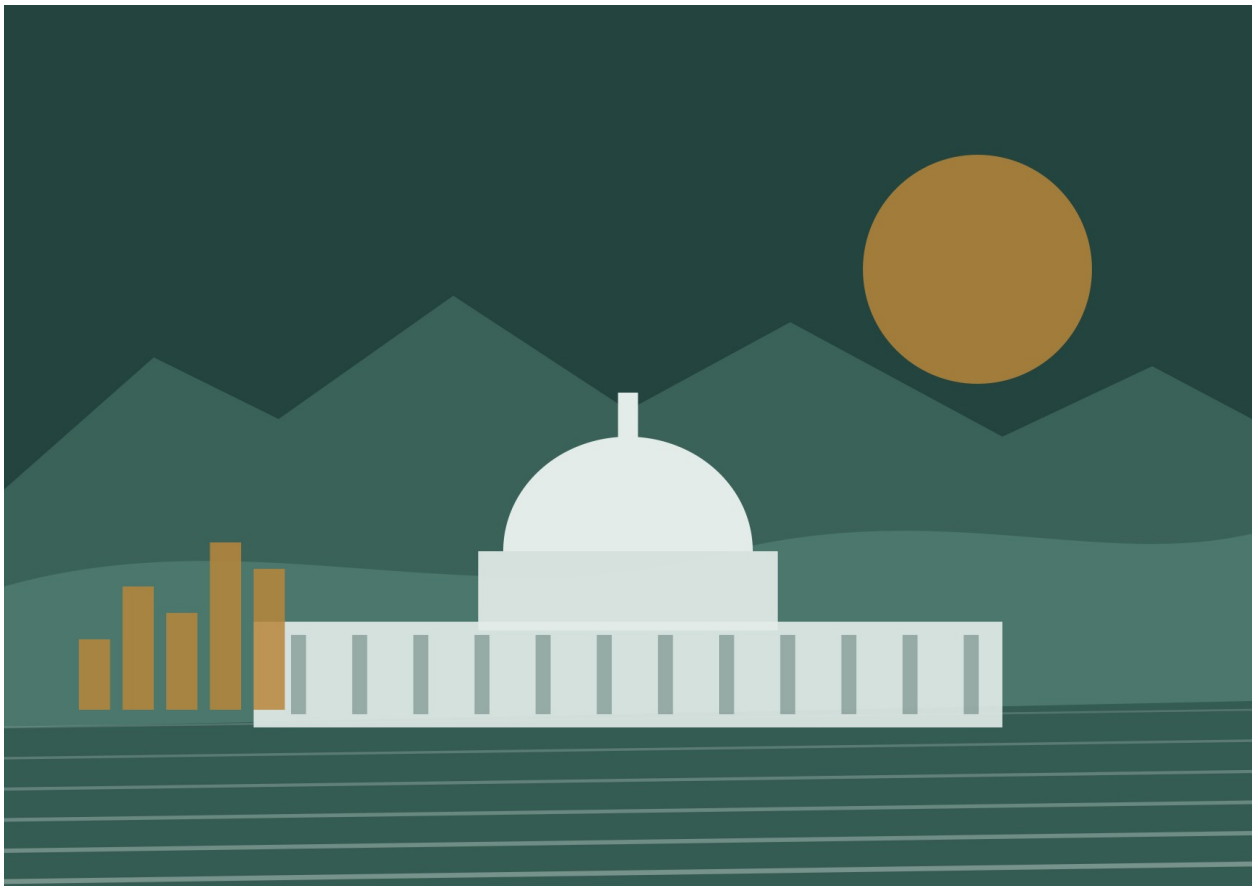


IDAHO DATA CENTER PUBLIC GUIDE · GUIDE 8 OF 9

THE 2026 LAWS

Idaho's 2026 Data Center Laws and Where They're Weak

Two bills became law July 1, 2026, one for water and one for power. A third, on tax breaks, died with no one on record against it. What each does, and where enforcement falls short.

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Public edition · November 2026 · Version 5

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AT A GLANCE

Two out of three, and the third one matters

Last session we had a couple of wins. House Bill 895 limits the water new data centers can use for cooling. House Bill 911 makes big new power customers sign a contract the Public Utilities Commission has to approve. Both took effect July 1, 2026. House Bill 897, which would have cut back the tax breaks, passed both chambers without a single no vote and still died. The two new laws are real steps. But both leave the hard part to someone else: a city council, the state water director, or the PUC. Neither section names a penalty of its own. And each one has gaps a determined developer can drive through. Few other states have gone this far on water. On power, Idaho is one of about 10 states with a large-customer law, so most of the country is still behind it.

2 of 3	102–0	50 MW	0
data center bills became law in 2026	combined House and Senate vote for H.B. 897, which still died	size a new power customer must reach before H.B. 911 applies	penalties written into the new water section itself

Inside this guide

01 The three bills at a glance
02 House Bill 895: water
03 House Bill 911: power
04 House Bill 897: the one that died
05 What you can do
06 Words to know and where to look
07 Sources

How to read the numbers

LAW means what the statute or bill text actually says. RECORD means the Legislature's own history, votes and minutes. MY READ means my reading of the text, labeled so you can check it.

> HOW THIS GUIDE WAS CHECKED
>
> Every bill quote here was checked against the bill text, statement of purpose and bill history posted at legislature.idaho.gov, and against the Idaho Code as it reads in November 2026. Where I'm reading the law rather than quoting it, I say so. **This is not legal advice.** It is a compilation of public records and my own plain-language reading of them. Check the original sources before relying on any of it.

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Version 5 · November 22, 2026

PART 01

The three bills at a glance

All three came from the House Ways and Means Committee in the last three weeks of the 2026 session.

Bill	What it does	Votes	Where it stands
H.B. 895 Water	Limits water used up for cooling at new data centers to supplies from a city, water district or water and sewer district system. Adds Idaho Code § 42-252.	House 58–10. Senate 32–1.	Law since July 1, 2026. Signed April 2.
H.B. 911 Power	A utility can serve a new 50 MW customer only under a contract the PUC approves, with a no harm test and financial security. Adds § 61-335.	House 65–3. Senate 34–1.	Law since July 1, 2026.
H.B. 897 Tax breaks	Would have narrowed the data center sales tax break, ended it after 20 years and added yearly cost reports.	House 68–0. Senate 34–0, as amended.	Died April 2, 2026, without a final House vote.

The votes come from each bill's history on the Legislature's website.[1] The two laws passed easily. The tax bill passed more easily than either, and it is the one that didn't make it.

HOW RARE ARE THESE LAWS?

Few states have a rule like this. As of October 2026 only a handful had passed any law on data center water, and most of those just make companies report what they use, as Utah and California now do. Florida tied large data center water permits to reclaimed water. Idaho is one of the very few that limits where the cooling water can come from.[2]

On power, Idaho has more company. Nobody keeps one agreed count. Clean Energy Group's July 2026 tally lists eight states with laws that make data centers and other big customers carry their own power costs: Florida, Minnesota, New Jersey, Oklahoma, Oregon, South Dakota, Tennessee and Texas. MultiState adds Alabama and Nebraska. Most states still have nothing like it on the books, though some handle it through their utility commissions instead.[3]

PART 02

House Bill 895: water

A new data center can't use up water for cooling unless a city, water district or water and sewer district system supplies it.

What it does

Data centers that begin construction on or after July 1, 2026 "may not use water for cooling purposes as a consumptive use, unless the water is supplied by a municipal, water district, or water and sewer district

[1] Idaho Legislature, 2026 bill histories for H.B. 895, H.B. 911 and H.B. 897; Sine Die Report, 2026.

[2] Quorum, "Quorum Tracked 486 Data Center Measures in 2025–2026. Only 42 Became Law," Oct. 26, 2026; NCSL, "As They Consider New Data Centers, States Target Water Use," 2026; Florida CS/CS/SB 484 (2026).

[3] Quorum, Oct. 26, 2026; Clean Energy Group, "States are stepping up to protect households from rising energy bills due to data centers," 2026; Edison Electric Institute tariff count as reported by Environment+Energy Leader, 2026; MultiState, June 4, 2026.

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water system."[4] Consumptive use means water that is used up, mostly by evaporating in cooling towers, instead of going back to the river or aquifer.

What it does in practice

- **It mostly stops self-supplied water.** A developer can't drill its own wells, or buy farm water rights and transfer them, and then evaporate that water in cooling towers. That's where the bill does the most for farmland.
- **The Water Resources director gets a reason to say no.** The Legislature found that data center water use conflicts with the local public interest, is contrary to conserving Idaho's water, and hurts the local economy when water is moved out of its home area. The director is told to consider those findings on any new water right or transfer for a data center. They will matter most in a contested water right case.[5]
- **Cities become the gatekeepers.** A data center can still get unlimited water if a city or water district agrees to supply it. That gives communities a local say. It also means a city hungry for tax base can open the tap.
- **It pushes cooling toward power.** Closed-loop and air cooling use less water and more electricity. That load lands on the grid, where H.B. 911 picks it up. It cuts both ways.

The gaps

Gap	Why it matters
Existing projects aren't covered.	The only timing line is the July 1, 2026 construction start. Anything already underway is untouched. The law doesn't define "begin construction," either.
The section names no enforcer and no penalty.	The Water Resources director's general power to act against illegal water use under Title 42 likely reaches it (§§ 42-351, 42-1701B). But that power is discretionary, and nothing requires a data center to report where its cooling water comes from.[6]
Water that's returned isn't covered.	The limit is on consumptive use. A system that uses water and sends it back falls outside it.
No cap on city water.	The law sets no limit on how much a city or water district can sell a data center, and requires no public vote before it does.
A borrowed definition. (MY READ)	The law uses the tax code's definition of a data center, which is built around server equipment bought by companies that qualify for the sales tax break. A smaller project that never qualifies could argue the water limit doesn't apply to it.[7]
On-site power plants. (MY READ)	The section speaks to cooling a data center. It doesn't mention water for a gas power plant built on the same campus to run it.

PART 03

House Bill 911: power

Any new customer using 50 megawatts or more needs a contract the Public Utilities Commission approves, and the utility has to file a no harm test showing what that customer does to everyone else's rates.

[4] Idaho Code § 42-252, added by H.B. 895 (2026), Sess. Laws ch. 291.

[5] H.B. 895 (2026), Section 1, legislative findings and intent.

[6] Idaho Code §§ 42-351 and 42-1701B. My reading: the general enforcement power is not written into § 42-252 itself.

[7] Idaho Code § 63-3622VV, definitions of "data center" and "eligible server equipment."

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What it does

It covers any new or expanded load that adds "fifty (50) megawatts or more in any consecutive sixty (60) month period" under a contract signed on or after July 1, 2026. A utility may serve that load only under a "commission-approved service contract," and the commission must approve or deny it within 270 days of the filing.[8]

What it changes in practice

- **The data center pays for what it causes.** The customer has to fund its full cost of service, including its share of generation, transmission, substation and distribution investments that wouldn't be made without it. The goal is to stop those costs from being rate-based, which means passed to everyone else in their monthly bill. Applied correctly, it's a win for everyone with a power bill. We still need to keep an eye on the PUC.
- **Every deal gets a case.** The filing must include a no harm test, defined as an assessment "to determine the impact a new large load will have on the rates of existing utility customers." Each deal gets a case number and a record you can read.
- **Protection if the project leaves.** The data center has to post security "reasonably sufficient to protect the public utility and its other customers from the risk of stranded costs." If a project walks away, ratepayers shouldn't be stuck with the new substation. It isn't clear how the PUC will set that amount, or whether it will keep pace with inflation.
- **Ongoing review.** In each general rate case, the commission must review the rates and charges in approved contracts and may adjust them later.
- **No splitting to dodge the threshold.** A large load can't escape the rules by spreading itself across several service entrances, meters or connections. That heads off a common developer tactic.

The gaps

Gap	Why it matters
The protections are left to the PUC.	The law doesn't set minimum bills, contract lengths or exit fees. How strong it is depends on what the PUC writes into each contract, and on the guidance orders the law tells the commission to issue, with no deadline.
Public participation isn't guaranteed.	The text doesn't require public hearings, notice or intervenors. The PUC usually opens comment periods on cases, but this statute doesn't require one.
Co-ops and city-owned utilities are outside it.	The law applies only to a "public utility," which Idaho Code defines as an electric utility the PUC regulates. Co-ops and city utilities are defined separately, so a data center they serve falls outside H.B. 911.[9]
Making your own power skips it. (MY READ)	The law governs utility service contracts. A campus that builds its own gas plant behind the meter, like the one proposed near Declo in Guide 7, never signs one.
Older contracts are untouched.	Deals signed before July 1, 2026 aren't covered.
Shared costs can still be spread.	Investments "may be directly assigned or allocated in part," so some shared costs can still land on everyone else.

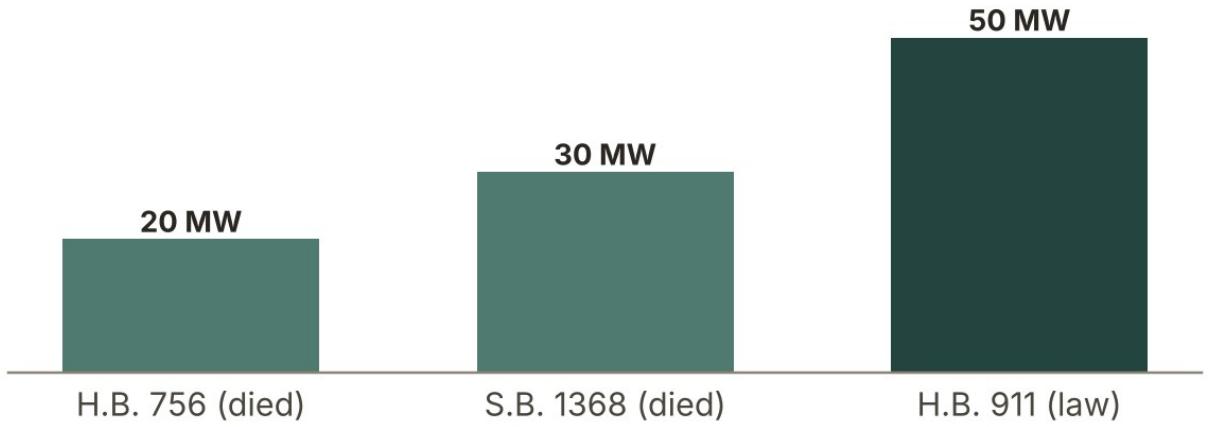
[8] Idaho Code § 61-335, added by H.B. 911 (2026), Sess. Laws ch. 335.

[9] Idaho Code § 61-332A, definitions of "public utility," "cooperative" and "municipality."

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What earlier drafts had, and the law dropped

RECORD · How big a new customer had to be before the rules applied



H.B. 756 counted 20 MW within five years. S.B. 1368 counted 30 MW within 36 months. H.B. 911 counts 50 MW within 60 months. A higher bar means fewer projects covered.

The first version, House Bill 756, went further. It required the commission itself to run a detailed no harm test, made the applicant pay for it, repeated the test at least every three years, required a commission-approved exit fee, and let the commission change rates or security if a project fell behind its promised ramp-up. Senate Bill 1368 raised the bar to 30 MW. Both died in committee. The final law kept the idea and dropped most of the teeth.[10]

PART 04

House Bill 897: the one that died

House Bill 897 would have cut back the tax breaks Idaho gives data centers. I went looking for the no votes. There aren't any.

Under the 2020 law, a qualifying data center pays no sales tax on its servers or on the materials used to build it. H.B. 897 would have limited the break to server equipment for new projects and ended it after 20 years. It would have made the data center pay its full electricity cost, and required the Tax Commission to report every year how much sales tax goes uncollected. As it left the House, it also changed the $400 million property tax cap for companies that invest $1 billion or more in one county. That would have helped counties, schools and property owners. Guide 6 has the full tax story.

Date (2026)	What happened
March 13	Introduced by Ways and Means. Floor sponsors: Rep. Chris Bruce and Sen. Lori Den Hartog.
March 23	Passed the House, 68–0.
March 25	In Senate Local Government and Taxation, Sen. Den Hartog asks to send it to the amending order so she can meet with interested parties who hadn't been involved. Approved by voice vote.
March 30	Amended on the Senate floor: start dates moved to July 1, yearly company reports added, and the property tax cap change cut out entirely.
April 1	Passed the Senate as amended, 34–0.

[10] H.B. 756 (2026), bill text and statement of purpose RS33421, Rep. Mickelsen; S.B. 1368 (2026), statement of purpose RS33511, Sen. Guthrie; bill histories.

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Date (2026)	What happened
April 2	Back in the House and sent to Revenue and Taxation for a recommendation on the Senate's changes. The committee never acted. The Senate adjourned at 6:18 p.m. and the House at 6:29 p.m. The bill died.

So how does a bill with zero opponents die? No roll call, no floor debate, and no legislator on record against it. At the Capitol, that usually means lobbyists and industry representatives. The sales tax break is still on the books, and so is the property tax cap.[11]

WHY THE TAX BREAKS DESERVE A SECOND LOOK

Meta reported 2025 revenue of $200.97 billion and net income of $60.46 billion, with $81.59 billion in cash and marketable securities at year end.[12] Companies that size build where the power, land and fiber are. Georgia's 2025 state audit found 70% of its data centers would have come without the tax break, which cost $474.2 million that year. The research behind that is in Guide 6.

[11] Senate Local Government and Taxation Committee minutes, Mar. 25, 2026; Senate amendment to H.B. 897; H.B. 897 bill history; Senate reading calendar and Idaho Capital Sun, Apr. 2, 2026, adjournment times.

[12] Meta Platforms, Inc., Fourth Quarter and Full Year 2025 Results, Jan. 28, 2026.

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PART 05

What you can do

Two of three passed. We need to get the third one passed in 2027 and tighten up the two we have. It won't happen unless you push your senator and representatives.

> **WHERE I STAND**
>
> Bring back H.B. 897 as the House passed it, property tax cap change included, and give it a final vote. Give the water law a named enforcer, a penalty and a reporting requirement. Put the teeth from H.B. 756 back into the power law: a lower threshold, a commission-run no harm test the applicant pays for, regular retesting and required exit fees. And cover co-ops, city utilities and self-generated power too.

Question your legislators

- ☐ Who did the Senate sponsor meet with after H.B. 897 had already passed the House 68 to 0?
- ☐ Why did a bill nobody opposed sit in the Senate's amending order for a week while the session was ending?
- ☐ Why didn't House Revenue and Taxation meet on April 2 to recommend accepting changes to a bill the whole House had already passed?
- ☐ Will H.B. 897 come back in January, and will you sponsor it?
- ☐ Who enforces the new water limit, and how would anyone know a data center broke it?
- ☐ Why did the final power law drop the exit fees and retesting that were in H.B. 756?

Ask the PUC

- ☐ Has the commission issued the guidance orders § 61-335 requires, and where can the public read them?
- ☐ Will every large-load contract case have a public comment period, even though the law doesn't require one?

PART 06

Words to know

Amending order. A step on the Senate or House floor, the 14th Order of Business, where a bill can be changed.

Behind the meter. Power made on site for one customer, without going through a utility.

Concurrence. A vote by the chamber where a bill started to accept changes made by the other chamber.

Consumptive use. Water used up, mostly by evaporation, instead of returned to the river or aquifer.

Cooperative utility. A power company owned by its members and not regulated by the PUC on rates.

Financial security. Money or a guarantee a customer posts so others aren't stuck with its costs if it leaves.

New large load. Under § 61-335, a new or expanded customer adding 50 MW or more within 60 months.

No harm test. The PUC's assessment of how a new large load will affect other customers' rates.

Rate base. Utility investments that all customers pay off through their rates.

Sine die. Adjourning for the year. Bills not finished by then die.

Stranded cost. Money spent to serve a customer that can't be recovered if the customer leaves or never shows up.

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Where to look it up

Idaho Legislature legislature.idaho.gov Bill texts, histories, votes and committee minutes.

Idaho Public Utilities Commission puc.idaho.gov Large-load contract cases and comment periods.

Idaho Department of Water Resources idwr.idaho.gov Water right applications, transfers and protests.

Idaho State Tax Commission tax.idaho.gov Data center sales tax exemption rules.

Revision history

Revision	Date	What changed
Rev. 1	Nov. 10, 2026	First public edition. Checked against the bill texts, statements of purpose, Senate amendment, committee minutes, bill histories and current Idaho Code.
Rev. 2	Nov. 10, 2026	Added how Idaho compares with other states on data center water and power laws. Removed a company name from the cover and footer.
Rev. 3	Nov. 11, 2026	Removed a personal opinion about the Public Utilities Commission.
Rev. 4	Nov. 16, 2026	Fact-check against primary sources and a ChatGPT cross-check. Replaced the 'about 15 states' count with about 10, sourced. Confirmed all three bills' votes and dates on the Legislature's site. House-rules wording fixes. Series is now nine guides.
v5	Nov. 22, 2026	Cross-guide review against the H.B. 895, 897 and 911 bill texts, Senate amendment and bill histories; every vote and date reconfirmed. Water law summary now names water and sewer districts and consumptive use, as the statute does. Version and date stamp added to every page.

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PART 07

Sources

Short citations appear as footnotes on each page. Full references follow. Information is current as of November 10, 2026.

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