COMMONWEALTH OF KENTUCKY
COUNTY OF CALLOWAY

ORDINANCE NO. 26-102-A

AN ORDINANCE ESTABLISHING A TEMPORARY MORATORIUM ON THE ESTABLISHMENT, CONSTRUCTION, DEVELOPMENT OR EXPANSION OF DATA CENTERS WITHIN THE UNINCORPORATED AREAS OF CALLOWAY COUNTY, KENTUCKY, FOR THE PURPOSE OF ALLOWING THE COUNTY TIME TO STUDY POTENTIAL IMPACTS AND DEVELOP APPROPRIATE REGULATIONS TO PROTECT THE PUBLIC HEALTH, SAFETY, AND WELFARE.

WHEREAS, pursuant to KRS 67.083, the Calloway County Fiscal Court is granted authority to undertake all necessary governmental actions in furtherance of county affairs and to regulate activities affecting the public health, safety, and welfare; and

WHEREAS, Calloway County currently has no countywide regulations specifically addressing the siting, construction, operation, buffering, utility demand, water use, noise impacts, environmental impacts, or decommissioning of Data Centers; and

WHEREAS, the Fiscal Court recognizes that Data Center development is a rapidly evolving industry that may have significant impacts upon local infrastructure, natural resources, neighboring property owners, and the character of rural communities; and

WHEREAS, the Fiscal Court finds that additional study is necessary to evaluate potential impacts associated with Data Centers, including but not limited to:

A. Electrical demand and potential impacts to the Tennessee Valley Authority (TVA) transmission system and the West Kentucky Rural Electric Cooperative Corporation (WKRECC) distribution system;
B. Potential effects on electrical reliability, infrastructure capacity, and future utility costs to residents and businesses;
C. Groundwater withdrawal and impacts on private wells, aquifers, and municipal water supplies;
D. Water consumption associated with various cooling technologies;
E. Noise generated by cooling systems, generators, substations, transformers, and other associated equipment;
F. Impacts on agricultural lands, including prime farmland and active farming operations;
G. Impacts on wetlands, streams, floodplains, wildlife habitat, and other environmentally sensitive resources;
H. Storm water management and drainage considerations;
I. Traffic impacts associated with construction and operation;
J. Public safety and emergency response considerations;
K. Appropriate setbacks, screening requirements, landscaping, and buffer distances from residential areas, schools, churches, parks, and other sensitive land uses;

L. Lighting impacts and visual compatibility with surrounding properties;
M. Decommissioning requirements and financial assurances necessary to protect future taxpayers and landowners;
N. Commercial insurance requirements;
O. Potential cumulative impacts resulting from multiple facilities;
P. Economic impacts, tax implications, and community benefits associated with Data Center development; and
Q. Any additional issues identified through public input, consultation with utilities, state agencies, industry representatives, neighboring communities, and subject matter experts; and

WHEREAS, the Fiscal Court finds that additional time is necessary to gather information, conduct public meetings, consult with affected stakeholders, review regulatory approaches adopted by other communities, and develop reasonable regulations governing future Data Center development; and

WHEREAS, the Fiscal Court finds that a temporary moratorium is necessary to preserve the status quo while such study is conducted and regulations are considered; and

WHEREAS, the Fiscal Court finds that acceptance or approval of applications for new Data Centers before completion of this study could result in development that is inconsistent with future regulations and contrary to the public health, safety, and welfare; and

WHEREAS, the Fiscal Court does not intend by this Ordinance to permanently prohibit Data Centers, but rather to allow sufficient time for the development of reasonable regulations that balance private property rights, economic development opportunities, and the protection of public resources and neighboring property owners;

NOW THEREFORE BE IT ORDAINED BY THE FISCAL COURT OF CALLOWAY COUNTY, KENTUCKY:

SECTION 1. DEFINITIONS

DATA CENTER – A building, group of buildings, campus, facility, structure, modular installation or group thereof, whose principal and primary use is the housing, operation, and maintenance of computer servers and networking equipment used for the commercial storage, management, processing, transmission, mining, hosting, or distribution of digital data through computer systems, servers, networking equipment, artificial intelligence systems, cloud computing infrastructure, cryptocurrency operations, telecommunications equipment, or other similar technologies, including all associated utility and infrastructure, substations, backup power systems, cooling systems, and support facilities.

This definition excludes facilities whose primary purpose is to support the internal operations of governmental entities, financial institutions, office buildings, retail establishments, educational institutions, hospitals, utilities, manufacturing facilities, or other commercial enterprises. It further excludes server rooms, computer facilities, and data infrastructure that are accessory or incidental to a principal use.

SECTION 2. TEMPORARY MORATORIUM

A. Effective upon adoption of this Ordinance, no application, request, petition, permit, license, approval, authorization, or other county action within the authority of Calloway County shall be accepted, processed, reviewed, approved, granted, or otherwise acted upon for the establishment, construction, expansion, or development of a Data Center within the unincorporated areas of Calloway County during the term of this moratorium.

B. This moratorium shall remain in effect for a period of twelve (12) months from the effective date of this Ordinance unless terminated earlier by action of the Fiscal Court.

C. Exception for Individual Data Center Projects. Notwithstanding the moratorium established by this Ordinance, an entity seeking to establish, construct, or operate a data center within Calloway County may submit a written petition to the Calloway County Fiscal Court requesting an exception from the moratorium. The petition shall be accompanied by detailed plans and supporting documentation addressing all matters reasonably deemed relevant by the Fiscal Court, including, without limitation, site plans, proposed development and construction activities, utility and infrastructure requirements, traffic impacts, storm water and drainage, environmental considerations, emergency services, noise and other potential impacts on surrounding properties, anticipated construction and operational timelines, and measures proposed to mitigate such impacts. Following notice and consideration of the petition and supporting materials, the Fiscal Court may, in its discretion, grant, conditionally grant, or deny the requested exception.

Any exception granted pursuant to this Section shall be in writing and shall identify the approved plans and all conditions imposed by the Fiscal Court. Compliance with the approved plans and all conditions of the exception shall be a continuing condition of the exception. The Fiscal Court may require the petitioner, as a condition precedent to the effectiveness of an exception or prior to commencement of specified activities, to furnish a performance bond, letter of credit, escrowed funds, or other financial security in an amount and form approved by the Fiscal Court and sufficient to secure the petitioner's performance of its obligations under the approved plans and conditions. The exception shall not become effective, and the petitioner shall not commence any activity prohibited by the moratorium, until all conditions imposed by the Fiscal Court, including any required security, have been satisfied.

SECTION 3. EXISTING FACILITIES

A. A Data Center lawfully established and in operation prior to the effective date of this Ordinance may continue operating as authorized on the effective date of this Ordinance.

B. During the term of this moratorium, no existing Data Center shall expand its operations by constructing new buildings or structures, increasing the gross floor area of existing buildings, expanding onto additional property, increasing its approved electrical service capacity, or otherwise materially expanding the physical footprint of the facility. Nothing herein shall prohibit the installation, replacement, upgrade, or reconfiguration of servers, computers, networking equipment, or other data processing equipment within existing buildings, provided such activities do not require an increase in the approved electrical service capacity or otherwise constitute a physical expansion prohibited by this section.

C. Nothing in this Ordinance shall prohibit routine maintenance, inspection, testing, repair, replacement of building systems or equipment, emergency repairs, or other activities reasonably necessary to maintain the safe, secure, and efficient operation of an existing Data Center, provided such activities do not constitute a physical expansion prohibited by Section 3(B).

D. Nothing in this Ordinance shall impair or revoke any lawfully issued permit, approval, or vested development right existing prior to the effective date of this Ordinance.

SECTION 4. REGULATORY REVIEW

During the moratorium period, the Fiscal Court shall study, develop, and consider regulations governing Data Center development, including but not limited to:

A. Definitions and applicability.
B. Appropriate siting criteria and location standards.
C. Electrical demand, utility infrastructure capacity, electrical reliability, and impacts on the TVA transmission system, WKRECC distribution system, and future utility costs.
D. Water withdrawal, groundwater protection, municipal water supplies, and water consumption associated with various cooling technologies.
E. Noise standards applicable to cooling systems, generators, substations, transformers, and other associated equipment.
F. Environmental protections, including wetlands, streams, floodplains, wildlife habitat, storm water management, drainage, and other environmentally sensitive resources.
G. Protection of agricultural lands, including prime farmland and active farming operations.
H. Traffic impacts, roadway improvements, and transportation infrastructure.
I. Public safety, emergency response capabilities, and emergency management considerations.
J. Setbacks, screening, landscaping, buffering, and separation distances from residential areas, schools, churches, parks, and other sensitive land uses.

K. Outdoor lighting standards and visual compatibility with surrounding properties.
L. Decommissioning requirements, reclamation standards, financial assurances, and other protections necessary to prevent future public expense.
M. Commercial insurance requirements.
N. Potential cumulative impacts resulting from multiple Data Center developments.
O. Economic impacts, tax implications, and community benefits associated with Data Center development.
P. Public input, consultation with utilities, state agencies, industry representatives, neighboring communities, and subject matter experts.
Q. Any other regulations or standards deemed necessary to protect the public health, safety, and welfare.

SECTION 5. SEVERABILITY

If any provision of this Ordinance or its application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid provision or application, and to this end, the provisions of this Ordinance are declared severable.

SECTION 6. EFFECTIVE DATE

This Ordinance shall become effective upon passage and publication as required by law.

Date of First Reading: July 15, 2026

This Ordinance was published not more than seven (7) days nor more than twenty-one (21) days prior to passage on:

Date of Publication: 9-4-2026
Date of Second Reading and Passage: 10·21·26
Motion by: Risetu
Seconded by: Howard
Vote: Roll call 4 ayes 1 nay

APPROVED, RESOLVED, ADOPTED, AND EXECUTED THIS 21st DAY OF October, 2026.

KENNETH C. IMES,
Calloway County Judge-Executive

RICKY STEWART,
Magistrate, District 1

LARRY CRUTCHER,
Magistrate, District 2

DON CHERRY,
Magistrate, District 3

PAUL RISTER,
Magistrate, District 4

Attested to by: ANTONIA D. FAULKNER,
Clerk of Calloway County