North Dakota Catholic Conference

*Representing the Diocese of Fargo and the Diocese of Bismarck*

103 South Third Street
Suite 10
Bismarck ND 58501
701-223-2519
ndcatholic.org
ndcatholic@ndcatholic.org

**To:** Special Ad Hoc Policy Committee
**From:** David Tamisiea, Executive Director
**Date:** August 31, 2026
**Re:** SB 2406 - September 2026 Special Session

The North Dakota Catholic Conference supports SB 2406 which would prohibit public officials from entering non-disclosure agreements with data centers and other industrial projects for a 10-month period.

While at first blush, it might seem that the Catholic Church would have little to say about NDAs for data centers, this initial impression would be wrong. To the contrary, the Church has quite a bit to say about the digital revolution currently taking place across the world, and the necessary transparency and participation of the public required to protect the rights of citizens and the common good.

When Cardinal Robert Prevost was elected the first American pope last year, he explained that he was taking the name "Leo XIV" to signal his commitment to address the challenges arising from today's digital revolution, much as his predecessor in the late 19th century, Pope Leo XIII, had initiated Catholic social teaching to deal with challenges associated with the Industrial Revolution.

Just this past May, Pope Leo released his first encyclical titled *Magnifica Humanitas* on safeguarding the human person in the time of artificial intelligence and the data revolution.[1] In the encyclical, the pope makes clear that AI, data centers, and other digital technology are neither good nor bad in themselves, but rather are tools that have tremendous potential for good or for evil, depending upon how they are developed and how they are used.

Before getting to Leo's teaching, a couple of pertinent facts:

- Data centers can be advantageous for communities insofar as they create jobs, generate tax revenue, boost the economy, advance technology, and can potentially revitalize economically distressed areas.
- Data centers can also cause tremendous problems for communities due to their energy consumption, water use, noise pollution, electric waste, environmental effects, and negative impact on the community's overall quality of life.
- There is often an asymmetry in bargaining power, negotiations, political clout, and resources between big tech companies that desire

[1] https://www.vatican.va/content/leo-xiv/en/encyclicals/documents/20260515-magnifica-humanitas.html

to build data centers and citizens who live in adjacent communities.

- NDAs are typically used between private parties in business negotiations and deals, not between private businesses and public officials who represent and are accountable to their constituents.
- NDAs are nevertheless being entered into by public officials across the country that prevent them from disclosing information about proposed data centers to the public. As a result, public officials are prevented from sharing details about data centers that will have a significant and longstanding impact on their communities with their own constituents.[2]
- In neighboring Minnesota, for example, Google plans to build a $650 million data center on 400 acres of land called "Project Loon" near Hermantown in the northeastern part of the state. An open records act last year revealed numerous NDAs with city officials and hundreds of pages of correspondence between consultants, city staffers, and local elected officials without citizen engagement, some dating back a year before the project became public.[3]
- In Louisiana alone, at least 54 NDAs were signed by elected officials since 2024 related to data centers and other large-scale industrial projects.[4]
- Even in North Dakota, public officials signed NDAs for the building of a massive data center in Harwood without prior community knowledge or engagement so that construction began before the community knew it was a done deal.[5]
- Despite what some industry representatives claim, NDAs are not necessary for building data centers: Microsoft, for example, announced in March of this year that it has ended the use of NDAs

---

[2] See, e.g., (1) "Data center developers are pushing Pa. government officials to sign secrecy agreements. At least some are saying yes" (August 19, 2026), at https://www.spotlightpa.org/news/2026/08/pennsylvania-data-center-nda-public-record-capitol; (2) "How Meta Got Everything It Wanted in a Secret Louisiana Data Center Deal" (July 27, 2026) at https://www.nytimes.com/2026/07/27/technology/meta-data-center-louisiana.html; (3) "Data center non-disclosure agreements broad, secretive" (May 12, 2026), at https://www.arkansasonline.com/news/2026/may/12/data-center-non-disclosure-agreements-broad/; (4) "Want an AI data center in your city? Sure, but first sign this non-disclosure agreement" (October 29, 2025), at https://minnesotareformer.com/2025/10/29/want-an-ai-data-center-in-your-city-sure-but-first-sign-this-non-disclosure-agreement/.

[3] https://stopthehermantowndatacenter.org/timeline

[4] "NDAs are hiding data center deals, drawing ire from locals — and attention from lawmakers," (August 27, 2026), at https://www.npr.org/2026/08/27/nx-s1-5879528/data-center-nda-disclosure-louisiana

[5] "Data center questions deserve disclosure, discussion" (July 29, 2026), at https://northdakotamonitor.com/2026/07/29/data-center-questions-deserve-disclosure-discussion/

with local governments in order to be transparent and "build trust with the communities around the world in which we operate."[6] In West Feliciana Parish in Louisiana, a $10 billion data center is proceeding with full disclosure to residents and without the use of any NDAs.[7]

Pope Leo XIV teaches in his encyclical, *Magnifica Humanitas,* that Catholic social teaching provides a framework for responding to the challenge of the digital revolution. Catholic social teaching refers to a body of doctrine rooted in divine revelation and natural law that offers guiding principles for building a just, peaceful, and charitable society, including principles like the common good, the dignity of the human person, subsidiarity, and active participation of all citizens in public life. Accepting these principles does not require faith or even acceptance of papal authority, but rather just common sense and the right use of reason.

Based upon the principles of Catholic social teaching, Pope Leo in *Magnifica Humanitas* emphasizes the importance of transparency and shared responsibility of the entire community in the development of new technologies in the digital age, as a necessary element of protecting the common good and the fundamental rights of citizens. The pope stresses that communities cannot be reduced to passive recipients of decisions imposed from above by small elite groups who hold a disproportionate amount of power and resources. Instead, citizens should have meaningful opportunities to stay informed, ask questions, participate in decisions, and hold their public officials and tech developers accountable. For these reasons, no free and open society like ours should allow public officials to sign NDAs related to data centers but should instead encourage government transparency and citizen engagement in decisions that would have such major effects on everyone in the community.

We respectfully ask for a **Do Pass** recommendation on SB 2406.

*****

The following are excerpts from Pope Leo XIV's encyclical, *Magnifica Humanitas,* that are directly relevant to the issue of NDAs and data centers from which the foregoing summary is drawn:

---

[6] "Putting communities first: Our decision to end NDAs with local governments" (March 20, 2026), at https://local.microsoft.com/blog/putting-communities-first-our-decision-to-end-ndas-with-local-governments/

[7] "NDAs are hiding data center deals, drawing ire from locals — and attention from lawmakers" (August 27, 2026), at http://www.wvia.org/news/2026-08-27/ndas-are-hiding-data-center-deals-drawing-ire-from-locals-and-attention-from-lawmakers

***Democracy Requires Citizen Participation:*** *"The Church values democracy insofar as it guarantees the effective participation of citizens, enables them to elect and peacefully replace their leaders, and prevents power from being monopolized by small elite groups motivated by a particular or ideological interests."* (MH 39)

***Subsidiarity, Citizen Participation, and Shared Decision-Making:*** *"This principle [of subsidiarity] encourages us to move beyond any form of paternalistic or welfare-based management of societal life, but instead to promote a culture of shared responsibility in a State that values citizens' initiative, and a civil society capable of forging bonds and mobilizing energies in the service of the common good. In accordance with the principle of subsidiarity, decisions are made at the closest level possible to the persons involved, thereby fostering community life and avoiding people being presented with decisions that have already been taken. In this way, people can participate in the decision-making process."* (MH 70)

***Subsidiarity, Citizen Participation, Transparency, Shared Decision-Making, and the Common Good:*** *"The process of subsidiarity requires that such processes not be imposed from above in an opaque and unilateral manner, but instead be directed toward the common good with transparency, accountability, and meaningful forms of participation …"* (MH 71)

***Solidarity, Citizen Participation, Shared Decision-Making, and the Common Good:*** *"Solidarity is expressed when each person, both individually and collectively, takes part in the life of the community - by staying informed, engaging with others, making their voices heard, and contributing to public decisions an choices - while also assuming real responsibility so that the common good is achieved through shared decision-making."* (MH 73)

***Solidarity and the Common Good:*** *"Solidarity demands that decisions regarding data, algorithms, platforms, and artificial intelligence take into account not only the immediate benefit for a few, but also the impact on all peoples and on future generations."* (MH 76)

***Accountability of Public Officials and Tech Companies:*** *"In many cases, however, the internal processes leading to a result remain opaque, making it harder to assign responsibility and correct errors. This is where accountability becomes crucial: the possibility of identifying who must "account" for decisions, justify them, monitor them, and, when necessary, challenge them and remedy any harm caused."* (MH 105)

***Responsible Progress:*** "*Calling for prudence, rigorous evaluation, and even, at times, a slower pace in adopting AI does not mean opposing*

*progress; instead, it is an exercise of responsible care for the human family. This need is all the more urgent given the frequent imbalance between the speed of technological growth and the slower development of awareness, norms, safeguards, and institutions capable of governing its effects."* (MH 106)

***Citizen Participation and Accountability:*** *"What is needed is a more active political involvement that is capable of slowing things down when everything is accelerating, and of protecting the opportunities for communities still to be able to participate and ask questions."* (MH 107)

***Subsidiarity and Citizen Participation Necessary to Protect Fundamental Rights and the Common Good:*** *"In fact, as with every major technological shift, AI tends to amplify the power of those who already possess economic resources, expertise, and access to data. In light of the common good and the universal destination of goods, this raises serious concerns, since small but highly influential groups can shape information and consumption patters, influence democratic processes, and steer economic dynamics to their own advantage, undermining social justice and solidarity among peoples. For this reason, it is essential that the use of AI, especially when it touches on public goods and fundamental rights, be guided by clear criteria and effective oversight, grounded in participation and subsidiarity. Communities and intermediary organizations must not be reduced to passive recipients of decisions made elsewhere; they must be able to contribute to discernment and oversight."* (MH 108)