



ARIZONA STATE SENATE
Fifty-Seventh Legislature, Second Regular Session

VETOED
AMENDED

FACT SHEET FOR S.B. 1418

corporation commission; small modular reactors

Purpose

Allows a utility, after providing 30 days written notice to the Arizona Corporation Commission (ACC), to construct small modular reactor (SMR) in Arizona without filing an application or receiving a certificate of environmental compatibility if the new SMR is co-located with an extra high load factor customer.

Background

Any utility that plans to construct a plant, transmission line or both in Arizona must first file with the ACC an application for a certificate of environmental compatibility. The application must be in a form prescribed by the ACC and must be accompanied by information with respect to the proposed type of facilities and description of the site, including the areas of jurisdiction affected and the estimated cost of the proposed facilities and site. A utility may not construct a plant or transmission line within Arizona until it has received a certificate of environmental compatibility from the Power Plant and Line Siting Committee with respect to the proposed site, affirmed and approved by an order of the ACC which must be issued not less than 30 days or more than 60 days after the certificate of environmental compatibility is issued by the Power Plant and Line Siting Committee (A.R.S. §§ [40-360.03](#) and [40-360.07](#)).

In 1969, the Legislature adopted the Western Interstate Nuclear Compact (Compact). The Compact states that party states of the Compact recognize that the proper employment of scientific and technological discoveries and advances in nuclear and related fields and direct and collateral application and adaptation of process and techniques, properly correlated with the other resources of the region, can assist substantially in the industrial progress of the west and the further development of the economy of the region. The Compact also states that it is the policy of the party states to undertake such cooperation on a continuing basis and that it is the purpose of the Compact to provide the instruments and framework for such a cooperative effort in nuclear and related fields, to enhance the economy of the west and contribute to the individual and community well-being of the region's people ([A.R.S. § 30-701](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Allows a utility, after providing 30 days written notice to the ACC, to construct a new SMR in Arizona without filing an application or receiving a certificate of environmental compatibility if the new SMR is co-located an extra high load factor customer as defined by the ACC.
2. Allows a utility, after providing 30 days written notice to the ACC, to replace an existing thermal electric generating unit with a replacement SMR or construct a new SMR without seeking a new certificate of environmental compatibility and without holding a hearing if the new or replacement SMR is located on or immediately adjacent to the site of a plant that previously received a certificate of environmental compatibility or that was in use or authorized before August 13, 1971.
3. Prohibits any statutorily outlined ordinance, except in a county with 500,000 people or more, from preventing, restricting or otherwise regulating the use or occupation of land or improvements for the construction and operation of an SMR, if the following has been met prior to the construction of the SMR:
 - a) the SMR is co-located with an extra high load factor customer as defined by the ACC and has received all applicable zoning entitlements;
 - b) the SMR received a design certification as prescribed by federal law relating to licenses, certifications and approvals for nuclear power plants from a federal agency or commission that regulates public health and safety relating to the operation of nuclear reactors;
 - c) the SMR is not:
 - i. located within a county island; or
 - ii. located within three miles of the boundaries of a municipality or the municipal planning area of the municipality, as designed in the land use map of the municipality's general plan; and
 - d) the owner or operator of the SMR has submitted to the board of supervisors of the county in which the proposed SMR is located in:
 - i. the design certification for the small modular reactor as prescribed federal law relating to licenses, certifications and approvals for nuclear power plants; and
 - ii. a map that shows that the location of the SMR satisfies the prescribed location requirements.
4. Specifies that the prescribed location requirements of an SMR within three miles of the boundary of a municipality or the municipal planning area applies regardless of whether the municipality has exercised extraterritorial jurisdiction.
5. Requires a new SMR to comply with all applicable federal, state and local laws and requirements.
6. Deems that the outlined regulations relating to new SMRs only apply to counties with a population of fewer than 500,000 people.
7. Modifies the definition of *plant* to include each separate thermal or nonthermal electric, nuclear or hydroelectric generating unit or an SMR with a nameplate rating of 200 megawatts, rather than 100 megawatts or more for which expenditures or financial commitments for land

acquisition, materials, construction or engineering exceeding \$50,000 have not been made before August 13, 1971.

8. Defines *small modular reactor* as a generation III+ or generation IV nuclear generating unit with a nameplate rating of not more 300 megawatts.
9. Makes technical and conforming changes.
10. Becomes effective on the general effective date.

Amendments Adopted by the House of Representatives

1. Specifies that the prescribed conditions that prohibit a county from preventing, restricting or otherwise regulating the use or occupation of land must be met prior to construction of an SMR.
2. Requires an SMR to be collocated with an extra high load factor customer as defined by the ACC, rather than a large industrial energy user.
3. Adds to the conditions that exempt an SMR from county regulations.
4. Specifies that the prescribed location requirements of an SMR within three miles of the boundary of a municipality or the municipal planning area applies regardless of whether the municipality has exercised extraterritorial jurisdiction.
5. Removes the rulemaking requirements from the ACC relating to the adoption of definitions for *collocated with, large industrial user* and *small modular reactor*.
6. Defines *small modular reactor*.
7. Makes conforming changes.

Governor's Veto Message

The Governor indicates in her [veto message](#) that S.B. 1418 deploys a catch-all approach for SMRs and that a responsible regulatory framework that encourages innovation while protecting public safety should be developed.

Senate Action

NR	2/10/26	DP	4-3-1
3 rd Read	2/25/26		15-12-3
3 rd Read*	3/3/26		16-14-0
Final Read	6/11/26		16-11-3

**on reconsideration*

House Action

NREW	3/10/26	DP	6-3-0-1
3 rd Read	6/9/26		31-23-6

Vetoed by the Governor 6/19/26

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