Digital Infrastructure Update

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Vetoed, Not Dead: Maine's Data Center Moratorium and What It Means for Developers

On April 24, Maine Governor Janet Mills vetoed "An Act to Establish the Maine Data Center Coordination Council and Place a Temporary Limitation on Certain Data Centers" (LD 307), which would have made Maine the first state to impose a statewide moratorium on data center development. Although the bill ultimately did not become law, it passed both chambers of the Maine Legislature with bipartisan support and attracted international attention. Governor Mills agreed that a data center development moratorium was warranted but vetoed the bill because it lacked an exemption for one project.

Developers and their counsel should take note: the regulatory and political dynamics underlying LD 307 are not unique to Maine, and similar legislation is advancing in jurisdictions across the country. Following is an outline of the key takeaways and what developers should be thinking about now.

What Maine's Bill Would Have Done

LD 307 would have imposed a moratorium until November 2027 on any new data center project requiring 20 megawatts or more of power. Critically, its megawatt threshold would have captured projects of virtually all commercial scales, not just hyperscale facilities. LD 307 also called for the creation of a 13-member Maine Data Center Coordination Council to study the impact of data centers on the state's energy grid, electricity rates, and environmental resources, including air, water, and wetlands. The council's findings were intended to shape a new regulatory framework that could address emissions standards, stormwater management, wetland impacts, and other environmental considerations that remain largely unregulated in this context.

While the Maine Legislature failed to override the veto, the upcoming midterm elections could potentially reverse headwinds and place the moratorium back into legislative consideration.

A Veto Built on One Project, a Warning for Every State

Governor Mills agreed a moratorium was "appropriate given the impacts of massive data centers in other states on the environment and on electricity rates," but vetoed the bill because legislators refused to include an exemption for a $550 million data center redevelopment project at the former Androscoggin Mill site in Jay, Maine ("Jay Project"), a brownfield site whose closure in 2023 eliminated hundreds of jobs. The Jay Project will inherit the former paper mill's existing agreement with Central Maine Power providing 82 megawatts. The governor simultaneously signed LD 713, which bars data center projects from the state's business development tax incentive programs, and announced she will issue an executive order establishing a study council mirroring the one proposed in LD 307.

The Jay Project illustrates the tension developers will increasingly encounter: brownfield redevelopment projects that reuse existing industrial infrastructure and enjoy strong local support may be viewed more favorably by regulators and elected officials than greenfield builds. The Jay Project's developers committed to utilizing existing industrial buildings, water, and electrical infrastructure to avoid adverse impacts to ratepayers. They had also received several permits before LD 307 passed. Developers evaluating potential sites, particularly former industrial or mill properties, should consider how a project's brownfield dimension may affect its political viability and should conduct thorough environmental due diligence accordingly.

Notably, these state-level developments are unfolding against a backdrop of federal policy moving in the opposite direction. In July 2025, President Trump issued Executive Order 14318, "Accelerating Federal Permitting of Data Center Infrastructure," which directs federal agencies to streamline environmental reviews, provide financial support for qualifying projects, and make federal lands available for data center development. The Executive Order also instructs the EPA to identify brownfield and Superfund sites suitable for data center reuse and to develop guidance expediting their redevelopment. In December 2025, the EPA launched the Clean Air Act Resources for Data Centers webpage, which consolidates permitting guidance, regulatory interpretations, and modeling tools to help developers navigate Clean Air Act compliance. However, these federal directives do not preempt state permitting, zoning, or utility regulations, meaning that even projects qualifying for federal support may still face significant state and local hurdles.

Moratorium Bills Are Proliferating Nationally

Maine is far from alone as public opposition to data centers rises. More than a dozen states have introduced moratoriums or significant regulatory legislation targeting data centers so far this year, and over 300 data-center-related bills have been filed across more than 30 states.[1] Among the most notable state actions:

- Virginia, home to the world's largest concentration of data centers, considered 61 data-center-related bills this session. Fifteen bills were sent to the governor's desk, addressing siting restrictions, energy cost allocation to high-demand users, water usage reporting, and a new permitting process for facilities using 100 megawatts or more. A proposed statewide moratorium (HB 1515) was carried over to the 2027 session. Meanwhile, the state's $1.6 billion annual sales tax exemption for data centers remains the central unresolved issue in ongoing budget negotiations.
- Georgia, one of the fastest-growing data center markets in the country, saw bipartisan legislative efforts to impose moratoriums (HB 1012, HB 1059), repeal tax exemptions, and prohibit local governments from entering into nondisclosure agreements regarding data centers' water and electricity usage. Ultimately, no data center legislation passed the Georgia Legislature this session. However, the breadth of the proposals, and the fact that at least 10 Georgia municipalities have already enacted their own local moratoriums, signal that this issue is here to stay.

Other states with active moratorium proposals include New York (a three-year construction halt), Oklahoma (a pause until 2029), Vermont (a freeze until 2030), Maryland, South Dakota, and New Hampshire.

Considerations for Developers

Brownfield redevelopment, inherited infrastructure, existing grid interconnection, and local community support all contributed to the exemption request in Maine, providing a template for developers to position projects to survive future moratorium legislation in other states.

Community engagement is no longer optional; it is a risk management imperative. Several of the state-level proposals were fueled by public frustration with the perceived secrecy surrounding data center projects. Georgia's proposed legislation, for instance, would have banned local governments from signing nondisclosure agreements related to data centers' water and electricity usage. When municipalities enter into NDAs with developers and exclude the public from the process, the risk increases that projects will face organized opposition, injunctions, or retroactive moratoriums. Developers who lean into transparent, community-oriented engagement, rather than relying on confidentiality agreements as a shield, will be better positioned to secure durable approvals.

Environmental and energy regulatory frameworks are coming. Maine's proposed coordination council and the rulemaking it would have initiated offer a preview of what may become standard across jurisdictions: heightened regulatory scrutiny of emissions (including from backup generators), stormwater discharge, water consumption, and wetland impacts. Virginia has already passed legislation requiring water usage reporting and siting assessments for facilities near homes and schools. Developers should anticipate and plan for these requirements during the diligence and design phases.

The political landscape is shifting quickly. Data center moratoriums are gaining traction as a bipartisan issue. The combination of rising electricity rates – U.S. Energy Information Administration data suggests data centers could drive up Maine electricity rates by 36% – and growing local opposition means that developers can no longer assume a frictionless permitting environment in any state.

[1] "State Data Center Legislation in 2026 Tackles Energy and Tax Issues," MultiState Insider (Feb. 20, 2026); "Nation's first state moratorium on data centers vetoed by Maine's governor," AP News (Apr. 24, 2026)

FOR MORE INFORMATION

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