



ARTIFICIAL INTELLIGENCE AND DATA CENTER COMMITTEE

Wednesday, July 15, 2026
Room 327B, State Capitol
Bismarck, North Dakota

Representative Jonathan Warrey, Chairman, called the meeting to order at 9:00 a.m.

Members present: Representatives Jonathan Warrey, Mike Nathe, Anna S. Novak, Todd Porter, Mary Schneider; Senators Jose L. Castaneda, Kyle Davison, Janne Myrdal, Dean Rummel, Mike Wobbema; Citizen Members Tony Clark, Mark R. Hagerott

Members absent: None

Others present: Senator David Hogue; Representatives Glenn Bosch, Kathy Frelich, Dori Hauck, and LaurieBeth Hager, members of Legislative Management

Representatives SuAnn Olson and Bill Tveit

Kimball Banks, Holly Birch, and Sheila Froelich, Mandan; Linda Hagen and Lanny Kenner, Bismarck; Lucinda Johnson, Beulah; Leon Lesterhausen, Ypsilanti; Lucas Wald, Edgeley; Alexis Weinglar, Linton; Terry Effertz, TechND; Craig Felchle and Josh Kadrmas, Information Technology Department; Lance Fortnow,* Illinois Institute of Technology; Barrie Tabin, National Conference of State Legislatures

See [Appendix A](#) for additional persons present.

**Attended remotely*

Senator David Hogue, Chairman, Legislative Management, provided an introductory speech on the committee's purpose and assigned studies.

Chairman Warrey discussed goals and responsibilities of the committee.

Ms. Erin K. Dohm, Counsel, Legislative Council, presented a memorandum entitled [Supplementary Rules of Operation and Procedure of the North Dakota Legislative Management](#).

ARTIFICIAL INTELLIGENCE STUDY

Ms. Kim Yang, Policy Analyst, Legislative Council, presented a memorandum entitled [Artificial Intelligence Study - Background Memorandum](#).

Mr. William Clark, Fellow, Technology and Data-Driven Governing, and Ms. Barrie Tabin, Senior Legislative Director, National Conference of State Legislatures, presented information (Appendices [B](#) and [C](#)) regarding artificial intelligence (AI) and the regulation of AI at the state and federal level. They noted:

- Increased use of AI has been seen in the private sector and for purposes including consumer notifications, health care, and generating deepfakes.
- The federal government has established a voluntary process for allowing AI developers to share frontier models for review, and there is discussion on whether a review process should be mandated.

In response to questions from committee members, Ms. Tabin noted there are different schools of thought regarding the regulation of large frontier models. She noted the courts may need to resolve any tensions between First Amendment freedom of speech rights and the duty of care requirement placed on AI developers under the federal Kids Online Safety Act.

DATA CENTER STUDY

Ms. Stephanie Dassinger Engebretson, Deputy Director and Staff Attorney, North Dakota League of Cities, provided information regarding a model ordinance for data centers. She noted:

- The development of the model ordinance began last summer in response to requests for information and guidance by political subdivisions seeking to regulate data centers.
- The League of Cities, North Dakota Association of Counties, North Dakota Township Officers Association, North Dakota Planning Association, Greater North Dakota Chamber, and TechND provided input to create the model data center zoning ordinance.

In response to a question from a committee member, Ms. Dassinger Engebretson noted citizen input was not incorporated in the model ordinance.

Ms. Andrea Pfennig, Vice President, Government Affairs, Greater North Dakota Chamber, provided information regarding model ordinances related to data centers. She noted from 2017 to 2023, data centers contributed over \$715.5 billion in state, federal, and local tax revenue and in 2023, 600,000 people were directly employed by data centers nationwide.

Ms. Terry Effertz, Executive Director, TechND, provided information ([Appendix D](#)) regarding an overview of TechND's proposed data center zoning ordinance. She noted:

- Data centers are present in this state in part due to the state's favorable economic, environmental, and land conditions.
- The proposed model ordinance outlines standards and regulations applicable to data centers, including permitting provisions requiring identification of the data center owner or operator and submission of a detailed description and map of the proposed project and an acoustic impact report prepared and signed by a licensed engineer.

In response to questions from committee members, Ms. Effertz noted:

- A micro data center has a total electric load of 100 kilowatts (KW) or less, a minor data center exceeds 100 KW but is less than 6 megawatts (MW), and a major data center exceeds 6 MW.
- Electrical loads of less than 100 KW and residential loads would not be subject to the ordinance.

COMMENTS BY INTERESTED PERSONS

The committee received information from the following individuals in regard to the committee's study of AI and data centers:

- Representative Bill Tveit provided testimony ([Appendix E](#)) regarding political subdivisions and data center moratoriums.
- Mr. Scott Hennen, Fargo, provided testimony regarding the Reagan National Economic Forum's focus on AI, and the need for efficient data center development.
- Mr. Jason Thoms and Ms. Linda Hagen, Bismarck; Ms. Sheila Froehlich, Mandan; Ms. Alexis Weinglar, Linton; and Ms. Lucinda Johnson, Beulah, provided testimony regarding concerns about cybersecurity, noise levels, electricity costs, and possible health impacts on individuals.
- Mr. Leon Lesterhausen, Ypsilanti, and Mr. Lucas Wald, Edgeley, provided testimony regarding local regulation of data centers.
- Representative SuAnn Olson provided testimony (Appendices [F](#) and [G](#)) regarding concerns about Chinese-made computer components that may be necessary for data center development.

- Ms. Holly Birch, Mandan, provided testimony regarding the required power supply for data centers and the impact on the electrical grid.
- Mr. Lanny Kenner, Bismarck, provided testimony regarding the Public Service Commission's role in regulating local ordinances.
- Mr. Kimball Banks, Mandan, provided testimony regarding data center siting and the potential loss of agricultural land.

The following individuals submitted testimony subsequent to the meeting:

- Mr. Weston Berg, Stanton, submitted testimony ([Appendix H](#)).
- Ms. Samantha Poitra, Turtle Mountain Band of Chippewa Indians, submitted testimony ([Appendix I](#)).
- Mr. Matt Wilkins, Oliver County, submitted testimony ([Appendix J](#)).
- Mr. David Fite, Sheyenne, submitted testimony ([Appendix K](#)).
- Ms. Virginia Salzsieder, Edgeley, submitted testimony ([Appendix L](#)).
- Mr. Aldrin Simpron, Bismarck, submitted testimony (Appendices [M](#) and [N](#)).
- Ms. Tesa Klein, LaMoure, submitted testimony ([Appendix O](#)).
- Ms. Kale Schommer, Bismarck, submitted testimony ([Appendix P](#)).
- Ms. Sandra J. Rupp, Edgeley, submitted testimony ([Appendix Q](#)).
- Ms. Lynn Met submitted testimony ([Appendix R](#)).
- Mr. William Favre Slater, III, Chicago, Illinois, submitted testimony (Appendices [S](#) and [T](#)).
- Ms. Susan R. Long, Berlin, submitted testimony ([Appendix U](#)).

ARTIFICIAL INTELLIGENCE SUCCESSES AND FUTURE

Dr. Mark R. Hagerott, Deputy Director and Distinguished Professor, Cyber Security, United States Naval Academy, provided introductory commentary for Dr. Lance Fortnow.

Dr. Lance Fortnow, Professor, Department of Computer Science, Illinois Institute of Technology, presented information ([Appendix V](#)) regarding the fundamental differences between AI and traditional computing, and the successes and future of AI. He noted:

- AI has made advances in translation, speech, image generation, fraud detection, and science, most notably in its ability to decode protein folds.
- AI is evolving from solving specific problems to a more general use, with the ability to perform a variety of tasks using prompts.
- Hallucinations are occurring less frequently.
- Challenges related to AI include a loss of human control, ensuring accountability of frontier models, a need to protect children, determining the role of AI in education, agentic AI, increasing capabilities of humanoid robots, cybersecurity, and a changing workforce.

In response to questions from committee members, Dr. Fortnow noted:

- There is not a singular source for regulating the use of AI in education. Local school boards, states, and universities all play a part in regulating AI in education.
- Although in the early stages of development, quantum computing may be able to help train AI to use data more efficiently.

In response to a question from a committee member, Dr. Fortnow noted there are concerns locally and federally about AI's ability to identify weak cybersecurity points.

USE OF ARTIFICIAL INTELLIGENCE BY STATE AGENCIES

Mr. Corey Mock, Chief Information Officer, Information Technology Department, provided information ([Appendix W](#)) regarding the use of AI in state government. He noted approximately 100 state agencies are using Copilot as part of their Microsoft suite packages.

Mr. Craig Felchle, Chief Technology Officer, Information Technology Department, provided information regarding the key differences in the use of AI across state agencies. He noted:

- The Information Technology Department's AI policy includes mandated human review and data discernment.
- State agencies have access to Microsoft 365; ServiceNow, a public sector digital services platform with AI case summarization built in; and Databricks, a platform that combines generative AI, agentic AI, and machine learning into a single system.
- The Department of Commerce uses the Dakota BOT, which is a customer service bot that can answer questions relating to state agencies. The bot will require additional data training for increased accuracy.
- One of the main challenges among state governments is data quality, which is essential for more advanced AI.

In response to a question from a committee member, Mr. Felchle noted there are general AI services available to all state agencies.

Mr. Josh Kadrmas, Senior Manager, Governance, Risk, and Compliance, Information Technology Department, provided information regarding AI security risks, solutions, and technologies. He noted:

- In 2023, the National Institute of Standards and Technology released an AI risk management framework as a guide for the information technology industry.
- A proof of concept should be evaluated when planning AI regulation and use.
- Individuals knowledgeable in cybersecurity, enterprise architecture, and legal review are involved in the information technology procurement process when new software or technology is acquired.

DATA CENTER GROWTH AND THE ENERGY SECTOR

Mr. Tony Clark, Executive Director, National Association of Regulatory Utility Commissioners, provided information ([Appendix X](#)) regarding the relationship between data center growth and the energy sector. He noted:

- In North Dakota, water usage is regulated almost exclusively by political subdivisions.
- Generally, a state's public service regulatory agency is not involved in the siting of data centers.
- The Electric Power Research Institute predicts data center power consumption will increase from 4 percent to between 9 and 17 percent in the next 4 years.
- Virginia has the largest share of data centers and overall total electricity usage by data centers.
- An AI search may use 10 to 15 times more energy than a traditional Internet search query.
- The Lawrence Berkeley National Laboratory estimates North Dakota ranks in the top five most affordable states in regard to the average retail price of electricity.
- From 2019 to 2025, North Dakota experienced some of the lowest electricity rate changes, but the largest growth in retail electricity sales.

In response to questions from committee members, Mr. Clark noted:

- When designating load generation for colocated generations, the entity responsible for oversight depends upon the type of sale of electricity.

- Although the national energy grid is expanding, the grid faces challenges including aging wires, generating enough resources, labor shortages, and slow infrastructure growth. A state's public service regulatory agency and regulatory environment should ensure rates are designed to be properly allocated to the right customers to ensure ratepayers' rates remain stable after the addition of a data center.
- A regulatory framework like the Ratepayer Protection Pledge may help control cost allocations for new, large-scale loads.
- Vertically integrated utilities have more accountability and regulatory authority in regard to large-load growth regulation.

Committee members requested Mr. Clark prepare a list of experts to hear from and specific areas to proactively address.

COMMITTEE DISCUSSION

Chairman Warrey noted the committee will hold its second meeting on August 13, 2026.

No further business appearing, Chairman Warrey adjourned the meeting at 3:57 p.m.

Erin K. Dohm
Counsel

Kim Yang
Policy Analyst

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