

DATA CENTERS IN IOWA: WHAT YOU NEED TO KNOW

TAXPAYERS
PROTECTION
ALLIANCE



Recently, data center operations and proposed projects have received a significant amount of attention from Iowa policymakers and pundits. According to a [recent report](#) by a local CBS affiliate, “Iowa is emerging as a magnet for ... data centers owned by Google, Meta, Microsoft, and Apple—companies that have invested over \$17 billion statewide, according to the Iowa Economic Development Authority.” Businesses across the state are [benefiting](#) from the increased influx of economic activity.

PROPOSED AND PASSED RESTRICTIONS ON DATA CENTERS

- * In June 2026, Northwest Iowa county boards in Woodbury, Plymouth, and Sioux counties [enacted](#) temporary moratoriums on data center developments. Local leaders implementing these pauses, alongside officials in Dubuque County who approved a [one-year moratorium](#), are halting new project approvals to cordon off undeveloped land and give county task forces time to establish onerous zoning codes before developers can kickstart new projects.
- * State lawmakers introduced [House File 2690](#), “relating to water and energy use for data centers.” The restrictive legislation mandates that owners submit periodic, public consumption reports to the Department of Natural Resources and the Iowa Utilities Commission. Crucially, the bill legally halts the construction or expansion of any data center in the state until its serving utility files a distinct classification of electric service complete with isolated tariff schedules aimed at stopping ratepayer cross-subsidization of data center projects.
- * State House members introduced [House File 2001](#), a bill establishing strict technical requirements for data centers. The bill forces computing facilities to entirely transition away from traditional cooling methods by mandating they adopt technologies achieving a water usage effectiveness rating of 0.2 liters per kilowatt hour or less. Non-compliant facilities face strict civil penalties enforced by the state of up to \$10,000 per day or immediate permit suspension.



DATA CENTER DANGERS SIGNIFICANTLY OVERSTATED

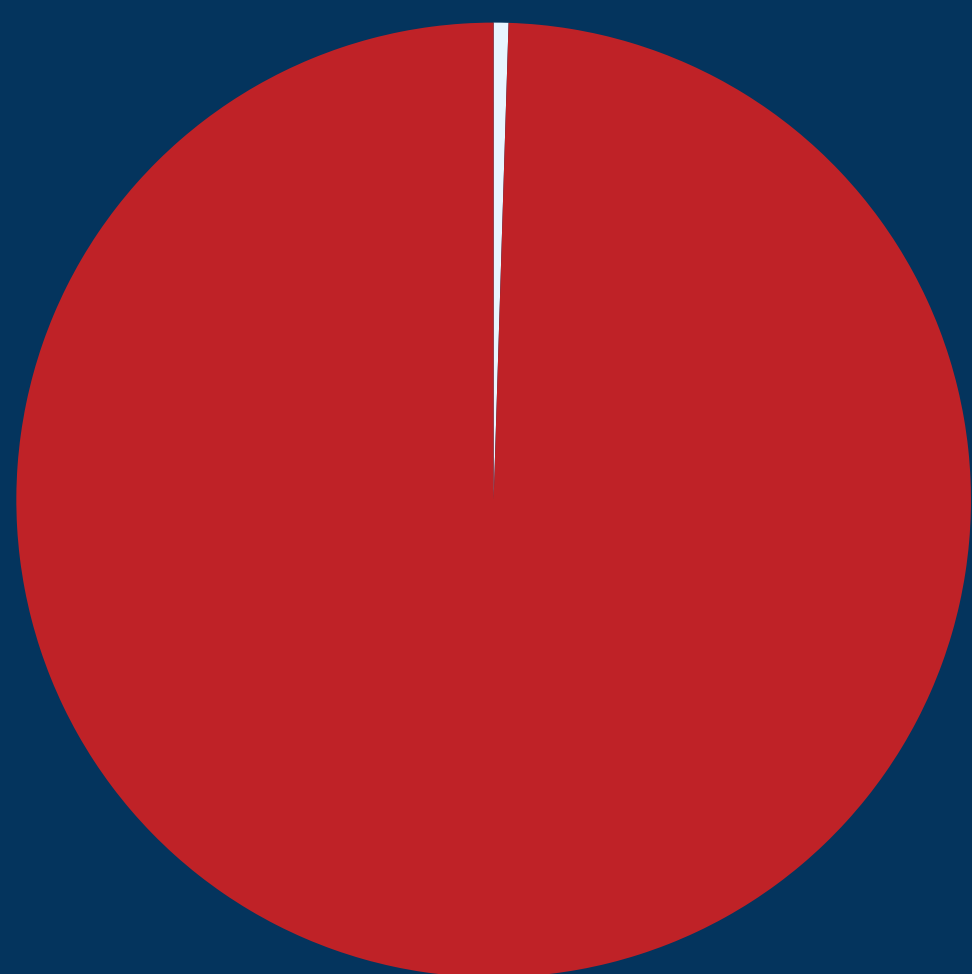
Advocates of bans or restrictions often cite supposedly excessive water or electricity consumption by new data center operations. For example, local Sierra Club activist Pam Mackey-Taylor [claims](#), “We may be on the hook for large costs on the infrastructure that’ll never be used and that affects affordability for everyday Iowans.” Other local Sierra Club activists have [claimed](#) that data center projects are exacerbating water issues. These claims are simply not supported by the evidence.

DATA CENTER MYTH V. REALITY



IOWA WATER USAGE, 2025

- Data Center Water Consumption
- All Other Consumption



MYTH:

Data centers are using up a significant percentage of water.

REALITY:

In Iowa, data centers accounted for **0.5 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.

IOWA ELECTRICITY USAGE, 2025

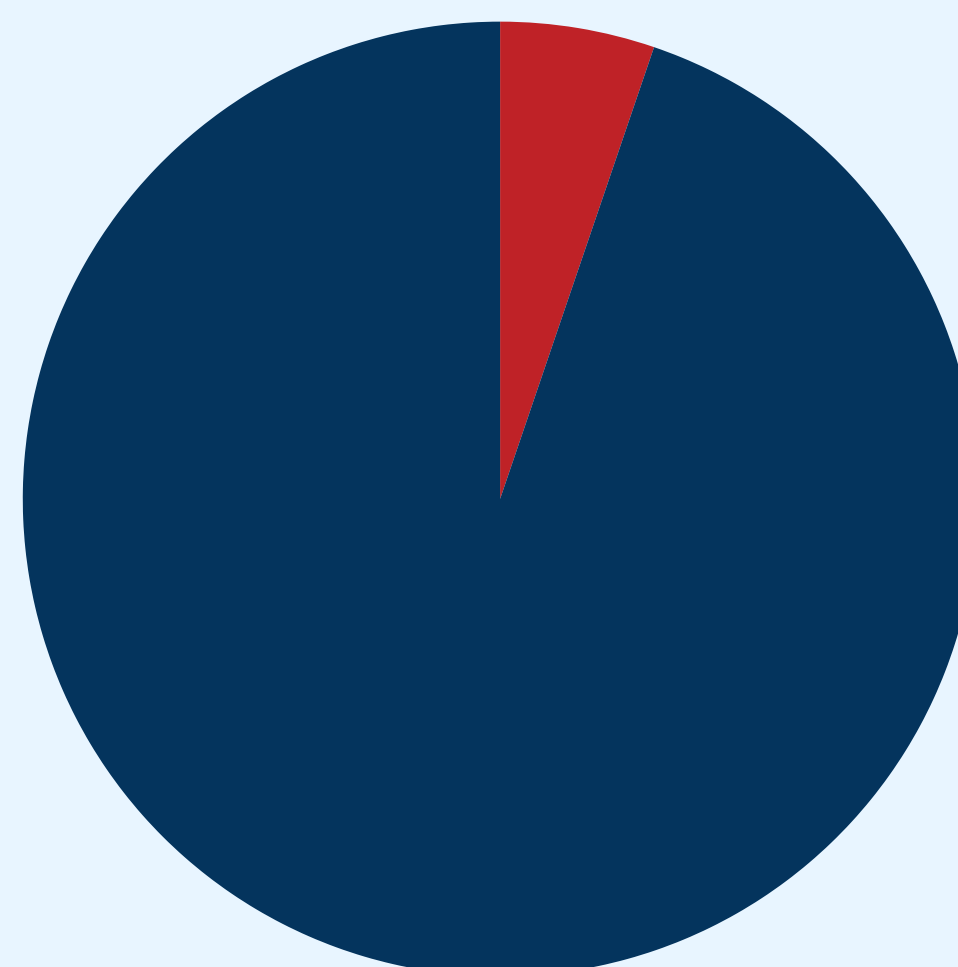
MYTH:

Data centers are using up a significant percentage of electricity.

REALITY:

In Iowa, data centers accounted for **5.4 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.

To learn more about the long-term projected water and electricity demands of data centers, visit the Q&A section at protectingtaxpayers.org/datacenters

Taxpayers Protection Alliance
1101 14th St NW, Ste 500,
Washington, DC 20005
protectingtaxpayers.org

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