

20 Lewis St
Providence, RI 02906
rose@pobox.com
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House Finance Committee
82 Smith St
Providence, RI 02903

Dear Chairman Abney and Members of the Committee:

Rhode Islanders for Personal Privacy opposes H7695, a bill to give special tax breaks to data centers. Many public concerns have been raised about data centers, including the proposed one that we and others recently opposed in Smithfield. This industry should not get special tax breaks.

H7695 claims to include requirements for the sponsoring company to fund investments, labor and renewable energy. But the bill grants tax breaks which can be collected for 6 years after a data center project's proposed start date, even if these requirements have not been met within the 6-year period. The bill says that there will be penalties after 6 years, but it is easy for a corporation sponsoring a data center to dodge these penalties by simply creating, for each RI data center, a dedicated subsidiary as the ostensible owner/operator, so that this subsidiary can be left to go bankrupt when the penalties kick in.

The aim of H7695 is to encourage more data centers in RI, despite voters' concerns. But although data centers could be helpful in principle, they are currently so unregulated that their proliferation is harmful. Data centers use people's most private information without giving the people involved a meaningful say, and use people's most creative and personal activity to train AI systems without giving people any compensation. Increasingly, people are losing control over their important aspects of their lives, as the options they are given and the content they are shown are chosen by algorithms which the individual citizen has no say in. As these algorithms proliferate, data centers spring up to run them, but the public is still not given any say over what these algorithms are. When an AI system is trained by a company to predict your behavior and to guide the company's decisions, no one even knows what the AI is thinking in its inner workings. AI is increasing layoffs of our workforce and making many people's working conditions worse. And with or without AI, data centers' algorithms have often led to a loss of human connection, contributing to a decrease in mental health and more angry polarization. Algorithms have a lot of good to offer to the world, but it is increasingly clear that without more regulation, the proliferation of data centers will not be a good thing. It is certainly a bad idea to give tax breaks to data centers, as H7695 does – although data centers have a powerful effect on the economy, their increasing dominance of the economy does not help ordinary people in the absence of regulation.

Before passing any such bill, we should first ensure that there is more serious regulation of AI and other algorithms that exploit the consumer.

Sincerely,

Randall Rose