CHAPTER 332

SENATE BILL 1564

AN ACT

ESTABLISHING THE ON-FARM IRRIGATION EFFICIENCY PILOT PROGRAM.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

G. Recipients of monies under this program may not receive a state
tax credit for that portion of an on-farm irrigation efficiency system
that is purchased with grant monies under the on-farm irrigation
efficiency pilot program.
H. As a condition of the grant, the university of Arizona cooperative extension shall require the applicant to certify the installation of the new on-farm irrigation efficiency system, agree to use the new system for three years and report on the individual fields that receive the benefit of the monies in order to demonstrate water delivery reductions on the affected fields.

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

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

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

K. For the purposes of this section:
1. "Farm unit" means one or more farms which are irrigated with groundwater, surface water, mainstream Colorado River water or water delivered through the central Arizona project and which are contiguous or in proximity to each other with similar soil conditions.
2. "On-farm irrigation efficiency system" means a water delivery system consisting of all component parts and equipment necessary to deliver water to an irrigable field through a method other than flood irrigation.
3. "Qualified applicant" means an agricultural landowner, or lessee of agricultural land with the landowner’s consent required by state law to hold a grower permit issued by the Arizona department of agriculture pursuant to section 3-363, Arizona Revised Statutes, that has actively farmed the land in three of the five calendar years immediately preceding the date of the application using some quantity of groundwater, surface water, Colorado River water or water delivered through the central Arizona project.