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Freeze, Study, Regulate, Repeat: Georgia's Data Center Cycle and What's Coming Elsewhere

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Data center development in the United States is operating within an increasingly complex regulatory environment. At the federal level, executive action and agency guidance are aimed at accelerating permitting for AI-related infrastructure. At the same time, state legislatures and local governments, particularly in high-growth markets like Georgia, are working to introduce new oversight mechanisms, reconsider incentive programs, and adopt land use controls tailored specifically to data centers. Industry tracking reports identify approximately 17 operating data centers in Georgia and more than 80 planned projects, making Georgia one of the nation's most active development markets.

Georgia is further along in this regulatory cycle than most states, and what's happening there is worth paying attention to. The state's experience follows a familiar pattern for emerging land use trends: rapid growth outpaces oversight, community concerns increase, local governments respond with moratoriums and interim controls, and eventually permanent ordinances are adopted. Meanwhile, state lawmakers begin taking a closer look at the incentive programs that helped fuel the development in the first place. Other markets with significant data center pipelines appear to be earlier in that same progression. For developers evaluating sites across multiple states, Georgia isn't the exception; it's the template. The entitlements process, including moratoriums, stricter local ordinances, and incentive scrutiny, is likely to repeat wherever development pressure intensifies.

For real estate developers and investors, the practical consequence is a permitting and entitlements landscape that varies significantly depending on the jurisdiction and the level of government involved. This article provides a general overview of current legislation and regulatory developments in Georgia and highlights the due diligence considerations shaping site selection and project timelines.

State-Level Overview

Beginning in 2024, Georgia legislators have started examining whether the state's data center incentives should be modified. In 2024, Governor Brian Kemp vetoed House Bill 1192, which would have paused the data center sales and use tax exemption under O.C.G.A. § 48-8-3(68.1) for two years while the state studied the impacts of data center growth on Georgia's electrical grid. The 2025-2026 legislative session ended without the enactment of major data center-specific legislation, leaving existing tax incentives and regulatory frameworks largely unchanged. Nevertheless, legislative interest in the sector remains strong, suggesting that future proposals aimed at incentive reform or additional oversight are likely to continue.

Community Involvement Is Fueling Local Ordinances and Moratoriums

At the local level, Georgia jurisdictions have responded to data center growth with a wide range of regulatory approaches. According to the Georgia Tech Energy Policy and Innovation Center (EPIC), approximately one in five Georgia counties either has adopted a data center ordinance or is actively developing one.

There are at least 12 jurisdictions that have adopted temporary moratoriums, including DeKalb County (extended to September 30, 2026), Floyd County (80-day moratorium approved June 2026), Clayton County (moratorium expires no later than December 31, 2026), Gordon County (moratorium extended to August 4, 2026), Monroe County (moratorium since December 2025), Bulloch County (moratorium expires December 31, 2026), Camden County (moratorium expires November 2026), Carroll County (passed 12-month moratorium in June 2026), Cobb County (moratorium expires August 23, 2026), Crawford County (moratorium expires July 2026), Decatur County (indefinite moratorium), and Newton County (moratorium expires October 7, 2026). These moratoriums are generally intended to provide local governments time to evaluate zoning standards, infrastructure impacts, and community concerns before processing additional applications.

Reports reflect that, as of June 5, 2026, "34 counties and 23 cities have drafted ordinance language to incorporate data centers into their UDO in 2025 and 2026." Georgia Tech's Energy Policy and Innovation Center "tracks 15 regulatory topics commonly addressed in these ordinances, ranging from site planning and building design to power infrastructure, environmental protections, and facility decommissioning."

Key areas of variation include:

- **Height and setback requirements.** Local governments are taking different approaches to building dimensions and site buffering requirements. Some jurisdictions exclude cooling towers, rooftop mechanical equipment, and other accessory structures from height calculations, while others establish minimum or maximum building heights. Similarly, setback requirements vary considerably, although 100-foot setbacks adjacent to residential properties are becoming increasingly common in some jurisdictions.
- **Zoning classifications and special-use permits.** Approaches range from permitting data centers by right in industrial districts to requiring special land use permits (SLUPs) with council approval. Atlanta's Zoning Committee has advanced legislation requiring SUPs for all new data centers citywide, with disclosure of estimated water and energy consumption and potential tree removal. DeKalb County has adopted a tiered regulatory framework based on data center size, with major and campus data centers restricted to industrial and light industrial land use designations.
- **Environmental Impacts and Community Engagement**. Considerations in this category relate to potential adverse effects on people and the surrounding area, including, but not limited to, such concepts as air quality, odor, heat discharge, local ecosystems, vegetation, wildlife, and greenhouse gas emissions. "Across Georgia, several jurisdictions incorporate formalized public engagement and impact-study requirements into the ordinance," according to EPIC's Data Center Ordinance Analysis.

Emerging Enforcement Risk: State Attorney General Scrutiny. Beyond legislative and local regulatory activity, developers should also monitor increasing interest from state attorneys general in large-scale infrastructure and development projects. While attorney general involvement has historically focused on environmental compliance, consumer protection, and public-interest concerns, projects involving significant utility demand, public incentives, land-use commitments, or community impact representations may attract additional scrutiny.

For developers, this means that regulatory risk may not end once local entitlements are secured. AG scrutiny of representations made in incentive applications, commitments regarding infrastructure improvements, environmental mitigation measures, and community benefit programs may become areas of future review. This additional layer of oversight contributes to the increasingly fragmented regulatory landscape facing data center developers nationwide.

Practical Considerations for Developers. Given the pace of regulatory change, developers and investors evaluating Georgia data center projects should consider the following during due diligence:

- **Moratorium expiration tracking.** Most active moratoriums in Georgia expire in late 2026. The permanent ordinances that replace them will define the long-term regulatory environment for each jurisdiction, making active monitoring of these timelines essential to site selection decisions.
- **Incentive durability.** Although Georgia's tax exemptions survived the most recent legislative session, political momentum for reform continues. Developers should evaluate whether existing incentives carry clawback provisions, sunset clauses, or other mechanisms that could affect project economics.
- **Utility and grid coordination.** Power availability is increasingly driving both siting decisions and the regulatory backlash against data centers. Early engagement with utilities and a clear understanding of interconnection timelines and capacity constraints remain critical to project feasibility.
- **Community engagement strategy.** Jurisdictions that have incorporated formal public engagement requirements into their ordinances signal that community opposition can materially affect project timelines. Initiative-taking outreach strategies are becoming a vital component of entitlement planning.
- **Contractual risk allocation.** Purchase agreements, development agreements, and lease structures should address regulatory change risk directly through entitlement contingencies, moratorium-related termination rights, and incentive-adjustment mechanisms.

Conclusion

Data center development is not slowing down, and neither is the regulatory response. For developers operating in this space, the key challenge is not any single permit or ordinance; it is the reality that federal, state, and local regulatory frameworks are evolving at different speeds and often in different directions. Projects that account for this divergence in their site selection, entitlements strategy, and deal structuring will be better positioned to manage timeline and cost risk.

Georgia's experience over the past 18 months offers a concrete illustration of how quickly the regulatory environment can shift in a high-growth market. For developers evaluating opportunities across the country, it may also provide an early indication of what lies ahead in other states as data center demand continues to expand.

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