Data Center Construction:
What Members Should Know Following the Election

This advisory provides general policy analysis of what contractors should know about data center permits and construction with newly elected legislators and governors. Members should consult their own legal counsel. The examples below focus on Texas.

Can government interrupt a project that already has permits?

Yes. It depends on state law and the permits and approvals involved. A governor's announcement does not automatically cancel permits that have been issued. However, a state agency may be able to suspend an authorization or withhold a separate approval the project still needs. For example, the Texas Commission on Environmental Quality (TCEQ) reported suspending certain authorizations as it carried out Governor Abbott's September 2026 data-center moratorium directive.

What should members check before starting or continuing work?

Keep a current list of required permits and approvals, who holds each one, and what work they cover. Include state, local, and federal requirements, as well as any approvals for supporting infrastructure. Check for any remaining conditions, expiration or renewal dates, and any stay or challenge. Also confirm that any general permit is actually in effect. Using Texas as an example, TCEQ currently requires staff review of certain general-permit applications, so contractors should not assume an application is automatically approved or that work can begin while approval is pending.

Does breaking ground protect the project?

Not necessarily. Starting work does not guarantee that a project can proceed through every phase. Texas law allows certain general-permit coverage for wastewater discharges to be suspended. Before making additional commitments, confirm that the approvals needed for the next stage of work remain in place. Approval to build does not necessarily mean a project has secured the needed electricity, water, or operating approvals. State actions affecting data center development can affect those approvals separately.

What government actions should members watch?

Review the directive or order and any agency guidance. Check when it takes effect, what it covers, whether there are exceptions, and how it affects existing permits and approvals. Watch for permitting delays or changes, requests for additional studies, suspension notices, and utility-service requirements.

What should contractors do if a restriction affects their work?

Coordinate with the owner and project team to determine what work is affected, what can continue, and what needs to stop. Get direction in writing and take steps to secure the site and protect completed work. Check the contract for notice requirements and provisions addressing suspension, changes in law, delay, additional costs, extensions, and termination. Give required notices on time; discussions with the owner may not satisfy the contract. Document impacts on schedule and costs. Keep in mind that a government-caused delay does not automatically entitle a contractor to additional compensation.

What should members bring to their chapter?

Provide the government document and basic project details, including the location, project phase, affected permits or approvals, key deadlines, and expected schedule or cost impacts. Keep supporting records such as permits, correspondence, inspection records, photographs, and documentation of completed work. This information helps chapters identify common issues and coordinate a response.

For additional information, please contact Allison Rusnak or visit AGC's Data Center Resource Hub at www.agc.org/datacenters. Updated November 13, 2026