

House Engrossed Senate Bill  
corporation commission; small modular reactors

State of Arizona  
Senate  
Fifty-seventh Legislature  
Second Regular Session  
2026

# SENATE BILL 1418

AN ACT

AMENDING SECTIONS 11-812, 40-360, 40-360.03 AND 40-360.07, ARIZONA REVISED STATUTES; AMENDING TITLE 40, CHAPTER 2, ARTICLE 6.2, ARIZONA REVISED STATUTES, BY ADDING SECTION 40-360.14; RELATING TO THE POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 11-812, Arizona Revised Statutes, is amended to  
3 read:

4 11-812. Restriction on regulation; exceptions; aggregate  
5 mining regulation; definitions

6 A. ~~Nothing contained in~~ Any ordinance authorized by this chapter  
7 ~~shall~~ MAY NOT:

8 1. Affect existing uses of property or the right to its continued  
9 use or the reasonable repair or alteration of the property for the purpose  
10 for which used at the time the ordinance affecting the property takes  
11 effect.

12 2. Prevent, restrict or otherwise regulate the use or occupation of  
13 land or improvements for railroad, mining, metallurgical, grazing or  
14 general agricultural purposes, if the tract concerned is five or more  
15 contiguous commercial acres. For the purposes of this paragraph:

16 (a) "General agricultural purposes" includes agritourism as defined  
17 in section 3-111, but does not include any of the following:

18 (i) Food establishments THAT ARE under the authority of the  
19 department of health services pursuant to section 36-136, subsection I AND  
20 that are associated with an agritourism business.

21 (ii) Rodeo events that are open to the general public and that sell  
22 tickets for admission. For the purposes of this item, rodeo events do not  
23 include generally accepted agricultural practices associated with  
24 livestock and equine operations.

25 (iii) The cultivation of cannabis as defined in section 13-3401 or  
26 marijuana as defined in section 13-3401 or 36-2801.

27 (b) "Mining" has the same meaning prescribed in section 27-301.

28 3. Prevent, restrict or otherwise regulate the use or occupation of  
29 land or improvements for agricultural composting, if the tract is five or  
30 more contiguous commercial acres. An agricultural composting operation  
31 shall notify in writing the board of supervisors and the nearest fire  
32 department of the location of the composting operation. If the nearest  
33 fire department is located in a city, town or fire district where the  
34 agricultural composting is not located, the agricultural composting  
35 operation shall also notify in writing the fire district in which the  
36 operation is located. Agricultural composting is subject to sections  
37 3-112 and 49-141. For the purposes of this paragraph, "agricultural  
38 composting" has the same meaning prescribed in section 9-462.01,  
39 subsection G.

40 4. Prevent, restrict or otherwise regulate the otherwise lawful  
41 discharge of a firearm or air gun or use of archery equipment on a private  
42 lot or parcel of land that is not open to the public on a commercial or  
43 membership basis.

1           5. EXCEPT IN A COUNTY WITH FIVE HUNDRED THOUSAND PERSONS OR MORE,  
2 PREVENT, RESTRICT OR OTHERWISE REGULATE THE USE OR OCCUPATION OF LAND OR  
3 IMPROVEMENTS FOR THE CONSTRUCTION AND OPERATION OF A SMALL MODULAR  
4 REACTOR, IF ALL OF THE FOLLOWING HAVE BEEN MET BEFORE CONSTRUCTION OF THE  
5 SMALL MODULAR REACTOR:

6           (a) THE SMALL MODULAR REACTOR IS COLOCATED WITH AN EXTRA HIGH LOAD  
7 FACTOR CUSTOMER AS DEFINED BY THE CORPORATION COMMISSION AND THAT RECEIVED  
8 ALL APPLICABLE ZONING ENTITLEMENTS.

9           (b) THE SMALL MODULAR REACTOR RECEIVED A DESIGN CERTIFICATION AS  
10 PRESCRIBED IN 10 CODE OF FEDERAL REGULATIONS PART 52 FROM A FEDERAL AGENCY  
11 OR COMMISSION THAT REGULATES PUBLIC HEALTH AND SAFETY RELATING TO THE  
12 OPERATION OF NUCLEAR REACTORS.

13           (c) THE SMALL MODULAR REACTOR IS NOT EITHER OF THE FOLLOWING:

14           (i) LOCATED WITHIN A COUNTY ISLAND AS DEFINED IN SECTION 11-251.12.

15           (ii) LOCATED WITHIN THREE MILES OF THE BOUNDARIES OF A MUNICIPALITY  
16 OR THE MUNICIPAL PLANNING AREA OF THE MUNICIPALITY, AS DESIGNED IN THE  
17 LAND USE MAP OF THE MUNICIPALITY'S GENERAL PLAN. THIS ITEM APPLIES  
18 REGARDLESS OF WHETHER THE MUNICIPALITY HAS EXERCISED EXTRATERRITORIAL  
19 JURISDICTION PURSUANT TO SECTION 9-462.07.

20           (d) THE OWNER OR OPERATOR OF THE SMALL MODULAR REACTOR HAS  
21 SUBMITTED TO THE BOARD OF SUPERVISORS OF THE COUNTY IN WHICH THE PROPOSED  
22 SMALL MODULAR REACTOR IS LOCATED BOTH OF THE FOLLOWING:

23           (i) THE DESIGN CERTIFICATION FOR THE SMALL MODULAR REACTOR AS  
24 PRESCRIBED IN SUBDIVISION (b) OF THIS PARAGRAPH.

25           (ii) A MAP THAT SHOWS THAT THE LOCATION OF THE SMALL MODULAR  
26 REACTOR SATISFIES THE REQUIREMENTS OF SUBDIVISION (c) OF THIS PARAGRAPH.

27           B. A nonconforming business use within a district may expand if the  
28 expansion does not exceed one hundred ~~per cent~~ PERCENT of the area of the  
29 original business.

30           C. For the purposes of subsection A, paragraph 2 of this section,  
31 mining does not include aggregate mining operations in an aggregate mining  
32 operations zoning district established pursuant to this section. The  
33 board of supervisors of any county with a population of more than two  
34 million persons shall designate and establish the boundaries of an  
35 aggregate mining operations zoning district on the petition of at least  
36 one hundred persons who reside within one-half mile of an existing  
37 aggregate mining operation. In addition, the board of supervisors of any  
38 county may establish, in its discretion and on the board's initiative, one  
39 or more aggregate mining operations zoning districts. Aggregate mining  
40 operations zoning districts may only be located in areas that are  
41 inventoried and mapped as areas of known reserves or in areas with  
42 existing aggregate mining operations. Subject to subsections E and F of  
43 this section, a county and the state mine inspector may jointly adopt, as  
44 internal administrative regulations, reasonable aggregate mining

1 operations zoning district standards limited to permitted uses, procedures  
2 for approval of property development plans and site development standards  
3 for dust control, height regulations, setbacks, days and hours of  
4 operation, off-street parking, screening, noise, vibration and air  
5 pollution control, signs, roadway access lanes, arterial highway  
6 protection and property reclamation for which aggregate mining operations  
7 are not otherwise subject to federal, state or local regulation or a  
8 governmental contractual obligation. Regulations **THAT ARE** jointly adopted  
9 pursuant to this subsection by the county and the state mine inspector  
10 shall not prohibit the activities included in the definition of mine  
11 pursuant to section 27-301, paragraph 8 or duplicate, conflict with or be  
12 more stringent than applicable federal, state or local laws.

13 D. The board of supervisors of any county that establishes an  
14 aggregate mining operations zoning district shall appoint an aggregate  
15 mining operations recommendation committee for the district. The  
16 committee consists of not more than seven operators, or representatives of  
17 operators, of active aggregate mining operations in any district within  
18 the county and an equal number of private citizens, who are not operators,  
19 who are not employed by operators and who do not represent operators,  
20 residing within three miles of the boundaries of aggregate mining  
21 operations or a proposed aggregate mining operation in the district for  
22 which the committee is established. The initial members appointed to the  
23 committee shall be deemed the primary members, and the board of  
24 supervisors shall appoint not more than five alternate members who  
25 represent operators and shall appoint not more than five alternate members  
26 who are private citizens. Alternate members may serve at meetings of the  
27 committee when a primary member is unable to attend. An aggregate mining  
28 operator may serve on more than one committee in the same county. The  
29 board of supervisors shall determine the length of terms of members of the  
30 committee and shall stagger the initial appointments so that not all  
31 members' terms expire at the same time. Members of the committee who no  
32 longer qualify for membership as provided by this subsection are subject  
33 to removal and replacement by the board of supervisors. The committee  
34 shall elect a member who is an aggregate mining operator to serve as  
35 chairperson for the first year in which the committee is created. For  
36 each year thereafter, the chairperson shall be elected by the members of  
37 the committee with a member who is a private citizen and a member who is  
38 an aggregate mining operator serving as chairperson in alternate years.  
39 The committee is subject to the open meeting requirements of title 38,  
40 chapter 3, article 3.1.

41 E. Within ninety days after an aggregate mining operations  
42 recommendation committee is established, the committee shall notify all  
43 existing aggregate mining operators in the district of the application of

1 this section and title 27, chapter 3, article 6 to the aggregate mining  
2 operation. In addition, the committee shall:

3 1. By a majority vote of all members make recommendations to the  
4 board of supervisors for aggregate mining zoning districts and  
5 administrative regulations as provided in this section. The board of  
6 supervisors may adopt or reject the recommendations but may not make any  
7 modifications to the recommendations unless the modification is approved  
8 by a majority of the members of the recommendation committee.

9 2. Serve as a forum for mediation of disputes between members of  
10 the public and aggregate mining owners or operators. If the committee is  
11 unable to resolve a dispute, the committee shall transmit the matter to  
12 the state mine inspector, with written findings and recommendations, for  
13 further action.

14 3. Hear written complaints filed with the state mine inspector  
15 regarding alleged material deviations from approved community notices for  
16 aggregate mining operations and make written recommendations to the state  
17 mine inspector pursuant to section 27-446.

18 F. Any administrative regulations adopted by a board of supervisors  
19 pursuant to this section are not effective until the regulations are  
20 approved by the state mine inspector. The STATE MINE inspector may  
21 disapprove the administrative regulations adopted by the board of  
22 supervisors only if they duplicate, conflict with or are more stringent  
23 than applicable federal, state or local laws, rules or regulations. If  
24 the STATE MINE inspector disapproves the administrative regulations, the  
25 STATE MINE inspector must provide written reasons for the disapproval. The  
26 STATE MINE inspector shall not make any modification to the administrative  
27 regulations as adopted by the board of supervisors unless the modification  
28 is approved by a majority of the members of the board of supervisors.

29 G. A person or entity is subject to this chapter if the use or  
30 occupation of land or improvements by the person or entity consists of or  
31 includes changing, remanufacturing or treating human sewage or sludge for  
32 distribution or resale. These activities are not exempt from this chapter  
33 under subsection A, paragraph 2 of this section.

34 H. A county shall not require as a condition for a permit or for  
35 any approval, or otherwise cause, an owner or possessor of property to  
36 waive the right to continue an existing nonconforming outdoor advertising  
37 use or structure without acquiring the use or structure by purchase or  
38 condemnation and paying just compensation unless the county, at its  
39 option, allows the use or structure to be relocated to a comparable site  
40 in the county with the same or a similar zoning classification, or to  
41 another site in the county acceptable to both the county and the owner of  
42 the use or structure, and the use or structure is relocated to the other  
43 site. The county shall pay for relocating the outdoor advertising use or  
44 structure, including the cost of removing and constructing the new use or

1 structure that is at least the same size and height. This subsection does  
2 not apply to county rezoning of property at the request of the property  
3 owner to a more intensive zoning district.

4 I. For the purposes of this section:

5 1. "Aggregate" has the same meaning prescribed in section 27-441.

6 2. "Aggregate mining" has the same meaning prescribed in section  
7 27-441.

8 3. "Aggregate mining operation" means property that is owned,  
9 operated or managed by the same person for aggregate mining.

10 4. "Operators" means persons who are actively engaged in aggregate  
11 mining operations within the zoning district or proposed zoning district  
12 and who have given notice to the state mine inspector pursuant to section  
13 27-303.

14 5. "SMALL MODULAR REACTOR" MEANS A GENERATION III+ OR GENERATION IV  
15 NUCLEAR GENERATING UNIT WITH A NAMEPLATE RATING OF NOT MORE THAN THREE  
16 HUNDRED MEGAWATTS.

17 Sec. 2. Section 40-360, Arizona Revised Statutes, is amended to  
18 read:

19 40-360. Definitions

20 In this article, unless the context otherwise requires:

21 1. "Area of jurisdiction" means the state, a county or an  
22 incorporated city or town that exercises concurrent or exclusive  
23 jurisdiction over a geographical area.

24 2. "Certificate of environmental compatibility" means the  
25 certificate that is required by this article and that evidences the  
26 approval by the state of the sites for a plant or transmission line, or  
27 both.

28 3. "Commission" means the corporation commission.

29 4. "Committee" means the power plant and transmission line siting  
30 committee.

31 5. "Current Arizona electric transmission system" means the  
32 existing electric transmission system serving this state and all  
33 transmission lines on file with the commission as of January 31 of the  
34 previous year.

35 6. "Facilities" means a plant or transmission line, or both.

36 7. "Member" means the state official named herein, the employee  
37 designee thereof from the department, agency or governing body of such  
38 state official member and the public members designated herein.

39 8. "Person" means any state or agency or political subdivision  
40 thereof, or any individual, partnership, joint venture, corporation, city  
41 or county, whether located within or without this state, or any  
42 combination of such entities.

43 9. "Plant" means each separate thermal OR NONTHERMAL electric,  
44 nuclear or hydroelectric generating unit OR A SMALL MODULAR REACTOR with a

1 nameplate rating of ~~one~~ TWO hundred megawatts or more for which  
2 expenditures or financial commitments for land acquisition, materials,  
3 construction or engineering exceeding \$50,000 have not been made before  
4 August 13, 1971.

5 10. "Transmission line":

6 (a) Means five or more new structures that span more than one mile  
7 in length as measured from the first structure outside of the substation,  
8 switchyard or generating site to which the line connects to the fifth  
9 structure and that are erected above ground and support one or more  
10 conductors designed for the transmission of electric energy at nominal  
11 voltages of one hundred fifteen thousand volts or more and all new  
12 switchyards to be used therewith and related thereto for which  
13 expenditures or financial commitments for land acquisition, materials,  
14 construction or engineering exceeding \$50,000 have not been made before  
15 August 13, 1971. ~~Transmission line~~

16 (b) Does not include structures located on the substation,  
17 switchyard or generating site to which the line connects.

18 11. "Utility" means any person engaged in the generation or  
19 transmission of electric energy.

20 Sec. 3. Section 40-360.03, Arizona Revised Statutes, is amended to  
21 read:

22 40-360.03. Application for certificate of environmental  
23 compatibility before construction of facilities;  
24 electronic format; rules; exception

25 A. Except as provided in ~~subsection~~ SUBSECTIONS B AND C of this  
26 section, every utility that plans to construct a plant or transmission  
27 line, or both, in this state shall first file with the commission an  
28 application for a certificate of environmental compatibility. The  
29 application shall be in a form prescribed by the commission and shall be  
30 accompanied by information with respect to the proposed type of facilities  
31 and description of the site, including the areas of jurisdiction affected  
32 and the estimated cost of the proposed facilities and site. The  
33 application shall also be accompanied by a receipt that evidences payment  
34 of the appropriate fee required by section 40-360.09. The commission  
35 shall promptly refer the application and accompanying information to the  
36 chairman of the committee for the committee's review and decision. The  
37 application and accompanying information may be submitted to the  
38 commission in an electronic format. The commission may adopt rules to  
39 accept electronic filings under this section and to ensure that proper  
40 notice is provided electronically to interested parties.

41 B. A utility may replace a conductor or wire on a transmission line  
42 or may replace an existing transmission line structure or structures with  
43 a new transmission line structure or structures without seeking a new  
44 certificate of environmental compatibility and without holding a hearing

1 under this article if the replacement is on a transmission line that  
2 previously received a certificate of environmental compatibility or that  
3 was in use or authorized before August 13, 1971. All replacement  
4 conductors or structures shall comply with the terms and conditions of the  
5 applicable existing certificate of environmental compatibility.

6 C. A UTILITY, AFTER PROVIDING THIRTY DAYS' WRITTEN NOTICE TO THE  
7 COMMISSION, MAY REPLACE AN EXISTING THERMAL ELECTRIC GENERATING UNIT WITH  
8 A REPLACEMENT SMALL MODULAR REACTOR OR CONSTRUCT A NEW SMALL MODULAR  
9 REACTOR WITHOUT SEEKING A NEW CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY  
10 AND WITHOUT HOLDING A HEARING UNDER THIS ARTICLE IF THE NEW OR REPLACEMENT  
11 SMALL MODULAR REACTOR IS LOCATED ON OR IMMEDIATELY ADJACENT TO THE SITE OF  
12 A PLANT THAT PREVIOUSLY RECEIVED A CERTIFICATE OF ENVIRONMENTAL  
13 COMPATIBILITY OR THAT WAS IN USE OR AUTHORIZED BEFORE AUGUST 13, 1971.  
14 FOR THE PURPOSES OF THIS SUBSECTION, "SMALL MODULAR REACTOR" MEANS A  
15 GENERATION III+ OR GENERATION IV NUCLEAR GENERATING UNIT WITH A NAMEPLATE  
16 RATING OF NOT MORE THAN THREE HUNDRED MEGAWATTS.

17 Sec. 4. Section 40-360.07, Arizona Revised Statutes, is amended to  
18 read:

19 40-360.07. Compliance by utility; commission order

20 A. ~~NO~~ EXCEPT AS PROVIDED IN SECTION 40-360.14, SUBSECTIONS B AND C,  
21 A utility may NOT construct a plant or transmission line within this state  
22 until it has received a certificate of environmental compatibility from  
23 the committee with respect to the proposed site, affirmed and approved by  
24 an order of the commission which shall be issued not less than thirty days  
25 nor more than sixty days after the certificate is issued by the committee,  
26 except that within fifteen days after the committee has rendered its  
27 written decision any party to a certification proceeding may request a  
28 review of the committee's decision by the commission.

29 B. The grounds for review shall be stated in a written notice filed  
30 with the commission with a copy ~~thereof~~ OF THE NOTICE served on the  
31 chairman of the committee. The committee shall transmit to the commission  
32 the complete record, including a certified transcript, and the review  
33 shall be conducted on the basis of the record. The commission ~~may~~, at the  
34 request of any party, MAY require written briefs or oral argument and  
35 shall within sixty days ~~from~~ AFTER the date the notice is filed either  
36 confirm, deny or modify any certificate granted by the committee, or ~~in~~  
37 ~~the event~~ IF the committee refused to grant a certificate, the commission  
38 may issue a certificate to the applicant. In arriving at its decision,  
39 the commission shall comply with ~~the provisions of~~ section 40-360.06 and  
40 shall balance, in the broad public interest, the need for an adequate,  
41 economical and reliable supply of electric power with the desire to  
42 minimize the effect ~~thereof~~ on the environment and ecology of this state.

43 C. The committee or any party to a decision by the commission  
44 pursuant to subsection B of this section may request the commission to

1 reconsider its decision within thirty days after the decision is issued. A  
2 request for reconsideration made pursuant to this subsection shall set  
3 forth the grounds ~~upon~~ ON which it is based and state the manner in which  
4 the party believes the commission unreasonably or unlawfully applied or  
5 failed to apply the criteria set forth in section 40-360.06. The decision  
6 of the commission is final with respect to all issues, subject only to  
7 judicial review as provided by law in the event of an appeal by a person  
8 having a legal right or interest that will be injuriously affected by the  
9 decision.

10 Sec. 5. Title 40, chapter 2, article 6.2, Arizona Revised Statutes,  
11 is amended by adding section 40-360.14, to read:

12 40-360.14. Exemption; modular reactors colocated with large  
13 industrial energy user; rules; applicability;  
14 definition

15 A. NOTWITHSTANDING SECTIONS 40-360.03 AND 40-360.07, A UTILITY,  
16 AFTER PROVIDING THIRTY DAYS' WRITTEN NOTICE TO THE COMMISSION, MAY  
17 CONSTRUCT A NEW SMALL MODULAR REACTOR IN THIS STATE WITHOUT FILING AN  
18 APPLICATION FOR OR RECEIVING A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY  
19 IF THE NEW SMALL MODULAR REACTOR IS COLOCATED WITH AN EXTRA HIGH LOAD  
20 FACTOR CUSTOMER AS DEFINED BY THE COMMISSION.

21 B. A NEW SMALL MODULAR REACTOR THAT IS CONSTRUCTED PURSUANT TO THIS  
22 SECTION SHALL COMPLY WITH ALL APPLICABLE FEDERAL, STATE AND LOCAL LAWS AND  
23 REQUIREMENTS.

24 C. THIS SECTION APPLIES ONLY IN A COUNTY WITH A POPULATION OF LESS  
25 THAN FIVE HUNDRED THOUSAND PERSONS.

26 D. FOR THE PURPOSES OF THIS SECTION, "SMALL MODULAR REACTOR" MEANS  
27 A GENERATION III+ OR GENERATION IV NUCLEAR GENERATING UNIT WITH A  
28 NAMEPLATE RATING OF NOT MORE THAN THREE HUNDRED MEGAWATTS.