Legislative Assembly of Ontario



Assemblée législative de l'Ontario

1ST SESSION, 44TH LEGISLATURE, ONTARIO
5 CHARLES III, 2026

Bill 146

An Act to enact a moratorium with respect to artificial intelligence data centres and to make related amendments to two other statutes

Co-sponsors:
Mr. M. Schreiner
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Private Members' Bill

1st Reading November 3, 2026
2nd Reading
3rd Reading
Royal Assent

EXPLANATORY NOTE

The Bill enacts the *Moratorium on Artificial Intelligence Data Centres Act, 2026*.

The Act establishes a moratorium that prohibits building or increasing the computational capacity of artificial intelligence data centres until the moratorium is lifted.

An Advisory Committee is established to prepare a package of suggested legislative amendments designed to achieve several objectives related to artificial intelligence data centres. The Committee shall monitor the state of the law and assess whether the objectives have been met. If the objectives have been met, the Committee shall publish a statement lifting the moratorium.

The Minister of Agriculture, Food and Agribusiness is given the power to make orders requiring persons to dispose of farmland or their interest in farmland if it has been purchased to build or increase the computational capacity of an artificial intelligence data centre in contravention of the moratorium. Orders may also be made to prohibit purchases of farmland or an interest in farmland for related reasons.

The Minister of Energy and Mines and the Minister of Environment, Conservation and Parks must publish an annual report on specified artificial intelligence data centre issues.

Offence and penalty provisions are set out for contraventions of specified provisions of the Act. Related regulation-making powers are set out.

The Act also amends the *Planning Act* and the *Special Economic Zones Act, 2025*. The *Planning Act* is amended to provide that the Minister's orders under subsection 47 (1) of the Act cannot be made if they would have the effect of permitting the building or increase in computational capacity of an artificial intelligence data centre until the moratorium is lifted. The *Special Economic Zones Act, 2025* is amended to prevent the regulations under that Act from exempting proponents or projects from the *Moratorium on Artificial Intelligence Data Centres Act, 2026*.

Bill 146 **2026**

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His Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

Interpretation

1 In this Act,

"artificial intelligence" means a machine-based system that, for explicit or implicit objectives, infers from the input it receives how to generate outputs such as predictions, content, recommendations or decisions that can influence physical or virtual environments; ("intelligence artificielle")

"artificial intelligence data centre" means a specialized data centre facility designed for the computationally intensive tasks of training or running artificial intelligence systems or advanced machine learning models; ("centre de traitement de données en intelligence artificielle")

"farmland" means, subject to the regulations, land used or capable of being used for farm purposes and buildings on that land; ("terres agricoles")

"regulations" means the regulations made under this Act. ("règlements")

Moratorium

2 (1) No person shall build or increase the computational capacity of an artificial intelligence data centre.

Effective period

(2) Subsection (1) applies until the moratorium is lifted by the Advisory Committee under subsection 3 (6).

Advisory Committee

3 (1) An Advisory Committee is established under the name AI Safety Advisory Council in English and Conseil consultatif en matière de sécurité liée à l'intelligence artificielle in French.

Composition

(2) The Committee shall be composed of members appointed by the Lieutenant Governor in Council who are from the following groups:

1. Academics with expertise in artificial intelligence.
2. Non-profits and individuals with expertise in artificial intelligence.
3. Water management or protection experts.
4. Land use and planning experts.
5. Environmental experts.

Preparation of suggested amendments

(3) The Committee shall prepare a package of suggested legislative and regulatory amendments that are designed to achieve the following objectives:

1. Artificial intelligence data centres must demonstrate that they will not increase utility bills for residents and businesses in their host communities.
2. Artificial intelligence data centres must not increase fossil fuel use, require new fossil fuel infrastructure or increase peak electricity use.
3. Access to water that is needed for drinking or agricultural use shall be prioritized over access to water that is needed for artificial intelligence data centres.
4. No artificial intelligence data centres may be built or have their computational capacity increased until a local watershed impact assessment has been completed.
5. There must be defined limits on the electricity, water, noise and emissions generated by artificial intelligence data centres in Ontario, and compliance with those limits must be subject to independent monitoring and public reporting.
6. Artificial intelligence data centres must not be built on farmland.
7. Communities that are impacted by the building or increase in computational capacity of an artificial intelligence data centre must have the power to approve or reject the building or computational capacity increase and must have mechanisms to recover any increased infrastructure costs.
8. Artificial intelligence data centres must provide community benefits through binding agreements with the community that have clear outcomes and penalties.
9. All aspects of artificial intelligence data centres must be governed by digital sovereignty requirements that ensure Canadian control of the centre and its data, along with mandatory disclosure of any legal or privacy risks that may arise in other jurisdictions.
10. No government subsidies may be provided for building or increasing the computational capacity of artificial intelligence data centres.

Delivery

(4) The Committee shall deliver their suggested amendments to the Minister of Economic Development, Job Creation and Trade and the Minister of Environment, Conservation and Parks and publish the suggested amendments on a website of the Government of Ontario.

Monitoring

(5) The Committee shall monitor the state of the law and assess whether the objectives set out in subsection (3) have been met.

Lifting of moratorium

(6) If the Committee is satisfied that amendments to the state of the law have met the objectives set out in subsection (3), the Committee shall publish a statement on a website of the Government of Ontario lifting the moratorium on building or increasing the computational capacity of artificial intelligence data centres.

Farmland order

4 (1) In this section,

"Minister" means the Minister of Agriculture, Food and Agribusiness or such other member of the Executive Council to whom responsibility for the administration of this Act may be assigned or transferred under the *Executive Council Act*.

Order to dispose of farmland or interest

(2) The Minister may issue an order to any person who purchased or otherwise acquired farmland or an interest in farmland in order to build or increase the computational capacity of an artificial intelligence data centre in contravention of section 2 that requires the person to dispose of the farmland or the interest in farmland.

Order to prohibit purchase, etc.

(3) If the Minister is satisfied that a person intends to purchase or otherwise acquired farmland or an interest in farmland in order to build or increase the computational capacity of an artificial intelligence data centre in contravention of section 2, the Minister may issue an order to the person prohibiting the person from proceeding with the purchase or acquisition.

Court order to comply

(4) If a person fails to comply with an order under this section, the Minister may, in addition to any other remedy and to any other penalty imposed by law, apply to the Superior Court of Justice for an order directing the person to comply and, on the application, the court may make the order that the court thinks fit.

Compliance with order

(5) A person shall comply with an order issued under this section.

Annual report

5 The Minister of Energy and Mines and the Minister of Environment, Conservation and Parks shall publish an annual report on a Government of Ontario website describing,

(a) the current and forecasted consumption of water and energy by artificial intelligence data centres;

(b) the noise levels at artificial intelligence data centres;

(c) the on- and off-site greenhouse gas emissions caused by artificial intelligence data centres;

(d) any electronic or chemical waste from artificial intelligence data centres;

(e) wastewater discharge and thermal outputs of artificial intelligence data centres;

(f) the funding sources of artificial intelligence data centres; and

(g) the effect of artificial intelligence data centres on employment, including an assessment of the temporary and permanent jobs that have been created or lost.

Offence

6 (1) Any person who contravenes section 2 or subsection 4 (5) is guilty of an offence.

Corporations

(2) If a corporation commits an offence under this Act, a director or officer of a corporation who authorized, permitted or concurred in the commission of the offence is also guilty of an offence.

Penalties, individual

(3) An individual convicted of an offence under this Act is liable to a fine of not more than $500,000.

Penalties, corporation

(4) A corporation convicted of an offence under this Act is liable to a fine of not more than $1,000,000.

Regulations

7 The Lieutenant Governor in Council may make regulations further defining, specifying or clarifying the definition of "farmland" in section 1, which may include but is not limited to,

(a) defining "farm purposes";

(b) providing that land is farmland if it is used for farm purposes by specified persons;

(c) excluding types of land and buildings from the definition;

(d) providing that land and buildings are farmland based on previous use for farm purposes and specifying the time period in which the previous use for farm purposes must have occurred.

Planning Act

8 Section 47 of the *Planning Act* is amended to add the following subsection:

Exception

(1.0.0.0.1) Subsection (1) does not allow the Minister to make an order that would have the effect of permitting the building or increase in computational capacity of an artificial intelligence data centre, as that term is defined in the *Moratorium on Artificial Intelligence Data Centres Act, 2026*, until the moratorium established by that Act is lifted.

Special Economic Zones Act, 2025

9 Section 5 of the *Special Economic Zones Act, 2025* is amended by adding the following subsection:

Exception

(3) Despite subsection (1), the regulations may not provide that a trusted proponent or designated project is exempt from the *Moratorium on Artificial Intelligence Data Centres Act, 2026*.

Commencement

10 This Act comes into force on the day it receives Royal Assent.

Short title

11 The short title of this Act is the *Moratorium on Artificial Intelligence Data Centres Act, 2026*.