

## Angel's Testimony in Opposition to Senate Bill 2346

March 9, 2026

To the Senate Commerce Committee Chair and Members,

My name is Angel Lopez, and I am a resident of Providence. I write to you today in opposition to Senate Bill 2346 because a Data Center in Rhode Island is counterproductive to the RI 2030 Plan. The 30-year sales and use tax exemption will hinder a competitive tax environment for small business owners who make up ½ of the jobs in Rhode Island. Approval of a Qualified Data Center as described will impede upon the goals of creating a healthier Rhode Island and Advancing Infrastructure and Clean Energy.

A Qualified Data Center, according to this bill receives an upfront approval which is accompanied by a sales and use tax exemption as an incentive to meet all the Qualified Data Center criteria by the sixth anniversary date of the Tax Exemption certificate. Meaning that the \$200 Million up front required investment within Federally declared Opportunity Zones must be met by the sixth anniversary date. Data Centers expecting to be located outside Opportunity Zones must meet bigger expectations prior to the sixth anniversary date. They include \$400 Million upfront investment of which at least \$30 Million must be tied to direct or indirect labor performed on the property and at least \$10 Million must be invested in renewable energy resource or energy storage system.

House Bill 2346 will enable the expedited and incentivized approval process for a known polluter described in this bill as a Data center. There is no mention of any penalty or fine, for an early exit or for a data center that has reached its sixth anniversary and does not want to pay the fines for not meeting certification requirements. However, the legislation does include an automatic approval clause similar to an automatic approval clause found in R.I. Gen. Laws § 39-32-4 (source: <https://webserver.rilegislature.gov/Statutes/TITLE39/39-32/39-32-4.htm>). Page 10 lines 31 to 32 state:

“Failure to approve or deny the application within sixty (60) days after the date the owner or operator submits the application the director shall constitute approval of the qualified data center.”

Regardless of all the nice to have requirements for any data center project in Rhode Island, there is no need for an auto approval for a tax exemption if any data center project prospects were truly

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aligned with the RI 2030 Plan. What has the Small Cell Citing Act contributed to Rhode Island besides moving conversations that impact the public health of Rhode Islanders away from public spaces and into private offices and secret board meetings?

Data Centers in the US are known as noise makers and polluters. The drive-up electricity costs for residents because data centers increase the regional demand for energy. Per the bill a data center owner or operator if committed can decide and plan to pay up \$1Million to the department of revenue on their sixth Year Anniversary instead of investing \$10 Million in a renewable energy source. That same data center would have already negatively impacted the environment, the electricity rates of many residents, and the local water source but would be allowed to operate for another year regardless of what your constituents say or have experienced in the first six years.

For all those reasons, I request all committee members to hold Senate Bill 2346 for further study as it will push state agencies away from goals of the RI 2030 Plan.

Thank you for taking the time to read this.

Angel Lopez  
*Resident of Providence, RI*