

Senate Engrossed House Bill  
conservation districts; water; invasive vegetation

State of Arizona  
House of Representatives  
Fifty-fifth Legislature  
First Regular Session  
2021

**CHAPTER 190**  
**HOUSE BILL 2079**

AN ACT

AMENDING SECTIONS 37-1054 AND 43-1084, ARIZONA REVISED STATUTES; RELATING  
TO NATURAL RESOURCE CONSERVATION DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 37-1054, Arizona Revised Statutes, is amended to  
3 read:

4 37-1054. Powers of district

5 A. This state recognizes the special expertise of the districts in  
6 the fields of land, soil, water and natural resources management within  
7 the boundaries of the district. A district is empowered to:

8 1. Conduct surveys, investigations and research relating to the  
9 character of the soil, soil erosion prevention within a farm or ranch,  
10 methods of cultivation, farm and range practices, seeding, ~~eradication of~~  
11 ~~ERADICATING~~ noxious growths ~~AND INVASIVE VEGETATION~~ and any other measures  
12 that will aid farm and range operations, disseminate information  
13 pertaining thereto, and carry on research programs with or without the  
14 cooperation of this state or its agencies or the United States or its  
15 agencies.

16 2. ~~CREATE AND ADMINISTER A SOIL HEALTH PROGRAM THAT PROMOTES~~  
17 ~~IMPLEMENTATION OF SOIL HEALTH PRACTICES, RESEARCH PROJECTS, DEMONSTRATION~~  
18 ~~PROJECTS, EDUCATIONAL PROJECTS OR OTHER ACTIVITIES APPROPRIATE TO PROMOTE~~  
19 ~~THE CONTINUING CAPACITY FOR SOIL TO FUNCTION AS A VITAL LIVING BIOLOGICAL~~  
20 ~~SYSTEM THAT SUSTAINS PLANTS, ANIMALS AND HUMANS, INCREASED SOIL ORGANIC~~  
21 ~~MATTER, IMPROVED SOIL STRUCTURE, WATER-HOLDING AND NUTRIENT-HOLDING~~  
22 ~~CAPACITY OR NUTRIENT CYCLING.~~

23 ~~2-~~ 3. Conduct demonstration projects within the district on lands  
24 owned or controlled by the state or any of its agencies with the consent  
25 and cooperation of the agency having jurisdiction of the land, and on any  
26 other lands within the district on obtaining the consent of the landowner  
27 or the necessary rights or interests in the land, in order to demonstrate  
28 by example the means, methods and measures by which water, soil and soil  
29 resources may be conserved and soil erosion and soil washing may be  
30 prevented and controlled.

31 ~~3-~~ 4. Cooperate and enter into agreements with a landowner, an  
32 operator or any agency or subdivision of the state or federal government  
33 to carry on programs of watershed improvement, soil erosion prevention,  
34 methods of cultivation, cropping practices, land leveling and improvement  
35 on agricultural lands, and programs limited to methods of proper range  
36 use, reseeding and ~~the eradication of~~ ~~ERADICATING~~ noxious growth ~~AND~~  
37 ~~INVASIVE VEGETATION~~ on grazing lands, all within the limits of an  
38 individual farm or ranch and subject to the conditions the supervisors  
39 deem necessary.

40 ~~4-~~ 5. Acquire, by purchase, exchange, lease or otherwise, any  
41 property, real or personal, or rights or interest in any property,  
42 maintain, administer and improve any properties acquired, receive income  
43 from any property or right or interest in property and expend it in  
44 carrying out the purposes of this chapter, and sell, lease or otherwise

1 dispose of any property or interest in property in furtherance of the  
2 purposes of this chapter.

3 ~~5.~~ 6. Make available, on the terms it prescribes to landowners  
4 within the district, agricultural and engineering machinery and equipment,  
5 fertilizer, seed and other material or equipment as will assist the  
6 landowners to carry on operations on their lands for the purposes and  
7 programs authorized by this chapter.

8 ~~6.~~ 7. Develop, publish and bring to the attention of landowners  
9 within the district comprehensive plans for ~~the conservation of~~ CONSERVING  
10 soil and water resources within the district that specify in such detail  
11 as may be feasible the acts, procedures, performances and avoidances  
12 necessary or desirable ~~for the effectuation of~~ TO EFFECT the plans.

13 ~~7.~~ 8. Apply for, receive and spend monies from the Arizona water  
14 protection fund pursuant to title 45, chapter 12 to be used in individual  
15 districts or in cooperation with other districts, persons, cities, towns,  
16 counties, special districts and Indian communities for projects consistent  
17 with title 45, chapter 12.

18 ~~8.~~ 9. Employ agents, engineers, attorneys or other employees not  
19 readily available from existing state agencies.

20 ~~9.~~ 10. Sue and be sued in the name of the district, have a seal,  
21 which shall be judicially noticed, have perpetual succession unless  
22 terminated as provided in this chapter, make and execute contracts and  
23 other instruments necessary or convenient to ~~the~~ exercise ~~of~~ its powers  
24 and make, amend and repeal rules not inconsistent with this chapter to  
25 ~~carry into~~ effect its purposes and powers.

26 ~~10.~~ 11. Accept donations, gifts and contributions in ~~money~~ MONIES,  
27 services, materials or otherwise, and use or expend them in carrying on  
28 its operations.

29 ~~11.~~ 12. Organize and establish an education center to increase the  
30 knowledge of natural resources in this state through the following  
31 methods:

32 (a) Offering technical guidance and training to agricultural  
33 producers.

34 (b) Publishing scholarly materials.

35 (c) Providing educational and training opportunities, both inside  
36 and outside of the district.

37 (d) Conducting or sponsoring scientific studies that affect natural  
38 resources in this state.

39 (e) INCREASING PUBLIC AWARENESS OF WATER CONSERVATION STATEWIDE,  
40 INCLUDING WATER CONSERVATION METHODS AND BEST MANAGEMENT PRACTICES.

41 (f) INCREASING PUBLIC AWARENESS OF SOIL HEALTH PRACTICES STATEWIDE.

42 B. A provision of law with respect to ~~the acquisition~~ ACQUIRING,  
43 ~~operation~~ OPERATING or ~~disposition~~ DISPOSING of property by other public  
44 bodies ~~shall~~ IS not ~~be~~ applicable to a district organized under this  
45 chapter unless specifically stated therein.

1 C. After the formation of any district under this chapter, all  
2 participation thereunder shall be voluntary, notwithstanding any provision  
3 of this chapter to the contrary.

4 D. A district may send to the Arizona water protection fund  
5 commission established by title 45, chapter 12 written recommendations for  
6 geographic areas to be emphasized, issues of concern and measures to  
7 implement title 45, chapter 12. A district that sends written  
8 recommendations to the commission shall request information from at least  
9 the following:

10 1. The director of the department of water resources and the state  
11 land commissioner.

12 2. The federal and state fish, wildlife, recreation and natural  
13 resource agencies.

14 3. County and municipal entities.

15 4. The public.

16 E. The district shall develop procedures to ensure adequate  
17 participation in the public involvement process prescribed by subsection D  
18 of this section.

19 Sec. 2. Section 43-1084, Arizona Revised Statutes, is amended to  
20 read:

21 43-1084. Credit for agricultural water conservation system

22 A. A credit is allowed against the taxes imposed by this title for  
23 expenses that the taxpayer incurred during the taxable year to purchase  
24 and install an agricultural water conservation system in this state. The  
25 amount of the credit is equal to seventy-five ~~per cent~~ PERCENT of the  
26 qualifying expenses.

27 B. To qualify for the credit under this section:

28 1. The agricultural water conservation system must be primarily  
29 designed to substantially conserve water on land that is used by the  
30 taxpayer or the taxpayer's tenant to:

31 (a) Produce crops, fruits or other agricultural products.

32 (b) Raise, harvest or grow trees.

33 (c) Sustain livestock.

34 2. The expense must be consistent with a conservation plan that the  
35 taxpayer has filed ~~and that is in effect~~ with the United States department  
36 of agriculture, ~~soit~~ NATURAL RESOURCES conservation service, OR A NATURAL  
37 RESOURCE CONSERVATION DISTRICT IN THIS STATE ESTABLISHED PURSUANT TO TITLE  
38 37, CHAPTER 6.

39 C. Co-owners of the land on which the water conservation system is  
40 installed, including partners in a partnership and shareholders of an S  
41 corporation, as defined in section 1361 of the internal revenue code, may  
42 each claim only the pro rata share of the credit allowed under this  
43 section based on the ownership interest. The total of the credits allowed  
44 all such owners may not exceed the amount that would have been allowed a  
45 sole owner.

1           D. If the allowable tax credit exceeds the taxes otherwise due  
2 under this title on the claimant's income, or if there are no taxes due  
3 under this title, the taxpayer may carry the amount of the claim not used  
4 to offset the taxes under this title forward for not more than five  
5 taxable years' income tax liability.

6           E. The credit allowed by this section is in lieu of any deduction  
7 for such expenses allowed by the internal revenue code and included under  
8 section 43-1042 in computing taxable income.

APPROVED BY THE GOVERNOR APRIL 9, 2021.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 9, 2021.