

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 939 Session of
2025

INTRODUCED BY ROTHMAN AND PENNYCUICK, JULY 14, 2025

REFERRED TO COMMUNICATIONS AND TECHNOLOGY, JULY 14, 2025

AN ACT

1 Providing for high impact data centers; establishing the Office
2 of Transformation and Opportunity and the Artificial
3 Intelligence, Data Center and Emerging Technology Regulatory
4 Sandbox Program; and providing for powers and duties of
5 office.

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19 Section 1101. (Reserved).
20 Section 1102. Effective date.
21 The General Assembly of the Commonwealth of Pennsylvania
22 hereby enacts as follows:
23
24 CHAPTER 1
25 PRELIMINARY PROVISIONS
26 Section 101. Short title.
27 This act shall be known and may be cited as the Artificial
28 Intelligence and Data Center Act.
29 Section 102. Definitions.
30 The following words and phrases when used in this act shall
have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 "Affiliated group." One or more chains of corporations,
3 limited liability entities or partnerships, or any combination
4 thereof, connected through the ownership of stock or ownership
5 interests with a common parent that is a corporation, limited
6 liability entity or partnership, but only if the common parent
7 owns directly, or indirectly, a controlling interest in each of
8 the members of the group.

9 "Artificial intelligence." Technology or tools that use
10 predictive algorithms to create new content, including audio,
11 code, images, text simulations or videos.

12 "Critical IT load." That portion of electric power capacity,
13 expressed in terms of megawatts, that is reserved solely for
14 owners or tenants of a data center to operate their computer
15 server equipment. The term does not include an ancillary load
16 for common areas.

17 "Data center." A facility or group of facilities that is
18 used to house and operate equipment that:

19 (1) receives, stores, aggregates, manages, processes,
20 transforms, retrieves, researches or transmits data; or

21 (2) is necessary for the proper operation of equipment
22 that receives, stores, aggregates, manages, processes,
23 transforms, retrieves, researches or transmits data.

24 "Emerging technology." Technologies still in development and
25 deemed by the office to have a significant impact on society in
26 the next decade, including, but not limited to, artificial
27 intelligence, robotics and blockchain technology.

28 "High impact data center." A facility or group of facilities
29 that satisfies all of the following:

30 (1) Is a data center.

1 (2) Consists of one or more parcels in this
2 Commonwealth, along with the buildings, substations and other
3 infrastructure, fixtures and personal property located on the
4 parcels.

5 (3) Is owned, operated or leased by an entity or
6 affiliated group of entities.

7 (4) Has a critical IT load of 50 megawatts or higher.

8 "Information technology" or "IT." The study, use and
9 application of computer, telecommunication and other
10 technological systems for the purposes of storing, retrieving
11 and sending information.

12 "Normal data processing activity." Activity conducted by a
13 data center that is part of regular daily operations.

14 "Office." The Office of Transformation and Opportunity
15 established by this act.

16 Section 103. Establishment of office.

17 The Office of Transformation and Opportunity is established
18 within the Governor's Office and shall have the powers and
19 exercise the duties specified in this act.

20 CHAPTER 3

21 HIGH IMPACT DATA CENTERS

22 Section 301. High impact data center.

23 (a) Notification to office.--

24 (1) The owner of a data center operating in this
25 Commonwealth shall notify the office if the data center
26 becomes a high impact data center. The notification must be
27 sent to the office:

28 (i) not later than 30 days after the data center
29 becomes a high impact data center; or

30 (ii) if the owner reasonably anticipates that the

data center will, at some future date, become a high impact data center, prior to the future date.

(2) The notification shall include known or expected power consumption of the data center and other information as required by the office. If the notification is sent under paragraph (1)(ii), the notification shall include the future date.

(b) Confirmation by office.--

(1) The office shall identify and designate high impact data centers in this Commonwealth.

(2) The office shall review a notification submitted by an owner under subsection (a). If the office determines that the data center is or will become a high impact data center, the office shall issue confirmation to the owner not later than 14 days after receipt of the notification.

(c) Recordkeeping.--Any information provided under this section by an owner that the owner identifies as confidential business information shall be exempt from inspection and duplication under the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

Section 302. Uniformity of local ordinances.

(a) Requirements.--A local ordinance regulating high impact data centers shall allow for the reasonable development of high impact data centers.

(b) Reasonable development.--In order to allow for the reasonable development of high impact data centers, a local ordinance:

(1) May not impose conditions, requirements or limitations on the construction of high impact data centers that are more stringent than conditions, requirements or

1 limitations imposed on construction activities for other
2 industrial uses within the geographic boundaries of the local
3 government.

4 (2) May not impose conditions, requirements or
5 limitations on the heights of structures, screening and
6 fencing, lighting or noise relating to permanent high impact
7 data centers that are more stringent than the conditions,
8 requirements or limitations imposed on other industrial uses
9 or other land development within the particular zoning
10 district where the high impact data centers are situated
11 within the local government.

12 (3) Shall include a review period for permitted uses
13 that does not exceed 30 days for complete submissions or 120
14 days for conditional uses.

15 (4) May impose restrictions on vehicular access routes
16 for overweight vehicles only as authorized under 75 Pa.C.S.
17 (relating to vehicles) or the act of July 31, 1968 (P.L.805,
18 No.247), known as the Pennsylvania Municipalities Planning
19 Code.

20 (5) May not impose limits or conditions on operations or
21 hours of operation of the high impact data center as it
22 relates to normal data processing activity.

23 CHAPTER 5

24 ARTIFICIAL INTELLIGENCE, DATA CENTER

25 AND EMERGING TECHNOLOGY REGULATORY SANDBOX PROGRAM

26 Section 501. Definitions.

27 The following words and phrases when used in this chapter
28 shall have the meanings given to them in this section unless the
29 context clearly indicates otherwise:

30 "Applicable agency." The Department of Environmental

Protection, the Department of Labor and Industry and the Department of Transportation of the Commonwealth and any department, board or commission of the Commonwealth.

"Applicant." An individual or entity that applies to participate in the program.

"Artificial intelligence, data center and emerging technology product or service." A product or service involving artificial intelligence, data center and emerging technology that requires Commonwealth licensure, registration or other authorization.

"Consumer." A person that purchases or otherwise enters into a transaction agreement to receive an innovative artificial intelligence, data center and emerging technology product or service that is being tested by a participant.

"Innovation." The use or incorporation of a new or emerging technology, or a new use of existing technology, including blockchain technology, to address a problem, provide a benefit or otherwise offer a product, service, business model or delivery mechanism known by the department to have a comparable widespread offering in this Commonwealth.

"Innovative artificial intelligence, data center and emerging technology product or service." An artificial intelligence, data center and emerging technology product or service that includes an innovation.

"Participant." A person who has applied to participate in the program and has been accepted by the office to participate in the program.

"Program." The Artificial Intelligence, Data Center and Emerging Technology Regulatory Sandbox Program established by this act.

"Test." The provision of an innovative artificial

1 intelligence, data center and emerging technology product or
2 service in accordance with this chapter.

3 Section 502. Artificial Intelligence, Data Center and Emerging
4 Technology Regulatory Sandbox Program.

5 (a) Establishment.--The Artificial Intelligence, Data Center
6 and Emerging Technology Regulatory Sandbox Program is
7 established in the office. The office shall consult with each
8 applicable agency to implement the program. The program shall
9 enable a person to obtain limited access to the market in this
10 Commonwealth to test an innovative artificial intelligence, data
11 center and emerging technology product or service without
12 obtaining a license or other authorization that might otherwise
13 be required.

14 (b) Powers and duties of office.--The office:

15 (1) May enter into agreements with or follow the best
16 practices of the Bureau of Consumer Protection or other
17 states that are administering programs similar to the
18 program.

19 (2) Shall review applications submitted for
20 participation in the program.

21 (3) May not approve participation in the program by an
22 applicant or any other participant that has been convicted,
23 entered a plea of nolo contendere or entered a plea of guilty
24 or nolo contendere held in abeyance, for a serious crime:

25 (i) involving theft, fraud or dishonesty; or

26 (ii) that bears a substantial relationship to the
27 applicant's or participant's ability to safely or
28 competently participate in the program.

29 (c) Application.--A person must submit an application to the
30 office in order to be approved for participation in the program.

1 The application must be in a form prescribed by the office that:

2 (1) Demonstrates the applicant is subject to the
3 jurisdiction of the Commonwealth.

4 (2) Demonstrates the applicant has established a
5 physical or virtual location that is adequately accessible to
6 the office from which testing will be developed and performed
7 and where all required records, documents and data will be
8 maintained.

9 (3) Contains relevant personal and contact information
10 for the applicant, including legal names, addresses,
11 telephone numbers, email addresses, website addresses and
12 other information required by the office.

13 (4) Discloses any criminal conviction of the applicant
14 or other participating personnel.

15 (5) Demonstrates that the applicant has the necessary
16 personnel, financial and technical expertise, access to
17 capital and developed plan to test, monitor and assess an
18 innovative artificial intelligence, data center and emerging
19 technology product or service.

20 (6) Contains a description of the innovative artificial
21 intelligence, data center and emerging technology product or
22 service to be tested, including statements regarding the
23 following:

24 (i) How the innovative artificial intelligence, data
25 center and emerging technology product or service is
26 subject to licensing or other authorization requirements
27 outside of the program, including a specific list of all
28 State laws, regulations and licensing or other
29 requirements that the applicant seeks to have waived
30 during the testing period.

1 (ii) How the innovative artificial intelligence,
2 data center and emerging technology product or service
3 would benefit consumers.

4 (iii) How the innovative artificial intelligence,
5 data center and emerging technology product or service is
6 different from other artificial intelligence, data center
7 and emerging technology products or services available in
8 this Commonwealth.

9 (iv) What risks may confront consumers that use or
10 purchase the innovative artificial intelligence, data
11 center and emerging technology product or service.

12 (v) How participating in the program would enable a
13 successful test of the innovative artificial
14 intelligence, data center and emerging technology product
15 or service.

16 (vi) A description of how the applicant will perform
17 ongoing duties after the test.

18 (vii) How the applicant will end the test and
19 protect consumers if the test fails, including providing
20 evidence of sufficient liability coverage and financial
21 reserves to protect consumers and to protect against
22 insolvency by the applicant.

23 (d) Separate applications required.--An applicant must file
24 a separate application for each innovative artificial
25 intelligence, data center and emerging technology product or
26 service the applicant intends to test.

27 (e) Additional information.--After an application is filed
28 and before approving the application, the office may seek such
29 additional information from the applicant as the office
30 determines is necessary.

1 (f) Time period for review of application.--Not later than
2 90 days after the date on which a complete application is
3 received by the office, the office shall inform the applicant as
4 to whether the application is approved for participation in the
5 program.

6 (g) Extensions.--The office and an applicant may mutually
7 agree to extend the period specified in subsection (f).

8 Section 503. Review of application.

9 (a) Consultation required.--

10 (1) In reviewing an application under this section, the
11 office shall consult with, and get approval from, each
12 applicable agency before approving an application for
13 participation in the program.

14 (2) The consultation under paragraph (1) may include
15 seeking information about whether:

16 (i) The applicable agency has previously issued a
17 license or other authorization to the applicant.

18 (ii) The applicable agency has previously
19 investigated, sanctioned or pursued legal action against
20 the applicant.

21 (iii) Whether the applicant could obtain a license
22 or other authorization from the applicable agency after
23 exiting the program.

24 (iv) Whether certain licensure or other regulations
25 should not be waived even if the applicant is accepted
26 for participation in the program.

27 (b) Consideration of competition.--In reviewing an
28 application under this section, the office shall consider
29 whether a competitor of the applicant is or has been a
30 participant and weigh that participation as a factor in

1 approving the applicant as a participant.

2 (c) Approval.--If the office and each applicable agency
3 approve the application, the applicant shall become a
4 participant.

5 (d) Denial notice.--If the office denies an application
6 submitted under this section, the office shall provide to the
7 applicant a written description of the reasons for the denial.

8 Section 504. Test period.

9 (a) Duration of test period.--A participant has 12 months
10 after the date on which the application was approved to test the
11 innovative artificial intelligence, data center and emerging
12 technology product or service described in the application.

13 (b) Requirements.--A participant testing an innovative
14 artificial intelligence, data center and emerging technology
15 product or service within the program is subject to the
16 following:

17 (1) The office may, if applicable on a case-by-case
18 basis, specify the maximum number of items for each item that
19 may be offered by the participant during the test of the
20 innovative artificial intelligence, data center and emerging
21 technology product or service.

22 (2) The office shall notify other businesses in the
23 industry that a waiver was granted to afford other companies
24 the opportunity to apply for the same waiver.

25 (c) Construction.--Nothing in this section shall be
26 construed to restrict a participant that holds a license or
27 other authorization in another jurisdiction from acting in
28 accordance with that license or other authorization.

29 (d) Licensing requirements under other law.--

30 (1) A participant is deemed to possess an appropriate

1 license under the laws of this Commonwealth for the purposes
2 of any provision of Federal law requiring State licensure or
3 authorization.

4 (2) A participant that is testing an innovative
5 artificial intelligence, data center and emerging technology
6 product or service is not subject to the requirements of
7 State law, regulations, licensing requirements or
8 authorizations that were identified by the participant's
9 application and have been waived in writing by the office.

10 Section 505. Liability.

11 A participant does not have immunity related to any criminal
12 offense committed during participation in the program.

13 Section 506. Termination of participation in program.

14 By written notice, the office may terminate a participant's
15 participation in the program at any time and for any reason,
16 including if the applicable department determines the
17 participant is not operating in good faith to bring an
18 innovative artificial intelligence, data center and emerging
19 technology product or service to market.

20 Section 507. Business losses and expenses.

21 (a) Office.--The office and the office's employees shall not
22 be liable for any business loss or the recoupment of application
23 expenses related to the program, including expenses relating to:

24 (1) Denying an application for participation in the
25 program for any reason.

26 (2) Terminating a participant's participation in the
27 program at any time and for any reason.

28 (b) Guaranty associations.--A guaranty association in this
29 Commonwealth may not be held liable for any business loss or
30 expense incurred as a result of activities undertaken by a

1 participant in the program.

2 Section 508. Consumer protection.

3 (a) Disclosure required.--Before providing an innovative
4 artificial intelligence, data center and emerging technology
5 product or service to a consumer, a participant shall disclose
6 the following to the consumer:

7 (1) The name and contact information of the participant.

8 (2) A statement that the innovative artificial
9 intelligence, data center and emerging technology product or
10 service is authorized under the program and, if applicable,
11 that the participant does not have a license or other
12 authorization to provide an artificial intelligence, data
13 center and emerging technology product or service under State
14 law that regulates artificial intelligence, data center and
15 emerging technology products outside the program.

16 (3) A statement that the innovative artificial
17 intelligence, data center and emerging technology product or
18 service is undergoing testing and may not function as
19 intended and may expose the customer to financial risk.

20 (4) A statement that the provider of the innovative
21 artificial intelligence, data center and emerging technology
22 product or service is not immune from civil liability for any
23 losses or damages caused by the innovative artificial
24 intelligence, data center and emerging technology product or
25 service.

26 (5) A statement that the innovative artificial
27 intelligence, data center and emerging technology product or
28 service is a temporary test that may be discontinued at the
29 end of the testing period.

30 (6) The expected end date of the testing period.

1 (7) A statement that a consumer may contact the office
2 to file a complaint regarding the innovative artificial
3 intelligence, data center and emerging technology product or
4 service being tested and provide the office's telephone
5 number and publicly accessible Internet website where a
6 complaint may be filed.

7 (b) Form of disclosure.--The disclosure required by
8 subsection (a) shall be provided to a consumer, in a clear and
9 conspicuous form and, for an Internet or application-based
10 innovative artificial intelligence, data center and emerging
11 technology product or service, the consumer must acknowledge
12 receipt of the disclosure before a transaction may be completed.
13 Section 509. Exiting the program.

14 (a) Duties of participant.--At least 30 days before the end
15 of the testing period, a participant must:

16 (1) notify the office that the participant will exit the
17 program, discontinue the participant's test and stop offering
18 any innovative artificial intelligence, data center and
19 emerging technology product or service in the program not
20 later than 60 days after the date on which the 12-month
21 testing period ends; or

22 (2) seek an extension in accordance with section 510.

23 (b) Effect of noncompliance.--Subject to subsection (c), if
24 the office does not receive notification as required by
25 subsection (a), the testing period ends at the end of the 12-
26 month testing period and the participant shall immediately stop
27 offering each innovative artificial intelligence, data center
28 and emerging technology product or service being tested.

29 (c) Exception.--If a test includes offering an innovative
30 artificial intelligence, data center and emerging technology

1 product or service that requires ongoing duties, the participant
2 shall continue to fulfill the duties of the program or, if the
3 participant exits the program, arrange for another person to
4 fulfill those duties after the date on which the artificial
5 intelligence, data center and emerging technology product or
6 service testing ends.

7 Section 510. Extension.

8 (a) Time period to request extension.--Not later than 30
9 days before the end of the 12-month testing period, a
10 participant may request an extension of the testing period for
11 the purpose of obtaining a license or other authorization.

12 (b) Duty of office.--

13 (1) The office shall grant or deny a request for an
14 extension in accordance with subsection (a) by the end of the
15 12-month testing period.

16 (2) The office may grant an extension in accordance with
17 this section for not more than 12 months after the end of the
18 testing period.

19 (c) Quarterly reports.--A participant that obtains an
20 extension in accordance with this section shall provide the
21 office with a written report every three months that provides an
22 update on efforts to obtain a license or other authorization
23 required by law, including any submitted for licensure or other
24 authorization, rejected applications or issued licenses or other
25 authorizations.

26 Section 511. Recordkeeping.

27 (a) Duty of participant.--A participant shall retain
28 records, documents and data produced in the ordinary course of
29 business regarding an innovative artificial intelligence, data
30 center and emerging technology product or service tested in the

1 program.

2 (b) Failure report.--If an innovative artificial
3 intelligence, data center and emerging technology product or
4 service of a participant fails before the end of a testing
5 period, the participant shall notify the office and report on
6 actions taken by the participant to ensure that consumers have
7 not been harmed as a result of the failure.

8 (c) Office to establish reporting requirements.--

9 (1) The office shall establish quarterly reporting
10 requirements for a participant, including information about
11 any customer complaints.

12 (2) The office may request records, documents and data
13 from a participant and, upon the department's request, a
14 participant shall make the records, documents and data
15 available for inspection by the office.

16 (3) If the office determines that a participant has
17 engaged in, is engaging in or is about to engage in any
18 practice or transaction that is in violation of this chapter
19 or that constitutes a violation of Federal or State criminal
20 law, the office may remove the participant from the program.

21 Section 512. Report to General Assembly.

22 By October 1, the office shall provide an annual written
23 report to the chairperson and minority chairperson of the State
24 Government Committee of the Senate and the chairperson and
25 minority chairperson of the State Government Committee of the
26 House of Representatives that provides information regarding
27 each participant and provides recommendations regarding the
28 effectiveness of the program.

29 CHAPTER 7

30 FAST TRACK

1 Section 701. High Impact Data Center Permit Program.

2 The office shall establish the High Impact Data Center Permit
3 Program. The program shall:

4 (1) Provide project coordination services to all high
5 impact data centers. Projected coordination services include
6 developing coordinated timelines for permitting and approvals
7 across relevant agencies, liaising with project sponsors and
8 updating the dashboard specified in paragraph (2).

9 (2) Assist in the operation and maintenance of a public-
10 facing dashboard to display progress against established
11 permitting timelines associated with all high impact data
12 center development projects.

13 (3) Design and implement a process to facilitate
14 coordination among permitting agencies and to improve the
15 timeliness, predictability and transparency of an applicable
16 agency's review and authorization processes for designated
17 critical infrastructure and economic development projects.

18 (4) Provide technical assistance to implement the High
19 Impact Data Center Permit Program.

20 Section 702. Relationship with other agencies.

21 All Commonwealth departments, boards, offices, commissions
22 and other agencies under the Governor's jurisdiction shall
23 cooperate with and provide assistance to the office as needed
24 with respect to the purpose and responsibilities specified in
25 this act.

26 Section 703. Permit approval.

27 The office shall establish approval timelines not to exceed
28 120 days for the following permits requested by any high impact
29 data center barring deficiencies:

30 (1) 25 Pa. Code Ch. 102 (relating to erosion and

1 sediment control).

2 (2) 25 Pa. Code Ch. 105 (relating to dam safety and
3 waterway management).

4 (3) 25 Pa. Code Ch. 106 (relating to floodplain
5 management).

6 Section 704. Deemed approval of permit.

7 If an applicable agency receives a completed application from
8 a high impact data center and a permit decision delay occurs,
9 the application shall be deemed approved and the applicable
10 agency shall issue the permit.

11 CHAPTER 9

12 DUTIES OF OFFICE

13 Section 901. Enumeration of duties.

14 The office shall:

15 (1) Facilitate the implementation of transformational
16 economic development projects, which will result in
17 substantial quality job opportunities and capital investment
18 in this Commonwealth by:

19 (i) coordinating and expediting interagency
20 cooperation;

21 (ii) marshaling Federal and State resources to
22 maximize economic development opportunities for this
23 Commonwealth to compete, grow and thrive in a global
24 economy; and

25 (iii) leveraging the role of the Governor to engage
26 the global business community on behalf of the
27 Commonwealth.

28 (2) Create a systematic process for managing economic
29 development projects involving the resources of multiple
30 State agencies to facilitate project management.

1 (3) Establish and monitor the progress of additional
2 areas of economic development project support, including
3 serving as a one-stop shop for coordination of State
4 agencies, expediting State agency permit and license reviews
5 and ensuring speed of business review and approval of
6 Commonwealth economic incentive programs.

7 (4) Work in partnership with the Department of Community
8 and Economic Development and all relevant State agencies in
9 reviewing Federal and State funding applications to ensure
10 that they maximize the opportunity to attract
11 transformational economic development projects.

12 (5) Establish objectives and targets for the
13 implementation of transformative economic development
14 projects prioritized by the Governor for this Commonwealth.

15 (6) Establish and monitor time-based standards for
16 completion of each phase of a transformative economic
17 development project.

18 (7) Work in partnership with the Department of Community
19 and Economic Development and all relevant State agencies and
20 coordinate with the Governor's Action Team Office to ensure
21 that thorough due diligence is performed for prioritized
22 projects, which shall include:

23 (i) Overall economic impact of the project.

24 (ii) The validity of its business model and
25 likelihood of positive impact on an identified priority
26 industry or sector.

27 (iii) The impact on communities that have been
28 disadvantaged and underserved.

29 (iv) The strength of commitments for private
30 financing of the project.

- 1 Section 1101. (Reserved).
- 2 Section 1102. Effective date.
- 3 This act shall take effect in 60 days.