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Gavel to Gavel: Byte-Sized Guidance: Emerging Legal Hurdles for Data Center Developers in Oklahoma

By: [Adam C. Doverspike](#) and [Tristan M. Reagan](#) // [GableGotwals](#) // October 21, 2026



Adam Doverspike



Tristan Reagan

Oklahoma is becoming a data center destination, as its abundant wind, solar, and natural gas resources support affordable, reliable power. To safeguard their investments, developers must look beyond engineering and utility questions and confront several legal realities before breaking ground.

Citizen-Led Challenges. Municipal approvals are not always the final hurdle. The Oklahoma Constitution permits citizen-led municipal initiative and referendum petitions and citizen-led grand jury petitions. Residents have invoked these populist tools to upend proposed data centers via city-wide votes on rezoning and incentive packages or to seek grand jury investigations into municipal approvals and open meeting compliance. Addressing grassroots sentiments early is as vital to project viability as securing council votes.

Open Records Act Considerations. When developers partner with public bodies to secure approvals and incentives, their project records face disclosure under the [Oklahoma Open Records Act](#). The Act protects from disclosure information that would give competitors an unfair advantage, such as unannounced prospective locations, software, and specific bidding information. But even with nondisclosure agreements and carefully drafted public submittals, confidentiality is not assured. Finalized public

contracts, executed incentive agreements, communications with public bodies, and public expenditure records could remain subject to mandatory disclosure.

Tribal Sovereignty. Most of northeastern Oklahoma sits in Indian Country, and developers must account for tribal interests. The Cherokee Nation, Seminole Nation, Kickapoo Tribe, and Cheyenne and Arapaho Tribes have enacted bans or moratoriums on data center construction on tribal lands. The Osage Nation is considering heightened legislative approval requirements for new developments. Developers should engage tribal leadership early regarding land-use policies, water allocations, and jurisdictional overlap.

State Legislative Developments. Two statutes recently expanded the state's regulatory framework. The [Data Center Customer Ratepayer Protection Act](#), effective July 1, 2026,

requires large power users to fund their own grid expansions. The [Groundwater Modernization Act](#), effective November 1, 2026, mandates recirculation for evaporative cooling.

Several other proposals failed, including a [three-year moratorium](#), [limits on state tax incentives](#), [mandatory pre-approval public disclosures](#), and a [state registry of large data centers](#). Even without a statewide pause, several municipalities have enacted temporary moratoriums to evaluate grid, water, and zoning impacts.

A recent House interim study reviewed grid capacity, ratepayer safeguards, water oversight, and cooling designs with utilities, regulators, and developers. The detailed fact-finding during that interim study signals further legislation remains under consideration.

Ultimately, deploying hyperscale infrastructure requires proactive engagement with these overlapping local, tribal, and state regulatory hurdles. Engaging trusted counsel with tribal and governmental relationships is critical.

[Adam Doverspike](#) is a shareholder in [GableGotwals](#)'s Litigation Practice Group, and [Tristan Reagan](#) is a litigation associate.