

House Engrossed Senate Bill

~~domestic water districts, wastewater, annexation~~
(now: on-farm irrigation efficiency; fund)

State of Arizona
Senate
Fifty-fifth Legislature
Second Regular Session
2022

CHAPTER 332

SENATE BILL 1564

AN ACT

ESTABLISHING THE ON-FARM IRRIGATION EFFICIENCY PILOT PROGRAM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. On-farm irrigation efficiency pilot program;
3 on-farm irrigation efficiency fund; grants;
4 requirements; annual report; delayed repeal;
5 definitions

6 A. The on-farm irrigation efficiency pilot program is established
7 for the purpose of providing grants and collecting data for on-farm
8 irrigation efficiency systems to reduce on-farm use of groundwater,
9 surface water, mainstream Colorado River water or water delivered through
10 the central Arizona project while minimizing or eliminating the use of
11 flood irrigation or fallowing to reduce on-farm use. For applicants where
12 their on-farm irrigation use of mainstream Colorado River water or water
13 delivered through the central Arizona project was not delivered as a
14 result of water shortages in Lake Mead, water savings may be used to farm
15 fallowed irrigated acreage. For all other applicants, water savings may
16 not be used to irrigate additional lands.

17 B. The on-farm irrigation efficiency fund is established consisting
18 of legislative appropriations, grants from federal agencies and monies
19 from any other lawful source. Monies in the fund are continuously
20 appropriated and exempt from the provisions of section 35-190, Arizona
21 Revised Statutes, relating to lapsing of appropriations.

22 C. The university of Arizona cooperative extension shall administer
23 the on-farm irrigation efficiency fund and may use not more than ten
24 percent of the monies in the fund for the costs of administering the fund
25 and the on-farm irrigation efficiency pilot program. In addition, the
26 university of Arizona cooperative extension may use up to \$1,000,000 of
27 program funds for irrigation efficiency demonstration, research and
28 education. The university of Arizona cooperative extension may accept and
29 deposit in the fund monies, grants, gifts, contributions and devises to
30 assist in carrying out the purposes of this section.

31 D. The university of Arizona cooperative extension may grant monies
32 from the fund to qualified applicants for acquiring and installing an
33 on-farm irrigation efficiency system that is approved by the university of
34 Arizona cooperative extension to replace or modify flood irrigation
35 systems if:

36 1. The grant does not exceed \$1,000,000 for a single applicant or
37 related applicants on the same farm unit.

38 2. The grant does not exceed \$1,500 per acre of irrigable land that
39 is served by the on-farm irrigation efficiency system.

40 3. The approved system has demonstrated at least a twenty percent
41 savings in the amount of water used as compared to flood irrigation
42 systems. The demonstration must be made through independently verified
43 demonstration projects in this state or an accredited university analysis
44 that examines irrigation and energy efficiency and any other benefits to

1 the irrigable land and to crops grown on the irrigable land that take into
2 account this state's climate and crop and farming practices.

3 4. The projected water savings from the approved on-farm irrigation
4 system, the crop type and estimated water usage based on water frequency
5 and durations, is likely to result in a water savings of twenty percent or
6 more, as compared to normal flood irrigation practices.

7 5. The applicant provides record of active farming for three of the
8 previous five years for the proposed acreage at the time of application.

9 6. The type of crop to be irrigated with the installed system has
10 been grown in the agricultural region over the previous five years at the
11 time of application to allow for an appropriate comparison of water
12 savings.

13 E. In determining whether to approve an on-farm irrigation
14 efficiency system application, the university of Arizona cooperative
15 extension may give preference to a system that the university of Arizona
16 cooperative extension determines will:

17 1. Most cost-effectively reduce on-farm water usage.

18 2. Minimize energy usage to the benefit of this state.

19 3. Maximize any other benefits to the irrigable land or crops grown
20 on the irrigable land.

21 4. Provide opportunities for data collection for diverse high
22 agricultural water use regions in the state.

23 F. The application for a grant of monies shall be on a form
24 prescribed by the university of Arizona cooperative extension and shall
25 include all of the following:

26 1. The name of the landowner in which title to the real property is
27 vested.

28 2. The name of the irrigation district delivering water to the
29 land, if applicable.

30 3. The legal description of the irrigated fields that are intended
31 to benefit from the grant.

32 4. A description of the water right or entitlement that currently
33 supports the irrigated agriculture.

34 5. Water use and cropping history for the five calendar years
35 immediately preceding the application.

36 6. A description of the current irrigation delivery system and the
37 proposed on-farm irrigation efficiency system technology.

38 7. Any other information that the university of Arizona cooperative
39 extension may require.

40 G. Recipients of monies under this program may not receive a state
41 tax credit for that portion of an on-farm irrigation efficiency system
42 that is purchased with grant monies under the on-farm irrigation
43 efficiency pilot program.

1 H. As a condition of the grant, the university of Arizona
2 cooperative extension shall require the applicant to certify the
3 installation of the new on-farm irrigation efficiency system, agree to use
4 the new system for three years and report on the individual fields that
5 receive the benefit of the monies in order to demonstrate water delivery
6 reductions on the affected fields.

7 I. Before December 31 of each year, the university of Arizona
8 cooperative extension shall submit to the speaker of the house of
9 representatives and the president of the senate a written report
10 describing the activities of the university of Arizona cooperative
11 extension for the preceding fiscal year related to expenditures from the
12 on-farm irrigation efficiency fund for on-farm irrigation efficiency
13 systems and shall provide a copy of the report to the secretary of state.
14 The report shall include an accounting of expenditures from the fund and
15 how the monies were used to implement on-farm irrigation efficiency
16 systems. The report shall identify at least the following:

- 17 1. The specific fields where implementation occurred.
- 18 2. The legal character of the water used on those fields.
- 19 3. The soil type and types of crops produced.
- 20 4. The quantity of water conserved by the implementation of the
21 system.

22 5. Any other relevant data to better inform future decisions on
23 strategically deploying on-farm irrigation efficiency systems or programs
24 to more efficiently use agricultural water in this state.

25 J. This section is repealed from and after December 31, 2026.

26 K. For the purposes of this section:

27 1. "Farm unit" means one or more farms which are irrigated with
28 groundwater, surface water, mainstream Colorado River water or water
29 delivered through the central Arizona project and which are contiguous or
30 in proximity to each other with similar soil conditions.

31 2. "On-farm irrigation efficiency system" means a water delivery
32 system consisting of all component parts and equipment necessary to
33 deliver water to an irrigable field through a method other than flood
34 irrigation.

35 3. "Qualified applicant" means an agricultural landowner, or lessee
36 of agricultural land with the landowner's consent required by state law to
37 hold a grower permit issued by the Arizona department of agriculture
38 pursuant to section 3-363, Arizona Revised Statutes, that has actively
39 farmed the land in three of the five calendar years immediately preceding
40 the date of the application using some quantity of groundwater, surface
41 water, Colorado River water or water delivered through the central Arizona
42 project.

S.B. 1564

APPROVED BY THE GOVERNOR JUNE 30, 2022.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 30, 2022.