ASSEMBLY, No. 5663

STATE OF NEW JERSEY

222nd LEGISLATURE

INTRODUCED OCTOBER 19, 2026

Sponsored by:
Assemblyman CHIGOZIE U. ONYEMA
District 28 (Essex and Union)

SYNOPSIS

Requires DEP to conduct study on environmental impacts of data center development in State; prohibits construction of new data centers until study is complete.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning data center development in the State.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. a. As used in this section:

"Board" means the Board of Public Utilities.

"Data center" means a facility: (1) whose primary services are the storage, management, and processing of digital data; (2) that is used to house computer and network systems, including associated components such as servers, network equipment and appliances, telecommunications, and data storage systems, systems for monitoring and managing infrastructure performance, Internet-related equipment and services, data communications connections, environmental controls, fire protection systems, and security systems and services; and (3) a total aggregate information technology load of 25 megawatts or more.

"Department" means the Department of Environmental Protection.

"Information technology load" or "IT load" means the electrical load of computing, data storage, and networking equipment within a data center, measured at the point of power delivery to the equipment.

"Overburdened community" means the same as the term is defined in section 2 of P.L.2020, c.92 (C.13:1D-158).

b. Notwithstanding the provisions of any law, rule, or regulation to the contrary, beginning on the effective date of this section and continuing until 90 days after the submission of the department's report to the Governor and Legislature pursuant to subsection c. of this section, no data center shall be constructed in the State and no State or local government agency shall issue a permit for the siting, construction, or commencement of operation of a data center in the State. The provisions of this section shall not apply to a data center that has already begun construction or that was approved prior to the effective date of this section.

c. The department shall conduct a study concerning the environmental, infrastructural, and financial impacts of data center development in the State and shall prepare and submit a report, no later than 15 months after the effective date of this section, on the study's findings to the Governor, and to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1). The report shall include, at a minimum:

(1) information concerning the energy consumption and water usage of data centers in the State;

(2) information concerning the effect of data center development on the electric grid;

(3) information concerning the effect of data center development on air quality and noise pollution in the State;

(4) an evaluation of land usage by data centers and proposed data center projects;

(5) an evaluation of any potential environmental degradation that is caused by the development of data centers, including the production of electronic waste from data centers;

(6) an evaluation of data centers' energy demand, water consumption, physical infrastructure and their effect on local power grids, local water resources, and local infrastructure;

(7) information concerning any potential public health impacts that may be associated with data center development in the State;

(8) an evaluation of the adverse fiscal impacts associated with data center development in the State, including, but not limited to, increased utility rates;

(9) an evaluation of the energy efficiency of data centers in the State, including a review of fossil fuel usage by data centers and a review of the effectiveness of using renewable energy at data centers;

(10) an evaluation of whether data center development has a disproportionate impact on overburdened communities in the State;

(11) an overview of the information received from the public pursuant to paragraph (2) of subsection d. of this section and of the public hearing conducted pursuant to paragraph (3) of subsection d. of this section; and

(12) a list of recommendations for legislative action or the promulgation of additional regulations to mitigate the adverse impacts of data center development on the environment and infrastructure in the State.

d. In preparing the report required pursuant to subsection c. of this section, the department shall:

(1) consult with the board and the Department of Community Affairs, as necessary;

(2) provide an opportunity for the public to submit comments related to data center development to the department; and

(3) hold at least one public hearing concerning data center development in the State.

2. This act shall take effect immediately.

STATEMENT

This bill would require the Department of Environmental Protection (DEP) to conduct a study and submit a report, no later than 15 months after the bill's effective date, to the Governor and the Legislature concerning the environmental impacts of data center development in the State. The bill outlines the requirements that the DEP would be required to include in the report, at a minimum. In conducting the report, the DEP would be required to consult with

the Board of Public Utilities and the Department of Community Affairs, as necessary, and to hold at least one public hearing in the State. In addition, from the bill's effective date until 90 days after the report is submitted by the DEP, data centers would be prohibited from being constructed in the State and no State or local government agency would be permitted to issue a permit for the siting, construction, or commencement of operation of a data center in the State. The bill's provisions would not apply to a data center that has already begun construction or that was approved prior to the bill's effective date.