

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1564

(Reference to Senate engrossed bill)

1 Strike everything after the enacting clause and insert:

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 or projects to reduce on-farm use of
9 agricultural groundwater, surface water, mainstream Colorado River water or
10 water delivered through the central Arizona project while minimizing or
11 eliminating the use of flood irrigation or fallowing to reduce on-farm use.

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

17 C. The university of Arizona shall administer the on-farm irrigation
18 efficiency fund through the cooperative extension and may use not more than
19 ten percent of the monies in the fund for the costs of administering the
20 fund and the on-farm irrigation efficiency pilot program. The university
21 of Arizona cooperative extension may accept and deposit in the fund monies,
22 grants, gifts, contributions and devises to assist in carrying out the
23 purposes of this section.

1 D. The university of Arizona cooperative extension may grant monies
2 from the fund to qualified applicants for either of the following:

3 1. Acquiring and installing an on-farm irrigation efficiency system
4 that is approved by the university of Arizona cooperative extension to
5 replace or modify flood irrigation systems if:

6 (a) The grant does not exceed the costs of acquiring and installing
7 the approved system.

8 (b) The grant does not exceed \$1,000 per acre of irrigable land that
9 is served by the system.

10 (c) The approved system has demonstrated at least a twenty-five
11 percent savings in the amount of water used as compared to flood irrigation
12 systems. The demonstration must be made through independently verified
13 demonstration projects in this state or an accredited university analysis
14 that examines irrigation and energy efficiency and any other benefits to
15 the irrigable land and to crops grown on the irrigable land that take into
16 account this state's climate and crop and farming practices.

17 2. A university of Arizona cooperative extension-approved on-farm
18 irrigation efficiency system project that is installed after the effective
19 date of this section, that replaces or modifies a flood irrigation system
20 and that results in an on-farm reduction of the total agricultural
21 groundwater, surface water, mainstream Colorado River water or water
22 delivered through the central Arizona project that is used on the land due
23 to the installation of the project. For the purposes of this paragraph,
24 the application for the grant may be made by the entity installing the
25 approved efficiency system project with the consent of the qualified
26 applicant, if the system will be initially acquired and installed at no
27 cost to the landowner.

28 E. In determining whether to approve an on-farm irrigation
29 efficiency system or on-farm irrigation efficiency system project
30 application, the university of Arizona cooperative extension may give
31 preference to a system or system project that the university of Arizona
32 cooperative extension determines will:

- 1 1. Most cost-effectively reduce on-farm water usage.
- 2 2. Minimize energy usage to the benefit of this state.
- 3 3. Maximize any other benefits to the irrigable land or crops grown
- 4 on the irrigable land.

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

- 8 1. The name of the landowner in which title to the real property is
- 9 vested.
- 10 2. The name of the irrigation district delivering water to the land,
- 11 if applicable.
- 12 3. The legal description of the irrigated fields that are intended
- 13 to benefit from the grant.
- 14 4. A description of the water right or entitlement that currently
- 15 supports the irrigated agriculture.
- 16 5. Water use and cropping history for the five calendar years
- 17 immediately preceding the application.
- 18 6. A description of the current irrigation delivery system and the
- 19 proposed on-farm irrigation efficiency system technology.
- 20 7. Any other information that the university of Arizona cooperative
- 21 extension may require.

22 G. Recipients of monies under this program may not receive a state
23 tax credit for that portion of an on-farm irrigation efficiency system that
24 is purchased with grant monies under the on-farm irrigation efficiency
25 pilot program.

26 H. As a condition of the grant, the university of Arizona
27 cooperative extension shall require the applicant to certify the
28 installation of the new on-farm irrigation efficiency system, agree to use
29 the new system for a specified term and report on the individual fields
30 that receive the benefit of the monies in order to demonstrate water
31 delivery reductions on the affected fields.

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

- 12 1. The specific fields where implementation occurred.
- 13 2. The legal character of the water used on those fields.
- 14 3. The soil type and types of crops produced.
- 15 4. An estimate of the quantity of water conserved by the
16 implementation of the system or project.
- 17 5. Any other relevant data to better inform future decisions on
18 strategically deploying on-farm irrigation efficiency systems or programs
19 to more efficiently use agricultural water in this state.

20 J. This section is repealed from and after December 31, 2025.

21 K. For the purposes of this section:

22 1. "On-farm irrigation efficiency system" means a water delivery
23 system consisting of all component parts and equipment necessary to deliver
24 water to an irrigable field through a method other than flood irrigation.

25 2. "Qualified applicant" means:

26 (a) An agricultural landowner, or lessee of agricultural land with
27 the landowner's consent, that has actively farmed the land in three of the
28 five calendar years immediately preceding the date of the application using
29 some quantity of groundwater, surface water, Colorado River water or water
30 delivered through the central Arizona project.

1 (b) An irrigation district organized under title 48, Arizona Revised
2 Statutes, on behalf of its constituent landowner farmers or the landowner
3 farmers' lessees with approval from the landowner, for land that has been
4 actively farmed in three of the five calendar years immediately preceding
5 the date of the application using groundwater, surface water, Colorado
6 River water or water delivered through the central Arizona project.

7 Sec. 2. Appropriation: on-farm irrigation efficiency fund

8 The sum of \$30,000,000 is appropriated from the state general fund in
9 fiscal year 2022-2023 to the on-farm irrigation efficiency fund established
10 by section 1 of this act."

11 Amend title to conform

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C: MR