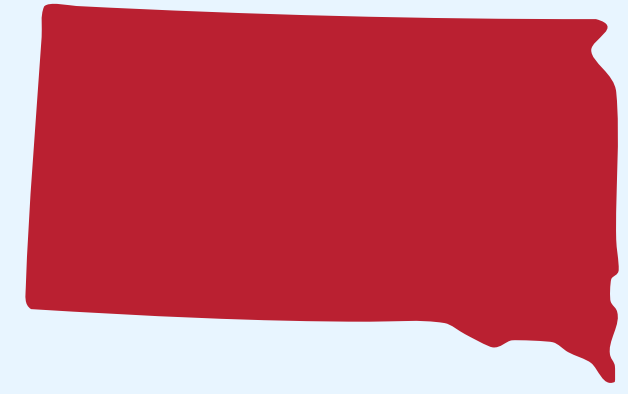


DATA CENTERS IN SOUTH DAKOTA: WHAT YOU NEED TO KNOW

TAXPAYERS
PROTECTION
ALLIANCE



Recently, data center operations and proposed projects have received a significant amount of attention from South Dakota policymakers, pundits, and economic analysts. According to a [March report](#) in *Data Center Dynamics*, “A data center spanning 164 acres could be built in the city of Sioux Falls, South Dakota. The so-called Sioux Falls Technology Park would be located east of Veterans Parkway, south of E. Rice Street, and west of N. Six Mile Road. In January, developer Gemini Family Office used an affiliated company – Gemini Data Center LLC – to successfully apply for a rezoning request that would make the land parcel suitable for data center use.” However, “South Dakota is not a major data center market, and most of the state’s data centers are located near Sioux Falls, which is near the southeastern corner of the state. Plans to build a 430MW campus near the city of Toronto in the state were effectively withdrawn after developer [Applied Digital](#) told Keloland that it was ‘unlikely to go forward.’”

PROPOSED AND PASSED RESTRICTIONS ON DATA CENTERS

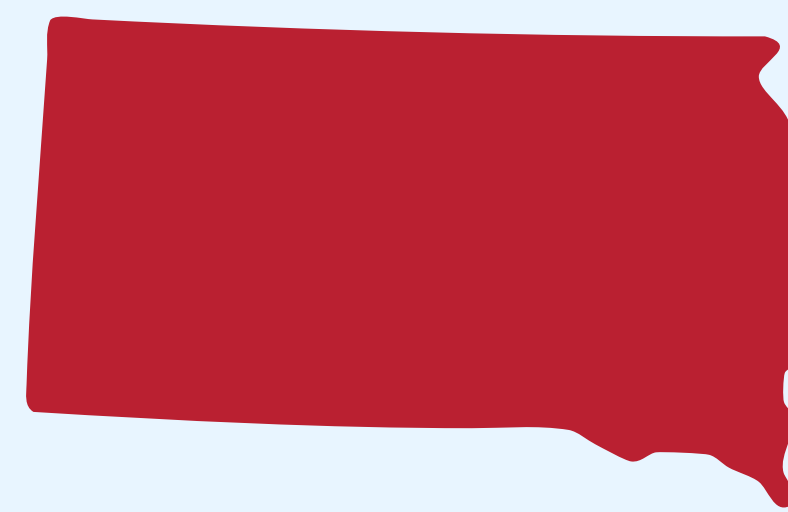
- * In March, Gov. Larry Rhoden (R) signed legislation placing new rules on data center projects. According to an overview published by the *South Dakota Searchlight*, [Senate Bill 135](#) “applies to data centers with a peak electrical demand of 10 megawatts or greater. It will require data center companies to ensure their water use does not overburden local resources and to pay for the electrical infrastructure costs attributable to them. It also prohibits the state from overriding local ordinances limiting, prohibiting or otherwise regulating data centers.” The Governor also signed [House Bill 1038](#), which “allows the state Public Utilities Commission to assess data center companies the costs of regulatory reviews related to their projects.”
- * Introduced in February, [Senate Bill 232](#) would have subjected “hyperscale data centers”—[defined](#) as “having a peak electrical demand of fifty megawatts or greater” and providing for “the storage, management, dissemination, and processing of electronic data and information”—to a one-year moratorium. The bill died in committee shortly after being introduced.
- * In July, Yankton County Commissioners [voted to approve](#) a six-month moratorium. This was shorter than the initial one-year moratorium on the commissioners’ agenda. However, the commissioners will have the option to further extend the moratorium if more comprehensive rules are not in place at the six-month mark.



DATA CENTER DANGERS SIGNIFICANTLY OVERSTATED

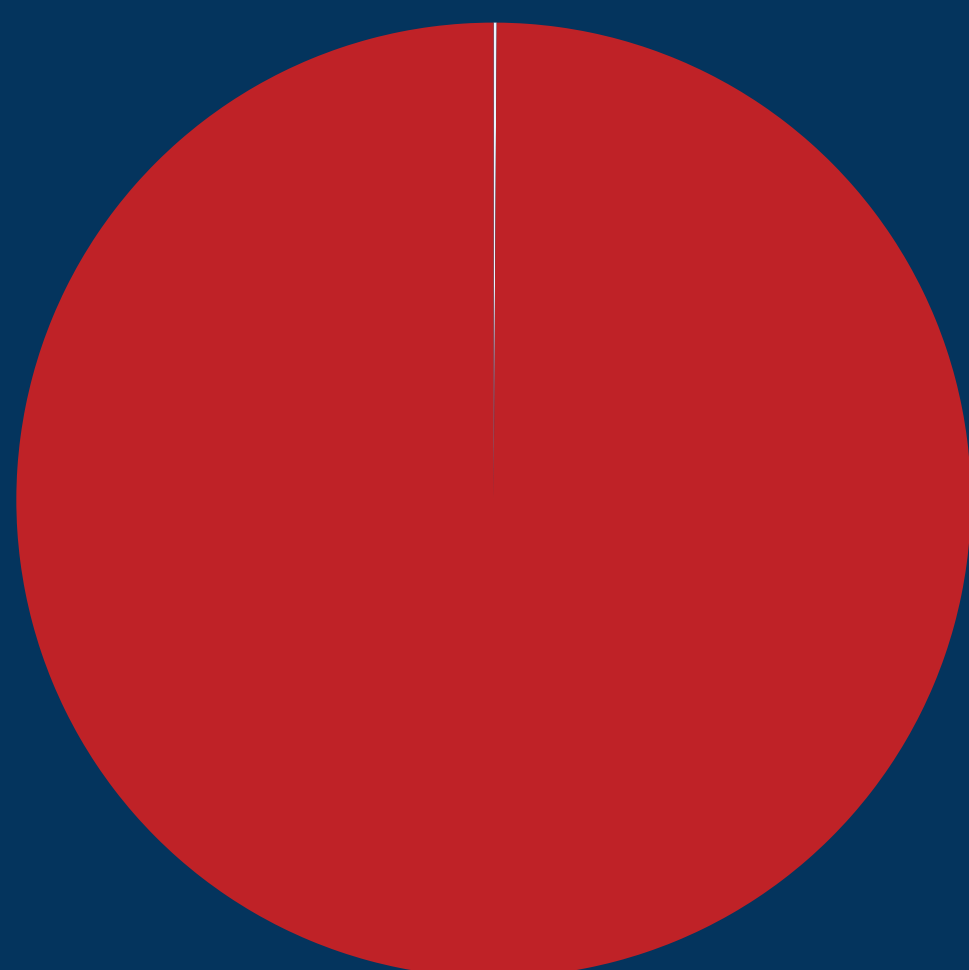
Advocates of bans or restrictions often cite supposedly excessive water or electricity consumption by new data center operations. Dakota Rural Action activist Brooke Manca [claims](#), “Politicians and data center developers are downplaying the massive energy requirements that the proposed data centers will demand...large amounts of water are needed to cool the systems down.” The truth is data centers account for a small proportion of water and electricity use in South Dakota.

DATA CENTER MYTH V. REALITY



SD WATER USAGE, 2025

- Data Center Water Consumption
- All Other Consumption



MYTH:

Data centers are using up a significant percentage of water.

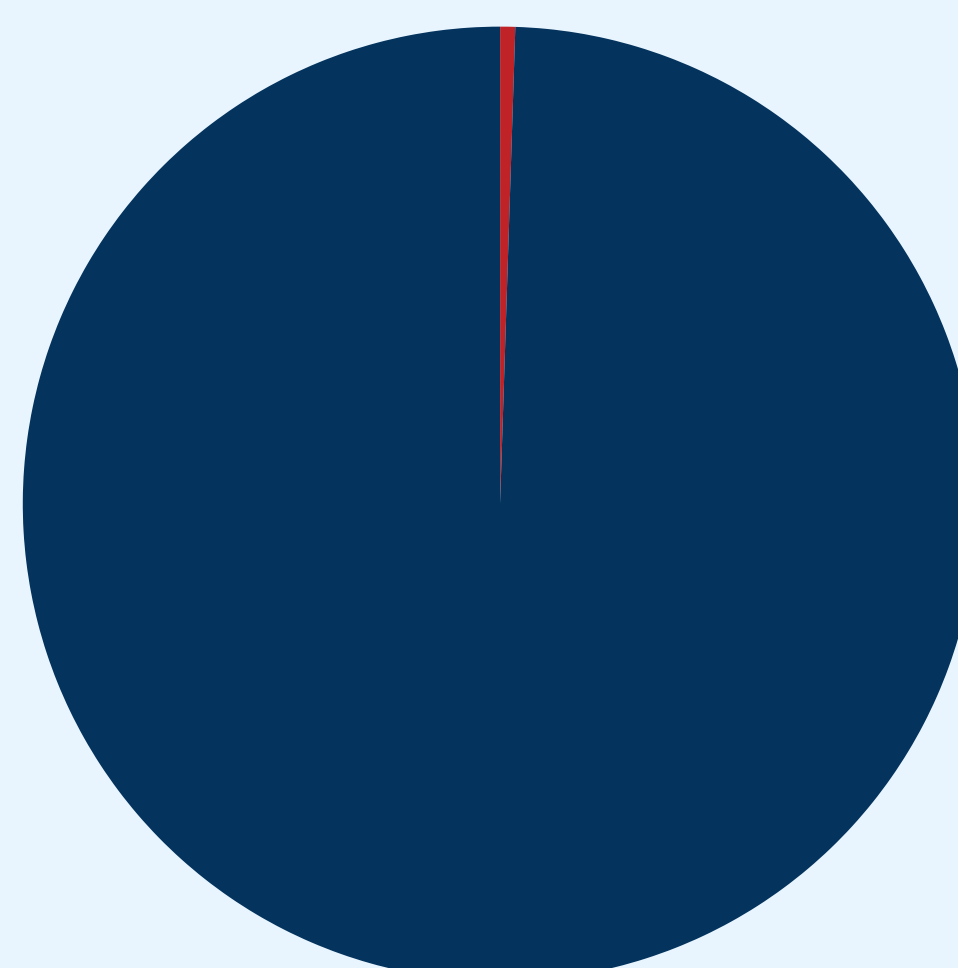
REALITY:

In South Dakota, data centers accounted for **0.1 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.

SD ELECTRICITY USAGE, 2025

- Data Center Electricity Consumption
- All Other Consumption



MYTH:

Data centers are using up a significant percentage of electricity.

REALITY:

In South Dakota, data centers accounted for **0.5 percent** of all electricity consumption in 2025.

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

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