



MEMORANDUM

Date: July 28, 2026
To: Planning Commission
From: Michelle Portier, AICP | Planning Services Manager
File #: 8-B-26-OB; Agenda Item #34
Subject: Knox County Data Center Moratorium

RECOMMENDATION

The Planning Commission should make a recommendation to Knox County Commission on whether to approve or deny a moratorium on data centers in Knox County through June 30, 2027, or until the Knox County Commission adopts new regulations governing the placement and operation of data centers.

BACKGROUND

At its June 22, 2026 meeting, the Knox County Commission adopted Resolution R26-6-904 to place a moratorium on data centers and referred the moratorium to the Knoxville-Knox County Planning Commission for their review and recommendation.

The purpose of the moratorium is to allow the Knoxville-Knox County Planning Commission time to draft regulations that define data centers, clarify where they can be located, and provide standards by which data centers must abide.

The resolution places a moratorium on data centers June 30, 2027 or until standards are drafted for the Unified Development Ordinance, whichever comes first.

The Commission previously requested Knoxville-Knox County Planning to draft a zoning ordinance to address data centers (R-26-5-904, adopted in May of 2026).

Exhibit A: County Commission Resolution R26-6-904

RESOLUTION

**A RESOLUTION OF THE COMMISSION
OF KNOX COUNTY, TENNESSEE,
APPROVING AND AUTHORIZING A
MORATORIUM ON DATA CENTERS IN
KNOX COUNTY**

RESOLUTION: R-26-6-904

REQUESTED BY: COMMISSIONERS FOX,
JACKSON, RUSSELL,
LEE AND THOMPSON

PREPARED BY: COMMISSIONER FOX

**APPROVED AS TO FORM
AND NOT AS TO CONTENT:** 
DIRECTOR OF LAW

APPROVED: June 22, 2026
DATE

VETOED: _____
DATE

**VETO
OVERRIDE:** _____
DATE

**MINUTE
BOOK** _____ **PAGE** _____

WHEREAS, the Knox County Board of Commissioners has identified the need to update the County's land use control regulations to address current and emerging technologies not yet covered by existing zoning regulations including but not limited to a use commonly referred to as "data processing" or "data mining" centers or "crypto-currency mining" facilities (referenced herein as Data Center facilities); and

WHEREAS Data Center facilities and operations require extraordinary levels of electrical power, often equivalent to the consumption of thousands of homes, placing strain on local utilities and potentially increasing costs to residential ratepayers; and

WHEREAS, such facilities and operations generate significant continuous noise from industrial-grade cooling systems, fans, and compressors, which can negatively impact property values, public health, and the peaceful enjoyment of nearby communities; and

WHEREAS, such facilities and operations often require extraordinary levels of water for cooling, 200,000 to 300,000 gallons of water per day for a Data Center facility that has a peak electric demand of 50 MW; and

WHEREAS, Data Center facilities provide limited job creation, minimal economic impact compared to the infrastructure burden they impose, and may not align with the long-term economic development goals of Knox County as understood and identified at this time; and

WHEREAS, Multiple jurisdictions nationwide have restricted or prohibited data-mining operations or generative AI facilities due to concerns over electrical grid strain, noise nuisances, fire hazards, and the lack of community benefit, and several Tennessee counties either have implemented a moratorium or are in the process of implementing a moratorium, or have already created strict zoning regulations for data centers, such as Bradley County, Coffee County, Jefferson County, and Washington County; and

WHEREAS, the Knox County Board of Commissioners has a responsibility to protect the health, safety, welfare, and property values of its citizens and to ensure responsible land-use planning that preserves the character of local rural and residential communities of the unincorporated areas of Knox County; and

WHEREAS, the Knox County Board of Commissioners has already officially requested the Knoxville/Knox County Planning Commission to develop zoning regulations, but the Knox County Board of Commissioners must act to prevent the construction of any Data Center facility until such time as zoning regulations have been recommended by the Knoxville/Knox County Planning Commission and approved by the Knox County Board of Commissioners;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF KNOX COUNTY, TENNESSEE THAT:

SECTION 1. Definitions

For the purpose of this Resolution, a Data Center is defined as a facility that:

- 1) primarily contains:
 - a) electronic equipment used to process, store, or transmit digital information; and
 - b) environmental control equipment necessary to maintain proper operating conditions for the said electronic equipment; and
 - c)
 - (i) said facility is projected to have a peak electric demand of 10 MW or more; or
 - (ii) said facility refuses to disclose its peak electric demand level
- 2) does not include a facility owned or operated by the State of Tennessee
- 3) does not include a facility owned or operated by Knox County, provided that Knox County does not lease to a nongovernmental third-party any operating capacity that would require a greater peak electric demand greater than 10 MW.

SECTION 2. Knox County hereby imposes a moratorium effective immediately through to June 30, 2027, or until the Knox County Commission adopts new regulations governing the placement and operation of data centers, whichever comes first, forbidding the location, construction, operation, permitting, vesting, etc., of Data Center facilities within Knox County.

SECTION 3. Data Center facilities, including but not limited to AI and cryptocurrency-mining operations, blockchain-computing centers, etc., are hereby prohibited during such moratorium from filing preliminary development plans, final development plans, and/or applications for building permits, etc., that may entitle them to any vesting rights, and are prohibited from locating, constructing, or operating in Knox County during said moratorium, other than those facilities that are operating at the time this resolution is adopted.

SECTION 4. During such moratorium, no county permits, zoning approvals, building approvals, utility extensions, building permits, text amendments, and/or development agreements, etc., shall be issued for the purpose of establishing a Data Center facility, of any form or kind for such operations within Knox County.

SECTION 5. During such moratorium, no avoidance of such moratorium may be achieved by, for example, establishing more than one Data Center facility of peak electric demand of 10 MW or less on 1 acre of land, which would result in multiple buildings on 1 acre of land, each containing a Data Center facility of peak electric demand of 10 MW or less yet a total peak electric demand of more than 10 MW for processing, storing, or transmitting digital information as well as providing environmental control mechanisms for the electrical

equipment.

SECTION 6. This moratorium may be extended by vote of this body beyond the initial June 30, 2027 expiration date if the County has not adopted regulations concerning the location and operation of data centers.

SECTION 7. If any portion of this Resolution is found invalid by a court of competent jurisdiction, the remaining sections shall remain in full force and effect. All resolutions in conflict herewith shall be and the same are hereby rescinded insofar as such conflict exists.

SECTION 8. The Knox County Board of Commissioners refers this Resolution to the Knoxville-Knox County Planning Commission to expedite a recommendation back to the Board of Commissioners regarding the Moratorium. The Board of Commissioners shall reconsider the Moratorium after it receives the recommendation from the Planning Commission.

SECTION 9. This resolution shall take effect as provided by the Charter of Knox County, Tennessee, the public welfare requiring it.

Gina Oster 6/22/26
Presiding Officer of the Commission Date

Sherry Witt 6/23/26
County Clerk Date

Approved: [Signature] 6/25/26
County Mayor Date

Vetoed: _____
County Mayor Date