

119TH CONGRESS
2^D SESSION

H. R. 9262

To protect the authority of local governments to make zoning decisions regarding data center development, and to require community benefit agreements as a condition for Federal tax incentives.

IN THE HOUSE OF REPRESENTATIVES

JUNE 11, 2026

Mr. BRESNAHAN introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To protect the authority of local governments to make zoning decisions regarding data center development, and to require community benefit agreements as a condition for Federal tax incentives.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Local Control Protec-
5 tion Act”.

1 **SEC. 2. PROTECTION OF LOCAL GOVERNMENTS.**

2 A court of the United States shall not have jurisdic-
3 tion to hear any challenge to the determination of a unit
4 of local government to preclude the development of a cov-
5 ered data center, if the determination was made by a re-
6 corded vote along with documented findings.

7 **SEC. 3. FEDERAL AGENCY ACTION PROHIBITION.**

8 No Federal agency may approve permits related to
9 the construction or operation of a covered data center if
10 the owner, operator, or developer of such covered data cen-
11 ter has initiated or is maintaining a legal action in any
12 court seeking to challenge, overturn, or otherwise override
13 a zoning denial issued by a unit of local government with
14 respect to that covered data center, if the determination
15 was made by a recorded vote along with documented find-
16 ings.

17 **SEC. 4. COMMUNITY BENEFIT REQUIREMENT FOR TAX**
18 **CREDIT ELIGIBILITY.**

19 (a) IN GENERAL.—Part IV of subchapter A of chap-
20 ter 1 of subtitle A of the Internal Revenue Code of 1986
21 is amended by adding at the end the following new sub-
22 part:

1 **“Subpart H—Community Benefit Requirement for**
2 **Credits for Data Centers**

3 **“SEC. 54. COMMUNITY BENEFIT REQUIREMENT FOR CRED-**
4 **ITS FOR DATA CENTERS.**

5 “(a) IN GENERAL.—No credit against the tax im-
6 posed by this chapter for any taxable year shall be allowed
7 under this part to a taxpayer developing a covered data
8 center (as defined in section 5 of the Local Control Protec-
9 tion Act) during such taxable year if such taxpayer does
10 not include on their return of tax for such taxable year
11 and make publicly available an executed legally enforce-
12 able agreement with the chief executive of the unit of local
13 government in which the covered data center will be devel-
14 oped that includes terms related to local tax liabilities, in-
15 frastructure mitigation measures addressing road, water,
16 stormwater, and utility impacts, environmental and noise
17 monitoring protocols, and that is accompanied by a Local
18 Workforce Utilization Plan that—

19 “(1) documents the good-faith efforts of the de-
20 veloper to recruit and hire workers from the region
21 in which the covered data center is located before
22 sourcing labor from outside the region;

23 “(2) identifies partnerships with registered ap-
24 prenticeship programs, career and technical edu-
25 cation centers, community colleges, and local work-

1 force development organizations serving the region;
2 and

3 “(3) demonstrates a preference for local con-
4 tractors and subcontractors whenever qualified local
5 firms are available.

6 The Local Workforce Utilization Plan shall be publicly
7 filed as part of the agreement required under this sub-
8 section and shall be updated annually for the duration of
9 the construction period.

10 “(b) RELATED PARTY.—All persons which are treat-
11 ed as a single employer under subsections (a) and (b) of
12 section 52 shall be treated as a single taxpayer for pur-
13 poses of this section.”.

14 (b) CLERICAL AMENDMENT.—The table of subparts
15 for part IV of subchapter A of chapter 1 of subtitle A
16 of such Code is amended by adding at the end the fol-
17 lowing new item:

SUBPART H. COMMUNITY BENEFIT REQUIREMENT FOR CREDITS FOR DATA
CENTERS.

18 (c) EFFECTIVE DATE.—The amendment made by
19 this section shall apply to taxable years beginning after
20 the date of the enactment of this Act.

21 **SEC. 5. DEFINITION.**

22 In this Act, the term “covered data center” means—

23 (1) a data center (as defined in section 453(a)
24 of the Energy Independence and Security Act of

1 2007 (42 U.S.C. 17112(a))) with a power demand
2 of 20 megawatts or more; or

3 (2) any group of facilities—

4 (A) under common ownership or control;

5 (B) the majority of which primarily con-
6 tain electronic equipment used to process, store,
7 and transmit digital information;

8 (C) located on a contiguous or proximate
9 site within the same municipality or county;
10 and

11 (D) that, in the aggregate, have a power
12 demand of 20 or more megawatts.

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