

Senate Engrossed

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 THE SMALL MODULAR REACTOR IS COLOCATED WITH A LARGE INDUSTRIAL
5 ENERGY USER THAT RECEIVED ALL APPLICABLE ZONING ENTITLEMENTS. FOR THE
6 PURPOSES OF THIS PARAGRAPH, "COLOCATED WITH", "LARGE INDUSTRIAL ENERGY
7 USER" AND "SMALL MODULAR REACTOR" HAVE THE SAME MEANINGS ADOPTED BY THE
8 CORPORATION COMMISSION PURSUANT TO SECTION 40-360.14.

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

12 C. For the purposes of subsection A, paragraph 2 of this section,
13 mining does not include aggregate mining operations in an aggregate mining
14 operations zoning district established pursuant to this section. The
15 board of supervisors of any county with a population of more than two
16 million persons shall designate and establish the boundaries of an
17 aggregate mining operations zoning district on the petition of at least
18 one hundred persons who reside within one-half mile of an existing
19 aggregate mining operation. In addition, the board of supervisors of any
20 county may establish, in its discretion and on the board's initiative, one
21 or more aggregate mining operations zoning districts. Aggregate mining
22 operations zoning districts may only be located in areas that are
23 inventoried and mapped as areas of known reserves or in areas with
24 existing aggregate mining operations. Subject to subsections E and F of
25 this section, a county and the state mine inspector may jointly adopt, as
26 internal administrative regulations, reasonable aggregate mining
27 operations zoning district standards limited to permitted uses, procedures
28 for approval of property development plans and site development standards
29 for dust control, height regulations, setbacks, days and hours of
30 operation, off-street parking, screening, noise, vibration and air
31 pollution control, signs, roadway access lanes, arterial highway
32 protection and property reclamation for which aggregate mining operations
33 are not otherwise subject to federal, state or local regulation or a
34 governmental contractual obligation. Regulations **THAT ARE** jointly adopted
35 pursuant to this subsection by the county and the state mine inspector
36 shall not prohibit the activities included in the definition of mine
37 pursuant to section 27-301, paragraph 8 or duplicate, conflict with or be
38 more stringent than applicable federal, state or local laws.

39 D. The board of supervisors of any county that establishes an
40 aggregate mining operations zoning district shall appoint an aggregate
41 mining operations recommendation committee for the district. The
42 committee consists of not more than seven operators, or representatives of
43 operators, of active aggregate mining operations in any district within
44 the county and an equal number of private citizens, who are not operators,

1 who are not employed by operators and who do not represent operators,
2 residing within three miles of the boundaries of aggregate mining
3 operations or a proposed aggregate mining operation in the district for
4 which the committee is established. The initial members appointed to the
5 committee shall be deemed the primary members, and the board of
6 supervisors shall appoint not more than five alternate members who
7 represent operators and shall appoint not more than five alternate members
8 who are private citizens. Alternate members may serve at meetings of the
9 committee when a primary member is unable to attend. An aggregate mining
10 operator may serve on more than one committee in the same county. The
11 board of supervisors shall determine the length of terms of members of the
12 committee and shall stagger the initial appointments so that not all
13 members' terms expire at the same time. Members of the committee who no
14 longer qualify for membership as provided by this subsection are subject
15 to removal and replacement by the board of supervisors. The committee
16 shall elect a member who is an aggregate mining operator to serve as
17 chairperson for the first year in which the committee is created. For
18 each year thereafter, the chairperson shall be elected by the members of
19 the committee with a member who is a private citizen and a member who is
20 an aggregate mining operator serving as chairperson in alternate years.
21 The committee is subject to the open meeting requirements of title 38,
22 chapter 3, article 3.1.

23 E. Within ninety days after an aggregate mining operations
24 recommendation committee is established, the committee shall notify all
25 existing aggregate mining operators in the district of the application of
26 this section and title 27, chapter 3, article 6 to the aggregate mining
27 operation. In addition, the committee shall:

28 1. By a majority vote of all members make recommendations to the
29 board of supervisors for aggregate mining zoning districts and
30 administrative regulations as provided in this section. The board of
31 supervisors may adopt or reject the recommendations but may not make any
32 modifications to the recommendations unless the modification is approved
33 by a majority of the members of the recommendation committee.

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

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

43 F. Any administrative regulations adopted by a board of supervisors
44 pursuant to this section are not effective until the regulations are

1 approved by the state mine inspector. The STATE MINE inspector may
2 disapprove the administrative regulations adopted by the board of
3 supervisors only if they duplicate, conflict with or are more stringent
4 than applicable federal, state or local laws, rules or regulations. If
5 the STATE MINE inspector disapproves the administrative regulations, the
6 STATE MINE inspector must provide written reasons for the disapproval.
7 The STATE MINE inspector shall not make any modification to the
8 administrative regulations as adopted by the board of supervisors unless
9 the modification is approved by a majority of the members of the board of
10 supervisors.

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

16 H. A county shall not require as a condition for a permit or for
17 any approval, or otherwise cause, an owner or possessor of property to
18 waive the right to continue an existing nonconforming outdoor advertising
19 use or structure without acquiring the use or structure by purchase or
20 condemnation and paying just compensation unless the county, at its
21 option, allows the use or structure to be relocated to a comparable site
22 in the county with the same or a similar zoning classification, or to
23 another site in the county acceptable to both the county and the owner of
24 the use or structure, and the use or structure is relocated to the other
25 site. The county shall pay for relocating the outdoor advertising use or
26 structure, including the cost of removing and constructing the new use or
27 structure that is at least the same size and height. This subsection does
28 not apply to county rezoning of property at the request of the property
29 owner to a more intensive zoning district.

30 I. For the purposes of this section:

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

32 2. "Aggregate mining" has the same meaning prescribed in section
33 27-441.

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

36 4. "Operators" means persons who are actively engaged in aggregate
37 mining operations within the zoning district or proposed zoning district
38 and who have given notice to the state mine inspector pursuant to section
39 27-303.

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

42 40-360. Definitions

43 In this article, unless the context otherwise requires:

- 1 1. "Area of jurisdiction" means the state, a county or an
2 incorporated city or town that exercises concurrent or exclusive
3 jurisdiction over a geographical area.
- 4 2. "Certificate of environmental compatibility" means the
5 certificate that is required by this article and that evidences the
6 approval by the state of the sites for a plant or transmission line, or
7 both.
- 8 3. "Commission" means the corporation commission.
- 9 4. "Committee" means the power plant and transmission line siting
10 committee.
- 11 5. "Current Arizona electric transmission system" means the
12 existing electric transmission system serving this state and all
13 transmission lines on file with the commission as of January 31 of the
14 previous year.
- 15 6. "Facilities" means a plant or transmission line, or both.
- 16 7. "Member" means the state official named herein, the employee
17 designee thereof from the department, agency or governing body of such
18 state official member and the public members designated herein.
- 19 8. "Person" means any state or agency or political subdivision
20 thereof, or any individual, partnership, joint venture, corporation, city
21 or county, whether located within or without this state, or any
22 combination of such entities.
- 23 9. "Plant" means each separate thermal OR NONTHERMAL electric,
24 nuclear or hydroelectric generating unit OR A SMALL MODULAR REACTOR with a
25 nameplate rating of ~~one~~ TWO hundred megawatts or more for which
26 expenditures or financial commitments for land acquisition, materials,
27 construction or engineering exceeding \$50,000 have not been made before
28 August 13, 1971.
- 29 10. "Transmission line":
- 30 (a) Means five or more new structures that span more than one mile
31 in length as measured from the first structure outside of the substation,
32 switchyard or generating site to which the line connects to the fifth
33 structure and that are erected above ground and support one or more
34 conductors designed for the transmission of electric energy at nominal
35 voltages of one hundred fifteen thousand volts or more and all new
36 switchyards to be used therewith and related thereto for which
37 expenditures or financial commitments for land acquisition, materials,
38 construction or engineering exceeding \$50,000 have not been made before
39 August 13, 1971. ~~Transmission line~~
- 40 (b) Does not include structures located on the substation,
41 switchyard or generating site to which the line connects.
- 42 11. "Utility" means any person engaged in the generation or
43 transmission of electric energy.

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

3 40-360.03. Application for certificate of environmental
4 compatibility before construction of facilities;
5 electronic format; rules; exception

6 A. Except as provided in ~~subsection~~ SUBSECTIONS B AND C of this
7 section, every utility that plans to construct a plant or transmission
8 line, or both, in this state shall first file with the commission an
9 application for a certificate of environmental compatibility. The
10 application shall be in a form prescribed by the commission and shall be
11 accompanied by information with respect to the proposed type of facilities
12 and description of the site, including the areas of jurisdiction affected
13 and the estimated cost of the proposed facilities and site. The
14 application shall also be accompanied by a receipt that evidences payment
15 of the appropriate fee required by section 40-360.09. The commission
16 shall promptly refer the application and accompanying information to the
17 chairman of the committee for the committee's review and decision. The
18 application and accompanying information may be submitted to the
19 commission in an electronic format. The commission may adopt rules to
20 accept electronic filings under this section and to ensure that proper
21 notice is provided electronically to interested parties.

22 B. A utility may replace a conductor or wire on a transmission line
23 or may replace an existing transmission line structure or structures with
24 a new transmission line structure or structures without seeking a new
25 certificate of environmental compatibility and without holding a hearing
26 under this article if the replacement is on a transmission line that
27 previously received a certificate of environmental compatibility or that
28 was in use or authorized before August 13, 1971. All replacement
29 conductors or structures shall comply with the terms and conditions of the
30 applicable existing certificate of environmental compatibility.

31 C. A UTILITY, AFTER PROVIDING THIRTY DAYS' WRITTEN NOTICE TO THE
32 COMMISSION, MAY REPLACE AN EXISTING THERMAL ELECTRIC GENERATING UNIT WITH
33 A REPLACEMENT SMALL MODULAR REACTOR OR CONSTRUCT A NEW SMALL MODULAR
34 REACTOR WITHOUT SEEKING A NEW CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY
35 AND WITHOUT HOLDING A HEARING UNDER THIS ARTICLE IF THE NEW OR REPLACEMENT
36 SMALL MODULAR REACTOR IS LOCATED ON OR IMMEDIATELY ADJACENT TO THE SITE OF
37 A PLANT THAT PREVIOUSLY RECEIVED A CERTIFICATE OF ENVIRONMENTAL
38 COMPATIBILITY OR THAT WAS IN USE OR AUTHORIZED BEFORE AUGUST 13, 1971.

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

41 40-360.07. Compliance by utility; commission order

42 A. ~~NO~~ EXCEPT AS PROVIDED IN SECTION 40-360.14, SUBSECTIONS B AND C,
43 A utility may NOT construct a plant or transmission line within this state
44 until it has received a certificate of environmental compatibility from

1 the committee with respect to the proposed site, affirmed and approved by
2 an order of the commission which shall be issued not less than thirty days
3 nor more than sixty days after the certificate is issued by the committee,
4 except that within fifteen days after the committee has rendered its
5 written decision any party to a certification proceeding may request a
6 review of the committee's decision by the commission.

7 B. The grounds for review shall be stated in a written notice filed
8 with the commission with a copy ~~thereof~~ OF THE NOTICE served on the
9 chairman of the committee. The committee shall transmit to the commission
10 the complete record, including a certified transcript, and the review
11 shall be conducted on the basis of the record. The commission ~~may~~, at the
12 request of any party, MAY require written briefs or oral argument and
13 shall within sixty days ~~from~~ AFTER the date the notice is filed either
14 confirm, deny or modify any certificate granted by the committee, or ~~in~~
15 ~~the event~~ IF the committee refused to grant a certificate, the commission
16 may issue a certificate to the applicant. In arriving at its decision,
17 the commission shall comply with ~~the provisions of~~ section 40-360.06 and
18 shall balance, in the broad public interest, the need for an adequate,
19 economical and reliable supply of electric power with the desire to
20 minimize the effect ~~thereof~~ on the environment and ecology of this state.

21 C. The committee or any party to a decision by the commission
22 pursuant to subsection B of this section may request the commission to
23 reconsider its decision within thirty days after the decision is issued.
24 A request for reconsideration made pursuant to this subsection shall set
25 forth the grounds ~~upon~~ ON which it is based and state the manner in which
26 the party believes the commission unreasonably or unlawfully applied or
27 failed to apply the criteria set forth in section 40-360.06. The decision
28 of the commission is final with respect to all issues, subject only to
29 judicial review as provided by law in the event of an appeal by a person
30 having a legal right or interest that will be injuriously affected by the
31 decision.

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

34 40-360.14. Exemption; modular reactors colocated with large
35 industrial energy user; rules; applicability

36 A. NOTWITHSTANDING SECTIONS 40-360.03 AND 40-360.07, A UTILITY,
37 AFTER PROVIDING THIRTY DAYS' WRITTEN NOTICE TO THE COMMISSION, MAY
38 CONSTRUCT A NEW SMALL MODULAR REACTOR IN THIS STATE WITHOUT FILING AN
39 APPLICATION FOR OR RECEIVING A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY
40 IF THE NEW SMALL MODULAR REACTOR IS COLOCATED WITH A LARGE INDUSTRIAL
41 ENERGY USER.

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

1 C. THE COMMISSION SHALL ADOPT RULES TO IMPLEMENT THIS SECTION,
2 WHICH SHALL INCLUDE THE COMMISSION'S DEFINITION FOR EACH OF THE FOLLOWING
3 TERMS:

4 1. COLOCATED WITH. THE COMMISSION'S DEFINITION SHALL SPECIFY ONE
5 OR BOTH OF THE FOLLOWING:

6 (a) THE DISTANCE IN FEET OR PARCELS BETWEEN THE SITE OF A LARGE
7 INDUSTRIAL ENERGY USER AND THE SITE OF A SMALL MODULAR REACTOR.

8 (b) THE QUALITY OR NATURE OF THE ELECTRICAL INTERCONNECTION BETWEEN
9 THE LARGE INDUSTRIAL ENERGY USER AND THE SMALL MODULAR REACTOR.

10 2. LARGE INDUSTRIAL ENERGY USER. THE COMMISSION'S DEFINITION:

11 (a) SHALL SPECIFY THE PEAK OR AVERAGE ANNUAL OR MONTHLY ENERGY
12 DEMAND OF THE USER THAT IS MEASURED IN MEGAWATTS OR MEGAWATT HOURS.

13 (b) MAY NOT DISCRIMINATE BETWEEN DIFFERENT:

14 (i) INDUSTRIES, SECTORS OR END USERS, THE OWNERS OR OPERATORS OF
15 THE END USERS OR THE PROPOSED LOCATIONS OF END USERS.

16 (ii) END USERS IN ANY OTHER CAPACITY BEYOND THE USE OF ENERGY
17 DEMAND AND OTHER ELECTRICAL-RELATED OPERATING NEEDS OR CHARACTERISTICS.

18 3. SMALL MODULAR REACTOR. THE COMMISSION'S DEFINITION:

19 (a) SHALL ESTABLISH A MAXIMUM ELIGIBLE NAMEPLATE RATING FOR EACH
20 SMALL MODULAR REACTOR. FOR THE PURPOSES OF THIS SUBDIVISION, THE
21 COMMISSION SHALL TREAT EACH SEPARATE GENERATING UNIT AND THE NAMEPLATE
22 RATING ASSOCIATED WITH EACH SEPARATE GENERATING UNIT AS A SEPARATE SMALL
23 MODULAR REACTOR, CONSISTENT WITH THE DEFINITION OF PLANT AS DEFINED IN
24 SECTION 40-360. THE MAXIMUM ELIGIBLE NAMEPLATE RATING THE COMMISSION
25 ESTABLISHES PURSUANT TO THIS SUBDIVISION MAY NOT BE LESS THAN TWO HUNDRED
26 MEGAWATTS.

27 (b) MAY DISCRIMINATE BETWEEN DIFFERENT REACTOR TYPES OR
28 CLASSIFICATIONS OR REACTORS THAT INCLUDE OR ARE OTHERWISE MANUFACTURED
29 WITH CERTAIN MINIMUM BUILT-IN SAFETY FEATURES OR REDUNDANCIES, IF SUCH
30 DISCRIMINATION IS REASONABLE AND CONSISTENT WITH THE TYPES OR
31 CLASSIFICATIONS THAT ARE ADOPTED OR RECOGNIZED BY THE UNITED STATES
32 NUCLEAR REGULATORY COMMISSION.

33 D. THE COMMISSION MAY ADOPT DEFINITIONS FOR ANY OTHER TERMS THE
34 COMMISSION DEEMS REASONABLE OR NECESSARY TO CARRY OUT THIS SECTION.

35 E. THIS SECTION APPLIES ONLY IN A COUNTY WITH A POPULATION OF LESS
36 THAN FIVE HUNDRED THOUSAND PERSONS.