ORDINANCE NO. 196-2026

AN ORDINANCE TO AMEND THE MUNICIPAL ZONING ORDINANCE OF THE TOWN OF SURGOINSVILLE, TENNESSEE FOR THE PURPOSE OF ADDING AN AMENDMENT TO DEFINE AND REGULATE ARTIFICIAL INTELLIGENCE FACILITIES.

Whereas, Sections 13-7-201 through 13-7-212 of the <u>Tennessee Code Annotated</u> provides the Town of Surgoinsville, Tennessee with the powers and authority to enact local municipal zoning codes; and

Whereas, said sections provide a process for the amendment of local municipal zoning codes; and

Whereas, the Town of Surgoinsville Planning Commission met on February 17th 2026, for the purpose of considering this ordinance amendment and recommended approval of the ordinance to the Board of Mayor and Aldermen; and

Whereas, the Town of Surgoinsville, Tennessee Board of Mayor and Aldermen recognizes it to be in the best interest and to the best general welfare of the citizens of the Town of Erwin, Tennessee to amend the Surgoinsville Municipal Zoning Ordinance to amend **Article III, DEFINITIONS and ARTICLE VII, PROVISIONS GOVERNING USE DISTRICTS.**

Now, Therefore, Be It Ordained by the Board of Mayor and Aldermen of the Town of Surgoinsville, Tennessee that the Town of Surgoinsville Municipal Zoning Ordinance is hereby amended to read the following:

1. Article III. DEFINITIONS, is amended to read as follows:

ADD:

Cryptocurrency or Artificial Intelligence Data Mining Center:
A facility, whether principal or accessory use, engaged in the operation of specialized computer equipment for the primary purpose of validating blockchain transactions, mining digital or cryptocurrency, or maintaining and securing decentralized ledgers. These facilities typically require substantial electrical power, high-capacity cooling systems, and uninterrupted data connectivity to operate application-specific integrated circuits (ASICs), graphics processing units (GPUs), or other mining hardware.

Cryptocurrency data mining centers may include associated data storage systems, cooling infrastructure, backup power sources, and physical or cybersecurity systems. This use is distinct from general-purpose data centers or server farms and is regulated

separately due to its potential impact on infrastructure, noise, heat, and energy demand.

Artificial Intelligence Training Facility:
A facility, structure, or site where artificial intelligence models are researched, developed, and trained for the purpose of innovation, education, or applied business solutions. AI training facilities may include classroom space, laboratories, and computing resources, provided their primary function is the supervised development and training of AI models, and not large-scale commercial data mining.

1. Article VII. PROVISIONS GOVERNING USE DISTRICTS.

Add: 704.7 Prohibited Uses: Cryptocurrency or AI data mining centers.

705.11. Prohibited Uses: Cryptocurrency or AI data mining centers.

706.9. Prohibited Uses: Cryptocurrency or AI data mining centers.

707.8. Prohibited Uses: Cryptocurrency or AI data mining centers.

709.8. Cryptocurrency or AI data mining centers with planning commission approval.

708.11.1. Cannot be withing 1000 feet of any residential area.

Be It Further Ordained, that this ordinance shall be effective from and after its passage, the public welfare requiring it.

Approved by the Planning Commission   February 17th, 2026

                                             Date

Passed on First Reading

                                             Date

Passed on Second Reading

                                             Date

Public Hearing Held On

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                                             Date

Approved and Signed in Open Meeting

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Merrell Graham, Mayor

ATTEST:

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Megan Gentry, City Recorder