



NEWS RELEASE

Arizona House of Representatives
Majority Leader Michael Carbone (R-25)
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FOR IMMEDIATE RELEASE

Hobbs Vetoes Opportunity to Support New Jobs, Economic Development in Rural Arizona through Nuclear Energy

STATE CAPITOL, PHOENIX – Governor Katie Hobbs on Friday vetoed [HB2774](#), bipartisan legislation that would have reduced bureaucratic red tape and streamlined the process for large industrial energy users like data centers and advanced manufacturing facilities to build small modular nuclear reactors (SMRs) near existing facilities. Majority Leader Michael Carbone issued the following statement regarding Governor Hobbs' veto:

Governor Hobbs' veto misses the mark. HB2774 wasn't just about small modular reactors—it was about supporting rural Arizonans by helping rural communities attract new businesses like data centers and advanced manufacturing facilities that create jobs and generate property tax revenue for rural counties—areas that are often overlooked by statewide economic development efforts.

While the bill anticipated the future viability of new nuclear technologies, its primary purpose was to harness the potential of these new technologies to incentivize major employers to locate in rural areas—recognizing that access to energy is a key barrier and that big tech companies are increasingly seeking their own nuclear energy sources. Hence, the streamlined energy permitting benefits offered by the bill were available only if large energy users were willing to locate in rural counties with a population of 500,000 or fewer, directing job creators toward underserved areas.

New nuclear technology may still be emerging, but large-scale employers like data centers are actively expanding now. Site selectors evaluating rural locations need clarity today about future energy access to make multimillion-dollar investment decisions. HB2774 was part of a broader strategy to unleash Arizona's economic potential in a way that delivered clear benefits to rural Arizona. With her veto, Governor Hobbs turned her back on rural Arizona and sent a clear message that she's content with the status quo as jobs and revenues continue flowing to central Arizona.

Arizona is ready to power the technologies of tomorrow. As the bill's sponsor, I stand by my commitment to support rural communities as we work to reshore American manufacturing and ensure reliable and affordable power. I plan to revisit this matter next session in a form that will better prepare the Governor to support this proposal and economic growth in all corners of our state.

Michael Carbone is a Republican member of the Arizona House of Representatives serving Legislative District 25 which includes portions of Yuma, Maricopa, and La Paz Counties. He also serves as House Majority Leader. Follow him on X at @MichaelCarbone.

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