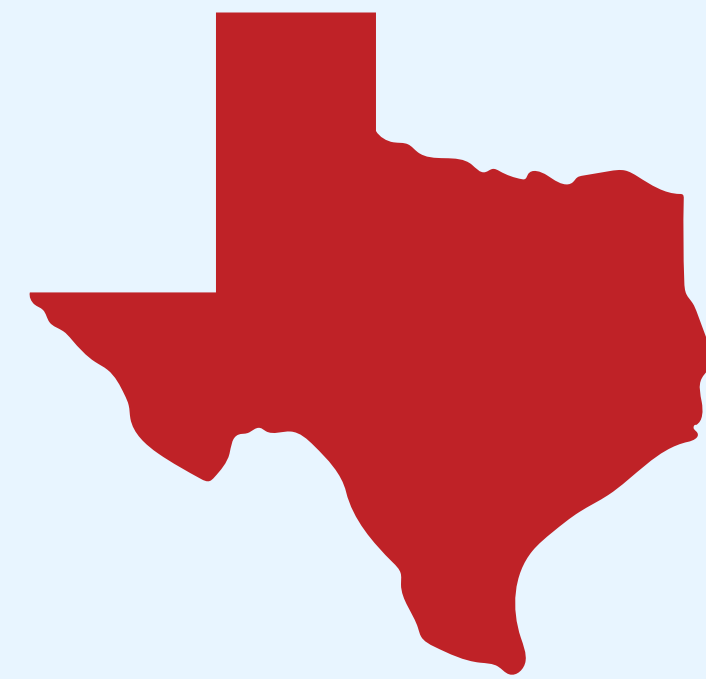
- * In May, Hill County enacted a one-year moratorium on data center construction, jeopardizing up to eight planned projects in the county. According to [law firm K&L Gates](#), "Hill County's moratorium is part of a broader emerging pattern. Several other Texas counties—including Hays and Hood counties—have considered similar pauses on data center development, while others, such as Somervell and Ellis counties, have formally requested state-level intervention."
- * Texas Agriculture Commissioner Sid Miller is actively pushing for a statewide temporary moratorium on new hyperscale data center development. He is urging state lawmakers to pause construction until a comprehensive study can assess the industry's long-term impacts on the state's power grid, water supplies, and prime agricultural land. He [stated](#) that while Texans "champion growth, private enterprise, and innovation," the state must have "an honest conversation about the explosive growth of hyperscale data centers."
- * The Blanco-Pedernales Groundwater Conservation District (BPGCD) has [stated](#) it "formally opposes data center developments in water-constrained regions unless developers can prove a sustainable supply and implement robust mitigation," and has submitted a resolution to the Texas Legislature calling for "legislative clarity on industrial water rights."



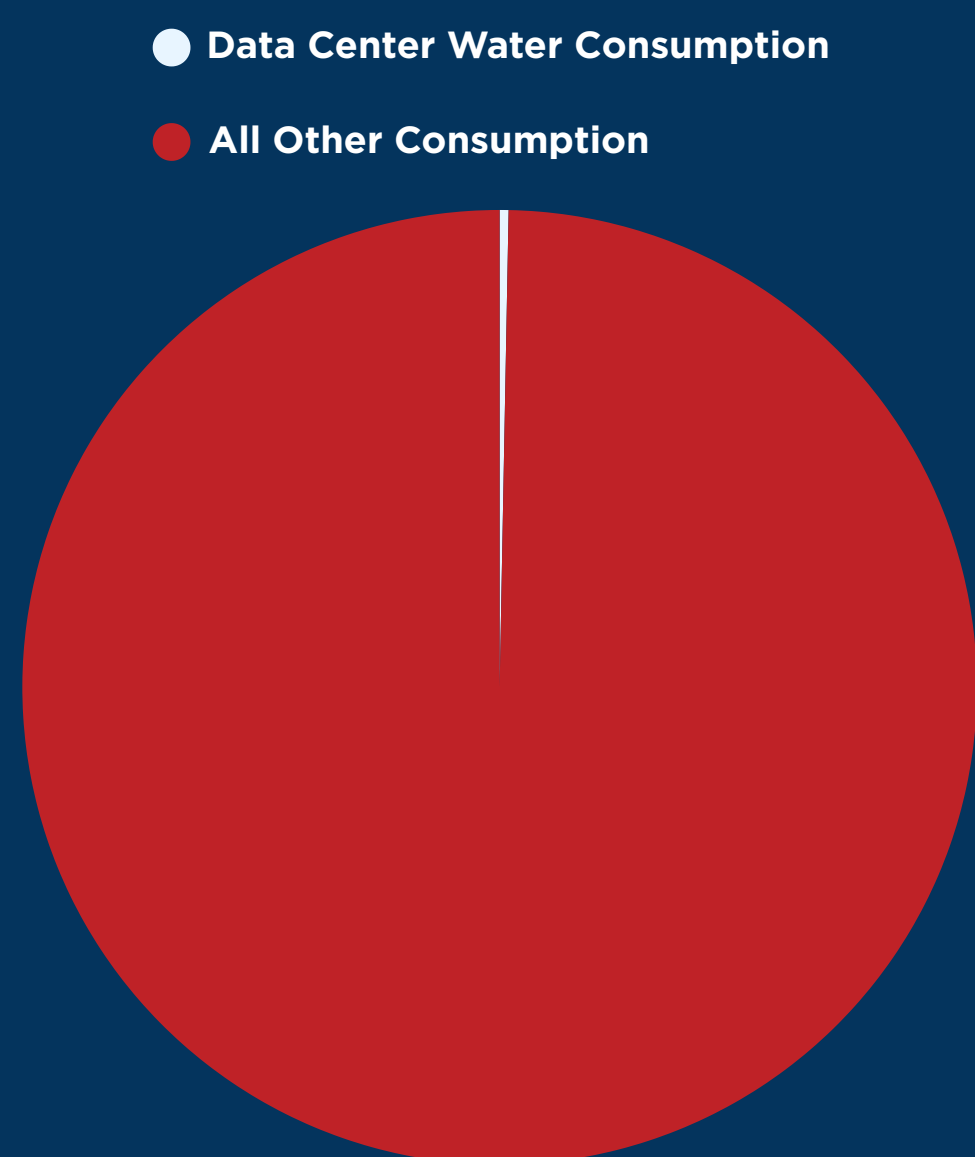
DATA CENTERS AREN'T BURDENING TEXANS' WATER OR ELECTRICITY

Policymakers often cite supposedly excessive water or electricity consumption by new data center operations. Commissioner Miller [claims](#) that data centers "consume enough electricity to power entire towns. They draw massive volumes of water for cooling, even amid ongoing drought. Rural communities that have conserved resources for generations now compete with corporate giants that can transform entire regions overnight."

DATA CENTER MYTH V. REALITY



TEXAS WATER USAGE, 2025



MYTH:

Data centers are using up a significant percentage of water.

REALITY:

In Texas, data centers accounted for **0.3 percent** of all water consumption in 2025.

Brookings Institution data center water use estimates; Baxtel data center count; U.S. Geological Survey state-level aggregate water consumption figures.

TEXAS ELECTRICITY USAGE, 2025

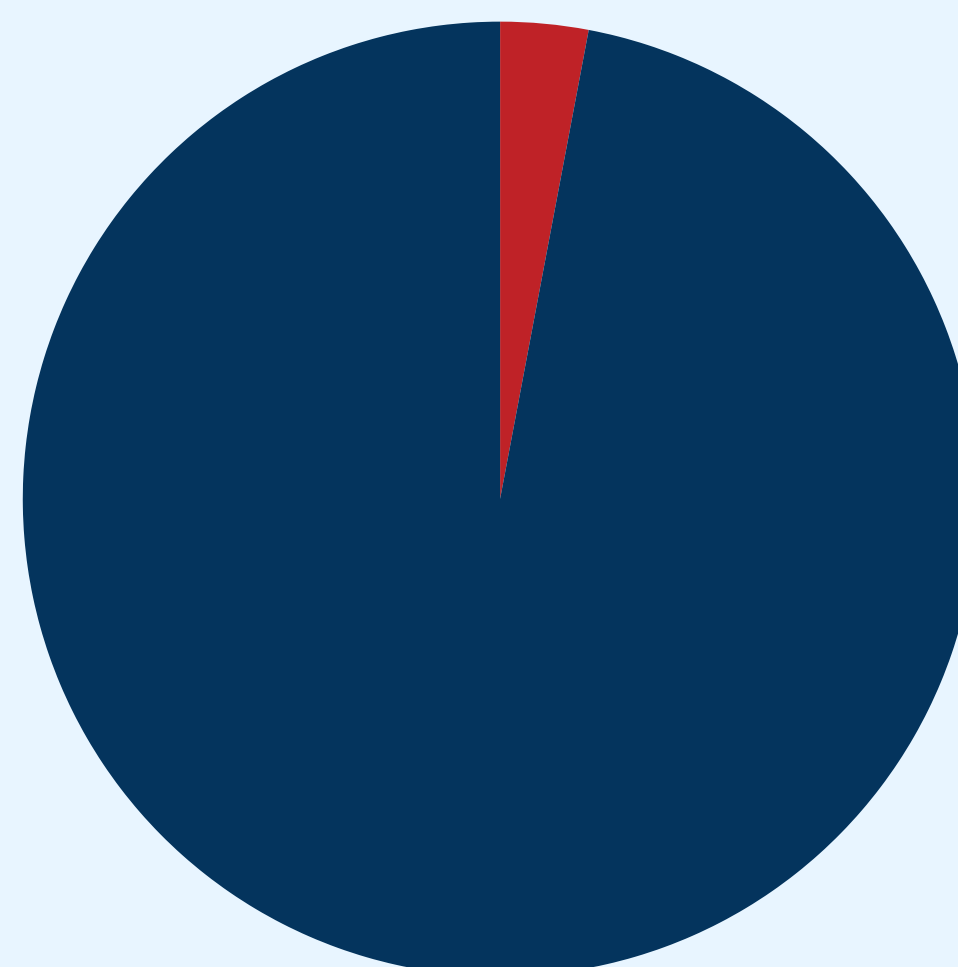
MYTH:

Data centers are using up a significant percentage of electricity.

REALITY:

In Texas, data centers accounted for **3 percent** of all electricity consumption in 2025.

- Data Center Electricity Consumption
● All Other Consumption



Electric Choice data center power consumption figures; U.S. Energy Information Administration state-level net generation figures.

Lawmakers should reject reactionary restrictions and follow the data on data centers.

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