

119TH CONGRESS
2D SESSION

S. 3737

To amend the Reclamation States Emergency Drought Relief Act of 1991 to provide financial and technical assistance to eligible entities for the conduct of innovative approaches to voluntary water partnership agreements among multiple water users and projects conducted by individual agricultural entities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 29, 2026

Mr. PADILLA introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To amend the Reclamation States Emergency Drought Relief Act of 1991 to provide financial and technical assistance to eligible entities for the conduct of innovative approaches to voluntary water partnership agreements among multiple water users and projects conducted by individual agricultural entities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Growing Resilient Op-
5 erations from Water Saving and Municipal-Agricultural

1 Reciprocally-beneficial Transactions Act” or the “GROW
2 SMART Act”.

3 **SEC. 2. PROJECT PLANNING IN SUPPORT OF INNOVATIVE**
4 **VOLUNTARY WATER SHARING AGREEMENTS**
5 **AND VOLUNTARY USE OF WATER-THRIFTY**
6 **CROPS.**

7 Title II of the Reclamation States Emergency
8 Drought Relief Act of 1991 (43 U.S.C. 2221 et seq.) is
9 amended by inserting after section 201 the following:

10 **“SEC. 201A. PROJECT PLANNING IN SUPPORT OF INNOVA-**
11 **TIVE VOLUNTARY WATER SHARING AGREE-**
12 **MENTS AND VOLUNTARY USE OF WATER-**
13 **THRIFTY CROPS TO PREPARE FOR AND RE-**
14 **SPOND TO DROUGHT.**

15 “(a) IN GENERAL.—The Secretary, in order to pre-
16 pare for and respond to drought conditions, may, using
17 funds made available to carry out this title and under sub-
18 section (g), provide to qualified applicants technical and
19 financial assistance to provide planning support for the
20 implementation of voluntary projects incorporating inno-
21 vative approaches that—

22 “(1)(A) keep agricultural land in production;
23 and

24 “(B) support income and employment levels in
25 rural communities;

1 “(2) provide affordable water supplies, redun-
 2 dant water supplies, shared storage, or other bene-
 3 fits; and

4 “(3) rely over the long term on sources other
 5 than Federal funding for implementation.

6 “(b) DESCRIPTION OF INNOVATIVE APPROACH.—An
 7 innovative approach referred to in subsection (a)—

8 “(1) shall—

9 “(A) be new; or

10 “(B) lack a well-established track record in
 11 the applicable area;

12 “(2) shall include an approach that—

13 “(A) insulates agricultural water users
 14 from the risk of crop failures or water short-
 15 ages through voluntary financial, water storage,
 16 or water sharing agreements between at least 1
 17 party described in subsection (c)(1)(A)(i) and 1
 18 party described in subsection (c)(1)(A)(ii);

19 “(B) brings water-saving commodities or
 20 practices into production; or

21 “(C) involves voluntary methods for reduc-
 22 ing agricultural consumptive water use, includ-
 23 ing—

24 “(i) hydroponics;

25 “(ii) agrovoltatics;

1 “(iii) agroforestry;

2 “(iv) innovative irrigation tech-
3 nologies, including gravity-powered drip ir-
4 rigation and automated high-efficiency sur-
5 face irrigation;

6 “(v) root-zone-based irrigation man-
7 agement systems;

8 “(vi) implementation of regenerative
9 agricultural practices that decrease net
10 water consumption; or

11 “(vii) concentration of crop production
12 on a reduced irrigated acreage that results
13 in an equal or greater financial return; and

14 “(3) shall not include an approach that—

15 “(A) fallows agricultural land for—

16 “(i) the majority of the growing sea-
17 son in the applicable area; or

18 “(ii) in the case of a drought-year
19 agreement, is reasonably anticipated to re-
20 sult in fallowing for the majority of years
21 under the drought-year agreement; or

22 “(B) involves crops in the applicable area
23 (other than crops using an approach described
24 in paragraph (2)) that are—

25 “(i) widely used or planted; or

1 “(ii) well understood in terms of yield,
2 cost, and other key production factors.

3 “(c) QUALIFIED APPLICANTS.—

4 “(1) IN GENERAL.—Except as provided in para-
5 graph (3), to qualify for financial or technical assist-
6 ance under this section, an applicant shall—

7 “(A) propose a voluntary partnership
8 among—

9 “(i) 1 or more agricultural entities
10 (including irrigation districts); and

11 “(ii) 1 or more—

12 “(I) State, municipal, or other
13 community water providers;

14 “(II) industrial or commercial en-
15 tities, including data centers;

16 “(III) States, State agencies, or
17 subdivisions of a State; or

18 “(IV) nonprofit conservation or-
19 ganizations; and

20 “(B) submit to the Secretary an applica-
21 tion signed by at least 1 party described in sub-
22 paragraph (A)(i) and 1 party described in sub-
23 paragraph (A)(ii).

24 “(2) NO LIMITS ON PARTICIPATION OF TRIBAL
25 ENTITIES.—Each of the parties described in clauses

1 (i) and (ii) of paragraph (1)(A) may be Tribal enti-
 2 ties.

3 “(3) PROJECTS WITHOUT VOLUNTARY PART-
 4 NERSHIPS.—

5 “(A) IN GENERAL.—Notwithstanding para-
 6 graph (1), the Secretary may award to a State,
 7 State agency, or subdivision of a State, Indian
 8 Tribe, or agricultural entity that is not in a vol-
 9 untary partnership with other entities described
 10 in paragraph (1)(A) a portion of the financial
 11 assistance authorized under this section for the
 12 planning or conduct of a voluntary project
 13 that—

14 “(i) uses an innovative approach de-
 15 scribed in paragraphs (1) and (2) of sub-
 16 section (b); or

17 “(ii) with respect to a voluntary
 18 project conducted by a State, State agency,
 19 or Indian Tribe, would advance other long-
 20 term efforts to reverse declining—

21 “(I) groundwater supplies; or

22 “(II) freshwater inflows to inland
 23 lakes.

24 “(B) PRIORITY CONSIDERATION.—The
 25 Secretary shall give priority consideration to an

1 application for financial assistance under this
 2 paragraph for which the following thresholds
 3 have been met or are projected to be met:

4 “(i) In the case of an application from
 5 an agricultural entity or subdivision of a
 6 State, a reduction of 40 percent or more in
 7 the annual water supply of the agricultural
 8 entity or subdivision of the State, due to
 9 factors outside the control of the agricul-
 10 tural entity or subdivision of the State.

11 “(ii) In the case of an application
 12 from a State, State agency, or Indian
 13 Tribe, a reduction of 40 percent or more
 14 in—

15 “(I) groundwater supplies; or

16 “(II) freshwater inflows to inland
 17 lakes.

18 “(d) APPLICATION REQUIREMENTS.—The Secretary
 19 shall ensure that applications for financial or technical as-
 20 sistance under this section—

21 “(1) shall be limited to—

22 “(A) a brief description of why the pro-
 23 posed approach to be provided assistance is
 24 consistent with this section and the priorities
 25 described in subsection (e); and

1 “(B) any basic information on the appli-
 2 cant that the Secretary determines to be nec-
 3 essary; and

4 “(2) shall not require any preparation of sup-
 5 porting reports by the applicant or other entities.

6 “(e) PRIORITY.—The Secretary shall prioritize appli-
 7 cations for financial or technical assistance under this sec-
 8 tion based on—

9 “(1) for projects involving a voluntary partner-
 10 ship under subsection (c)(1), whether the proposed
 11 project would dedicate a portion of the water saved
 12 in the project area to increase water supplies for—

13 “(A) other members of the water district
 14 within which the project is located; or

15 “(B) in the case of a project not within a
 16 water district, other members of the munici-
 17 pality, Indian Tribe, acequia, or other commu-
 18 nity unit within which the project is located;

19 “(2) the extent to which the proposed approach
 20 is innovative in terms of—

21 “(A) the practices implemented or the
 22 crops planted;

23 “(B) the financial or other aspects of the
 24 voluntary partnership among the agricultural

1 entities and municipal or industrial entities or
2 nonprofit conservation organizations; or

3 “(C) a combination of the factors described
4 in subparagraphs (A) and (B);

5 “(3) the extent to which the proposed approach
6 is preliminarily estimated to reduce consumptive ag-
7 ricultural water use compared to existing practices
8 while keeping agricultural land in production;

9 “(4) the extent to which the proposed approach
10 is preliminarily estimated to support income and em-
11 ployment levels in the relevant agricultural commu-
12 nity compared to existing practices (whether due to
13 increased yields, lower input costs, or other factors);

14 “(5) the assessment of the Secretary of the like-
15 lihood that the proposed approach is likely to be suc-
16 cessfully implemented as proposed;

17 “(6) whether the voluntary water sharing agree-
18 ments among the agricultural entities and municipal
19 or industrial entities or nonprofit conservation orga-
20 nizations are proposed for a period of not less than
21 10 years;

22 “(7) the likelihood of the project to sustain the
23 project long-term without the need for additional
24 Federal funding after the project demonstration
25 phase; and

1 “(8) such other factors as the Secretary deter-
2 mines to be appropriate, consistent with subsection
3 (c)(3).

4 “(f) COST-SHARING REQUIREMENT.—

5 “(1) IN GENERAL.—The Federal share of ac-
6 tivities provided financial assistance under this sec-
7 tion shall not exceed 75 percent of the cost of the
8 activities.

9 “(2) WAIVER.—The Secretary may waive the
10 cost-sharing requirement under paragraph (1) for
11 Tribal entities.

12 “(g) FUNDING.—

13 “(1) IN GENERAL.—Notwithstanding any other
14 provision of law, the Secretary may use not more
15 than 10 percent of the amounts made available
16 under section 9504(e) of the Omnibus Public Land
17 Management Act of 2009 (42 U.S.C. 10364(e)) to
18 carry out this section.

19 “(2) AUTHORIZATION OF APPROPRIATIONS.—In
20 addition to any amounts otherwise made available to
21 carry out this title and amounts made available
22 under paragraph (1), there is authorized to be ap-
23 propriated to the Secretary to carry out this section

- 1 \$5,000,000 for each of fiscal years 2028 through
- 2 2034.”.

