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# COALITION LETTER ON DATA CENTERS

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May 7, 2025

Governor Walz and Legislative Leaders,

With the Minnesota budget process quickly approaching its conclusion, the undersigned groups write to ask you to protect key Minnesota investments in education, health care, and essential services by ending tax subsidies for mega-sized data centers. In addition, we ask you to establish common sense protections for electricity customers, groundwater users, and neighboring residents in response to the wave of data center development interest in Minnesota.

At a time when essential services, education, and health care are on the chopping block, the public will not forget if we choose to subsidize and exempt mega-sized data center developers from our laws. The public will not forget if we trade harms to our communities to line the pockets of billionaires.

We urge you to:

- End tax breaks for data centers,
- Require environmental impact statements for all hyperscale data centers,
- Protect drinking water from data center impacts,
- Protect electric consumers and Minnesota's 100% clean energy law, and
- Create appropriate setbacks and protections for neighbors.

Legislative committees have heard testimony this year from a wide range of people and organizations expressing concern about the fiscal and environmental impact of data centers. This includes labor, clean energy and climate groups, community groups, good government groups, residents next to planned data centers, and conservation groups. Meanwhile, on multiple occasions when legislators asked for lobbyists representing data centers to answer their questions, nobody came to the table.

Legislators have also heard testimony that expressed deep concerns that the open-ended, uncapped tax credit in statute is ballooning into hundreds of millions of dollars in tax subsidies every year. If even a portion of the proposed "hyper-scale" data centers that are in various stages of development come to fruition, this will create a growing hole in the state budget. These are not just one-time tax credits. During operation, electricity costs are exempted from sales tax. Hardware and software sales are also exempted, and since data centers refresh their servers every few years, this adds up to an unsustainable fiscal impact.

The impacts on Minnesotans who live next to proposed data centers, Minnesotans who depend on affordable, reliable, and clean electricity, and Minnesotans whose groundwater is threatened, deserve action this legislative session. The noise, light, and air pollution created by these industrial developments is real and pervasive. Each one of the proposed “hyper-scale” data centers may consume as much electricity as the Monticello nuclear power plant produces. And while water consumption can vary greatly, early estimates of water usage for cooling could draw billions of gallons of drinking water from groundwater aquifers. With at least ten “hyper-scale” data centers already proposed, and seemingly more in the works, this problem will only grow.

So far this year, too much emphasis has been placed on what some of the largest and wealthiest corporations in human history want from Minnesotans, and far too little emphasis on what Minnesota residents need: protection from the fiscal, environmental, and community impacts of data center development. There is still time this session to stand up for Minnesotans, and to tell the billionaires who want our power, water, land, and money to sit down.

Thank you for your service to Minnesota. We stand ready to assist you in addressing these concerns, and appreciate your attention to this important issue.

Sincerely,

Organizations

Coalition for Responsible Data Center Development

Clean Water Action Minnesota

CURE

DFL Environmental Caucus

Izaak Walton League – Minnesota Division

Izaak Walton League – W.J. McCabe Chapter

Friends of the Cloquet Valley State Forest

Friends of Minnesota Scientific and Natural Areas

Friends of the Mississippi River

Hastings Environmental Protectors

Lakeville Friends of the Environment

League of Women Voters Minnesota

Metro Blooms

Minnesota Center for Environmental Advocacy

Minnesota Interfaith Power and Light

Minnesota Protect Our Water

MN350 Action  
Public Citizen  
Roots Return Heritage Farm LLC  
Save Lake Superior Association  
Save Our Sky Blue Waters  
Sierra Club North Star Chapter  
Third Act Minnesota  
Vote Climate  
Vote Solar  
Waterford MN Conservation Society  
WaterLegacy

Individuals  
Philip Adam  
Robert Karls  
Janelle Kuznia

Cc:

House Speaker Lisa Demuth  
House DFL Leader Melissa Hortman  
Senate Majority Leader Erin Murphy  
Senate Minority Leader Mark Johnson  
House Taxes Co-Chair Greg Davids  
House Taxes Co-Chair Aisha Gomez  
Senate Taxes Chair Ann Rest  
Senate Taxes Minority Lead Bill Weber  
House Environment and Natural Resources Co-Chair Joshua Heintzeman  
House Environment and Natural Resources Co-Chair Peter Fischer  
Senate Environment, Climate and Legacy Chair Fong Hawj  
Senate Environment, Climate and Legacy Minority Lead Steve Green  
House Energy Co-Chair Chris Swedzinski  
House Energy Co-Chair Patty Acomb  
Senate Energy Chair Nick Frentz  
Senate Energy Minority Lead Andrew Mathews