KANSAS
COMMERCE

Data Center Development: Legislative Fact Sheet

Condensed from the Kansas "Commerce Data Center Myth-Busting Guide" for quick use.

KANSAS POLICY AND RATEPAYER PROTECTIONS

- The Kansas Corporation Commission approved a Large Load Power Service tariff for customers with forecast peak demand of 75 MW or greater.
- That tariff requires a minimum 12-year service commitment, with an optional ramp-up period of up to five (5) additional years.
- Large-load customers must pay at least 80% of contracted demand through minimum bill provisions.
- Large-load customers must provide collateral equal to approximately two (2) years of minimum bill obligations.
- Large-load customers are responsible for transmission or other infrastructure upgrades required to serve the facility.
- Kansas SB 98 (2025) bars qualifying data centers from receiving an economic development discounted electricity rate.

Bottom line: Kansas policy is designed to reduce direct cost shifting from large-load data center customers onto residential ratepayers, while still allowing projects to compete for investment.

Sources: Kansas Corporation Commission Large Load Tariff Order (Nov. 6, 2025); Kansas Reflector (Nov. 6, 2025); Utility Dive (Nov. 10, 2025); Kansas SB 98 (2025).

MYTH 1: "A DATA CENTER WILL DRAIN ALL THE WATER IN OUR COMMUNITY."

- Water use depends heavily on cooling technology rather than being fixed or inevitable.
- Air-cooled systems can operate with zero water use for cooling (WUE of 0).
- Closed-loop liquid cooling systems circulate water internally and can materially reduce freshwater consumption compared with older designs.
- Evaporative cooling is the most water-intensive design, but developers and regulators can require different technology choices in water-stressed areas.

Bottom line: Water impacts are real but are driven by engineering design, siting, and contractual requirements.

Sources: International Energy Agency / Network World (Feb. 2026); Environmental and Energy Study Institute (2025); Microsoft Cloud Blog (Dec. 2024); Equinix water use materials (2024).

MYTH 2: "RESIDENTS WILL PAY HIGHER UTILITY BILLS TO SUBSIDIZE THE DATA CENTER."

- Kansas law and KCC tariff rules require large-load customers to enter long-term service arrangements, pay minimum demand charges, and cover required upgrades.
- Those protections are stronger than in many states and are intended to reduce direct subsidization by households.

Bottom line: In Kansas, residents are better protected than in many states, but oversight of future rate cases still matters.

Sources: Kansas Corporation Commission Order (Nov. 2025); Kansas SB 98 (2025); Belfer Center / Harvard Kennedy School (2026); Time (Feb. 2026); NPR (Feb. 2026).

MYTH 3: "DATA CENTERS ARE DEAFENING. THE NOISE WILL DESTROY OUR QUALITY OF LIFE."

- Mechanical equipment can create noise, especially cooling systems and backup generators. This noise is comparable to other industrial cooling equipment at non-DC locations.
- Typical exterior cooling equipment is generally cited in the roughly 55-75 dBA range at the source, while generator testing can be louder.

Bottom line: Noise is a legitimate siting issue, but it is typically managed through local zoning, engineering design, and permitting conditions.

Sources: TechTarget (2024); C&C Technology Group (2024); Ramboll Engineering (Dec. 2024); Larson Davis Noise Monitoring Systems (2025); Fairfax County materials.

MYTH 4: "THEY ARE BUYING UP ALL THE LAND WITH NO BUFFERS AND BUILDING MASSIVE COMPLEXES."

- Hyperscale data centers do require large parcels, sometimes hundreds of acres.
- That makes local land-use policy critical: setbacks, landscaping, screening, height limits, and campus density controls do not happen automatically.

Bottom line: Large footprints are real, but buffer zones and site compatibility are planning and zoning questions that local governments can control.

Sources: Reuters (Dec. 2025); Data Center Knowledge (2024); Dgtl Infra (2024).

MYTH 5: "IF WE ALLOW ONE, WE WILL BE OVERRUN WITH DATA CENTERS."

- Data centers do cluster where fiber, transmission capacity, and latency advantages already exist.
- Local governments still control development patterns through zoning, conditional use permits, and site plan review.
- Several jurisdictions around the country have adopted acreage limits, spacing rules, or designated technology districts to guide growth.

Bottom line: Clustering can happen, but communities retain control over where and how development occurs.*Sources: Kansas Sources: LandApp Northern Virginia Case Study (Jan. 2025); local zoning and land-use authorities as summarized in the guide.*

MYTH 6: "ALL OF THESE INQUIRIES MUST BE REAL PROJECTS THAT ARE DEFINITELY COMING."

- Large technology companies commonly evaluate multiple locations at the same time under confidential project code names.
- Many inquiries represent early-stage market screening rather than a committed project.
- In Kansas, SB 98 adds review steps before certain projects receiving public incentives can move forward.

Bottom line: Early inquiries are normal in site selection and should not be confused with a fully committed and financed project.

Sources: Kansas SB 98 (2025); site selection process summary in the reference guide.

MYTH 7: "DATA CENTERS WILL TURN OUR WATER INTO BLACK SLUDGE OR SEVERELY POLLUTE OUR WATER

- There is no documented basis for the claim that data centers discharge 'black sludge' into drinking water systems.
- Where cooling water is used, blowdown or wastewater may contain dissolved solids, treatment chemicals, or elevated temperature - all of which are regulated through existing environmental and wastewater permitting frameworks.
- Modern designs increasingly use closed-loop, direct-to-chip, or air-cooled systems that reduce or eliminate discharge.

Bottom line: Extreme contamination claims are false. Water quality issues, where relevant, are governed through standard permitting, utility standards, and site-specific engineering controls.

Sources: KETOS Water Intelligence (2024); American Society of Civil Engineers (2024); Data Center Knowledge (Nov. 2025); standard NPDES and local wastewater permitting frameworks.

MYTH 8: "DATA CENTERS WILL DESTROY THE ELECTRICAL GRID AND CAUSE BLACKOUTS."

- Data centers are predictable large loads and can support grid planning, demand response, battery storage integration, and other grid services when properly designed.
- The key issue is design, interconnection standards, and operational flexibility.

Bottom line: Data centers are not inherently grid destroyers. Grid outcomes depend on siting, system design, and regulatory requirements such as fault ride-through capability.

Sources: Grid Strategies LLC (2025); ITIF (Nov. 2025); Schneider Electric Blog (Feb. 2026); Renewable Energy World (Dec. 2025).

MYTH 9: "A DATA CENTER IS A DEAD END ECONOMICALLY AND WILL NOT ATTRACT ANY OTHER BUSINESS DEVELOPMENT."

- Data centers generally are not large permanent employers compared with manufacturing projects, but they are major capital investments and infrastructure anchors.
- The guide cites research estimating multiple ancillary jobs for each direct job across construction, telecommunications, cybersecurity, maintenance, and related services.
- Broader spillover benefits depend on whether integrate the project into a larger economic development strategy.

Bottom line: Data centers are not labor-intensive in the traditional sense, but they can support broader technology, fiber, and supplier ecosystem growth when structured well.

Sources: Brookings Institution (Feb. 2026); WYEDC citing CBRE Research (2025); Wisconsin Public Radio (2025).

MYTH 10: "THE TAX REVENUE FROM A DATA CENTER IS NOT WORTH THE TRADE-OFFS."

- Where state and local policy captures the taxable value of real property, personal property, and equipment, data centers can generate substantial local revenue.
- The guide cites Loudoun County, Virginia at roughly $663 million in local tax revenue in 2022 and Prince William County at roughly $166.4 million in 2023.

Bottom line: The tax impact can be significant, but it depends on how the deal is structured.

Sources: LandApp / Olney Enterprise (2025); Tax Foundation (Dec. 2025); Wisconsin Public Radio (2025); Kansas SB 98 (2025).