



THE BUCKEYE INSTITUTE

Understanding Ohio's Data Center Economy

Interested Party Testimony
Ohio House Technology and Innovation Committee
Ohio House Bill 646

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Chair Claggett, Vice Chair Workman, Ranking Member Mohamed, and members of the Committee, thank you for the opportunity to testify regarding **Ohio House Bill 646**.

My name is Greg R. Lawson, and I am a senior research fellow at **The Buckeye Institute**, an independent research and educational institution—a think tank—whose mission is to advance free-market public policy in the states.

House Bill 646 creates a Data Center Study Commission to assess the impact of data centers in Ohio. This is a timely and commendable initiative.

Numerous deliberations at the state and local levels, including proposals for **data center moratoriums**, could foreclose Ohio’s participation in the **growing digital economy and its significant capital investments**. Widespread misinformation risks some local governments banning data center construction before fully understanding this increasingly critical piece of the nation’s digital economy and infrastructure. Such premature bans could cost communities economic growth and development for decades.

A Data Center Study Commission could help dispel inaccurate myths, better inform communities about data center benefits, **including job creation and tax revenue**, and help local officials address constituents’ legitimate concerns about this rising industry. Expert counsel, well-versed in this complex technology will be essential for addressing various policy issues, and that expertise may prove expensive and unaffordable for many localities. A state-backed study commission would provide reliable, unbiased information for every community as they consider the pros and cons of data center siting and regulation.

House Bill 646 will help separate legitimate community concerns regarding water supply, electricity rates, and **national security** implications, from the **misinformation and fearmongering** campaigns that have prompted hasty moratoriums that could have disastrous unintended consequences for America’s effort to surpass China in the race for artificial intelligence. Jobs matter. Tax revenue matters. Innovation matters. But in my opinion, national security matters more.

When I testified before this Committee on **House Bill 392**, I called the international competition for artificial intelligence an “Oppenheimer Moment” for the 21st century—and I meant it. We cannot afford a world in which **autonomous weapons** are dominated by China or other geopolitical adversaries. Nor can we afford for them to dominate global **manufacturing** or the **information ecosystem**. But if Ohio—a national data center leader—begins curbing its innovative environment for new data center development, other states will follow. And that cascade risks geopolitical catastrophe. This is not hyperbole. It is the **stark reality** that national defense and technology experts have warned us about for years—and they mean it, too.

The House Bill 646 study commission can help us avoid that tragic reality by getting better information to decision-makers and the public, so that everyone understands the stakes.

Thank you for your time and attention. I will be happy to answer any questions the Committee might have.



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