



**ARIZONA STATE SENATE**  
*Fifty-Sixth Legislature, Second Regular Session*

FACT SHEET FOR H.B. 2024

lottery; on-farm irrigation efficiency fund

Purpose

Deposits \$50,000,000 from the State Lottery Fund (SLF) in FYs 2025 and 2026 to the On-Farm Irrigation Efficiency Fund (Fund).

Background

In 2022, the Legislature established the On-Farm Irrigation Efficiency Pilot Program (Pilot Program) and the Fund, both administered by the University of Arizona Cooperative Extension, with the intent to reduce on-farm water use in Arizona, assist Arizona farmers and ranchers in transitioning to efficient water irrigation systems and eliminate the use of flood irrigation or fallowing ([University of Arizona Cooperative Extension](#)). The Fund consists of legislative appropriations, grants from federal agencies and monies from any other lawful source. 10 percent of monies in the Fund may be used for administration costs. \$1,000,000 of the Fund may be used for irrigation efficiency demonstration, research and education. Other monies may be granted to qualified applicants to acquire and install an approved on-farm irrigation efficiency system to replace or modify flood irrigation systems. The Pilot Program and the Fund terminate on January 1, 2027 ([Laws 2022, Ch. 332](#)).

The SLF consists of revenues received from sales of lottery tickets and other monies received, except for the payment of prize monies. In addition to operating costs of the lottery, the SLF allocates monies towards lottery bond obligations, the Arizona Game and Fish Commission Heritage Fund, the Department of Child Safety, the Arizona Board of Regents, the Department of Health Services and the Disease Control Research Fund. All monies remaining in the SLF after the outlined authorized appropriations and deposits are deposited in the state General Fund ([A.R.S. § 5-572](#)).

H.B. 2024 transfers \$50,000,000 from the SLF in FYs 2025 and 2026 to the Fund after the other statutorily authorized appropriations and deposits. If depositing monies into the Fund reduces the available monies that are otherwise directed to the state GF, there may be a fiscal impact to the state GF.

Provisions

1. Deposits, in the Fund, \$50,000,000 from monies remaining in the SLF in FYs 2025 and 2026 after outlined appropriations and deposits.
2. Makes technical and conforming changes.
3. Becomes effective on the general effective date.

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House Action

NREW	2/6/24	DP	8-2-0-0
APPROP	2/19/24	DP	12-3-2-0
3 <sup>rd</sup> Read	2/22/24		44-14-1-0-1

Prepared by Senate Research

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RA/SDR/slp