



WHAT ARE MY ENTITLEMENTS AS A PRIOR LAW RECIPIENT?

Reclamation Reform Act of 1982 (RRA)

GENERAL

Under the RRA there are two types of entitlements. The **OWNERSHIP** entitlement refers to the maximum amount of owned land an individual or entity may irrigate with water from a Bureau of Reclamation (Reclamation) project. Any nonexempt land directly or indirectly owned in excess of an individual's or entity's **OWNERSHIP** entitlement is referred to as **EXCESS LAND**. Generally, such land is **not eligible** to receive Reclamation irrigation water while in the ownership of that landholder.

 **Nonexempt land means either irrigation land or irrigable land that is subject to the acreage limitation provisions.**

The **NONFULL-COST** entitlement refers to the maximum amount of directly or indirectly owned or leased land an individual or entity may hold and irrigate at less than the full-cost rate. **FULL-COST LAND** is **eligible nonexempt land** directly or indirectly owned or leased that exceeds the **NONFULL-COST** entitlement and may receive Reclamation irrigation water **only** at the full-cost rate.

The ownership and nonfull-cost entitlements that apply to a landholder are determined by the acreage limitation status of the landholder; that is, qualified recipient, limited recipient, or prior law recipient. The remainder of this Fact Sheet highlights the entitlements applicable to **prior law recipients**.

OWNERSHIP ENTITLEMENT

The **OWNERSHIP** entitlement for **prior law recipients** varies from one recipient to another depending on the form of ownership. The following table provides the maximum **OWNERSHIP** entitlements for prior law recipients:

LANDHOLDER	OWNERSHIP ENTITLEMENT (Nonexempt acres)	REQUIREMENTS AND ADDITIONAL INFORMATION
Individual	160	- - - -
Husband and wife	320	Land jointly owned, provided each spouse holds an equal interest in the land.
Surviving spouse	Up to 320	Until remarriage, a surviving spouse is entitled to receive Reclamation irrigation water on that land owned jointly in marriage, up to 320 acres. For example, if 215 acres were owned jointly during the marriage, then 215 acres would be the ownership entitlement of the surviving spouse under prior law until remarriage. However, if the surviving spouse should sell 15 acres, then the spouse's new ownership entitlement would be 200 acres.
Children	160	Per child, regardless of whether they are independent or dependent. The title to such land must be in the name of the child.
Tenancies-in-common and joint tenancies	160	Per tenant, provided each tenant holds an equal interest in the tenancy.
Partnerships	160	Per partner, provided each partner holds an equal interest in the partnership. Each partner must also have a separable interest in the partnership and the right to alienate that interest. Otherwise, the partnership is limited to 160 acres. It is suggested that partnership agreements be submitted to Reclamation for a determination of the entity's prior law ownership entitlement.
Corporations	160	Includes any land held by subsidiaries. The 160-acre ownership entitlement applies equally to corporations solely owned by a single family or surviving spouse and those that are owned by multiple individuals and/or entities.

In addition, prior law recipient **OWNERSHIP** entitlements are applied either on a district-by-district basis or on a westwide basis depending on the date the land was acquired. (Application on a westwide basis includes all land in Reclamation projects subject to the acreage limitation provisions in the 17 Western States.) The **OWNERSHIP** entitlement is applied on a **district-by-district** basis for any land acquired by the landholder in question **on or before** December 6, 1979. The **OWNERSHIP** entitlement is applied on a **westwide** basis for any land acquired by the landholder in question **after** December 6, 1979.

Nonexempt land owned by prior law recipients in **EXCESS** of the applicable **OWNERSHIP** entitlement is generally **not eligible** to receive Reclamation irrigation water. However, **EXCESS LAND** may be eligible to receive Reclamation irrigation water if such land (1) is subject to a recordable contract, or (2) was eligible in the holding of a former owner and involuntarily acquired within the past 5 years (for example, inherited).


EXAMPLE: Mr. and Mrs. X, who **purchased all of their owned land prior to December 6, 1979**, may receive Reclamation irrigation water on the 320 acres they own jointly in District A and also on the 100 acres they own in District B. On July 1, 1991, they purchased an additional 40 acres in District B. Since the 40 acres were acquired after December 6, 1979, all 460 acres in their ownership must be taken into consideration to determine if the newly acquired land is within their **OWNERSHIP** entitlement. In this case, the total owned acres westwide (460 acres) exceeds the couple's maximum westwide entitlement (320 acres). Therefore, the 40 newly acquired acres are determined to be **EXCESS LAND** and **ineligible** to receive Reclamation irrigation water in their ownership.

If an entity's stockholders, partners, beneficiaries, etc., have conformed to the discretionary provisions, it does not necessarily mean the entity has conformed to those provisions. The same is true for part owners if an entity has conformed to the discretionary provisions.

Any land owned by a subsidiary entity **is counted against** the ownership entitlement of its parent entity. An entity may not be able to realize its full entitlement due to the entitlements of its part owners and their landholdings. No part owner may receive Reclamation irrigation water on land owned in excess of his/her/its respective **ownership** entitlement. Furthermore, stockholders, part owners, and beneficiaries of prior law entities generally may not individually receive Reclamation irrigation water on more than 160 acres of directly or indirectly owned land unless they themselves are subject to the discretionary provisions. Therefore, part owners that exceed their

acreage limitation entitlements, either through land the part owner directly owns or leases or through land attributed to the part owner from an entity, may affect the ability of the entity to realize its full acreage limitation entitlements, if a part owner must ask the entity to declare part of its holding as **EXCESS** or **FULL COST**.

EXAMPLE: Corporation ABC, which purchased all of the land it owns after 1979, and its two part owners, are prior law recipients. As a prior law recipient, Corporation ABC has an ownership entitlement of 160 acres and indeed owns 160 eligible acres. One part owner holds no land directly, but has interests in several entities resulting in 200 acres of owned land being attributed to her. This part owner, who owns 50 percent of Corporation ABC, must ask an entity to designate part of its land as **excess**, since her westwide ownership entitlement of 160 acres has been exceeded by 40 acres. If Corporation ABC agrees to the part owner's request, it will have to designate 80 acres of its 160 owned acres as **excess** in order for 40 excess acres to be attributed to the part owner (80 acres times 50 percent, the part owner's interest in the entity).

 If your landholding, or that of the entity in which you hold an interest, consists **entirely of owned land** (in other words, you do not directly or indirectly lease land to or from another landholder) the following section does not apply to you.

NONFULL-COST ENTITLEMENT

A prior law recipient's **NONFULL-COST** entitlement is the same as its basic **OWNERSHIP** entitlement. In other words, if your **OWNERSHIP** entitlement is 320 acres, your **NONFULL-COST** entitlement is 320 acres. For purposes of computing the acreage subject to full cost, all owned and leased nonexempt land westwide must be included in the calculation. However, unlike the ownership entitlement, only land actually **receiving** Reclamation irrigation water counts against your **NONFULL-COST** entitlement.


Deliveries of Reclamation irrigation water to any eligible land (directly or indirectly owned or leased) selected as full-cost land will be assessed the full-cost rate. Generally, you can select any combination of eligible owned and leased land as your nonfull-cost acreage. However, any land that is (1) determined to be **INELIGIBLE EXCESS LAND**, or (2) required by law to be subject to full-cost rates, **cannot** be selected as nonfull-cost acreage.


EXAMPLE: Mr. and Mrs. Z own 320 acres of eligible land in each of two districts and 160 acres in a third district. All of this land was purchased prior to December 6, 1979. In addition, Mr. and Mrs. Z lease 100 acres from another party for a total landholding of 900 acres. All 800 acres of **owned land** are eligible to receive Reclamation irrigation water at the regular contract rate, because it is within the couple's 320-acre-per-district ownership entitlement for land purchased **before** December 6, 1979. However, 100 of the 900 acres must be selected as full cost and the full-cost rate will be applied to any Reclamation irrigation water delivered to that land. This is because the couple's maximum **NONFULL-COST** entitlement of 320 acres has been exceeded by their landholding and the district-by-district provision does not apply to leased land.

Nonfull-cost entitlements are computed on a cumulative basis during any water year. Once you have selected your total nonfull-cost land, and you receive Reclamation irrigation water on it, that land will be considered your **NONFULL-COST** land for the entire water year, even if you should terminate Reclamation irrigation water deliveries to the selected land. Any additional **eligible** land you purchase or lease during the water year may receive Reclamation irrigation water only at the full-cost rate.

EXAMPLE: Farmer W owns 100 acres that he purchased on October 1, 1982, and leases an additional 150 acres in District A. Farmer W is entitled to receive Reclamation irrigation water on the entire 250 acres, but must select 90 acres as **full-cost land** (250 acres of eligible land less the 160-acre **NONFULL-COST** entitlement). After Farmer W begins to receive Reclamation irrigation water on the 250 acres for the year, he decides to purchase an additional 100 acres in District B. With this purchase, Farmer W must designate 40 acres as **ineligible excess** land (200 acres of owned land less the 160-acre **OWNERSHIP** entitlement). Farmer W will be able to receive Reclamation irrigation water on a total of 310 eligible acres (160 acres of eligible owned land and 150 acres of leased land); however, 150 acres (310 acres of eligible land less the 160-acre **NONFULL-COST** entitlement) must be selected as **full-cost land**. The land selected as full cost **must include** the 90 acres that have already received full-cost water during the water year and the 60 eligible acres Farmer W purchased during the current water year.

Nonexempt land that (1) is subject to a recordable contract, or (2) was involuntarily acquired within the last 5 years and designated as excess by the involuntarily acquiring party, generally is not considered when determining if the prior law recipient has exceeded the applicable **nonfull-cost entitlement**.

 If a landholder selects eligible land as full cost, the full-cost rate must be paid for Reclamation irrigation water delivered to that land, even if that landholder should lease the land to someone who does not exceed their own nonfull-cost entitlement. For example, Entity X is required to select part of its owned land as full-cost land. Entity X selects the 50 acres it has leased to Landholder Z as full cost. The full-cost rate must be paid for all Reclamation irrigation water delivered to those 50 acres even if it is the only land in Landholder Z's landholding.

 **Any land leased from a public entity is counted against both the landholder's OWNERSHIP and NONFULL-COST entitlements.**

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Contact your district or local Reclamation office for more information concerning prior law recipient entitlements.

Mission of the Bureau of Reclamation: To manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

The Department of the Interior has established a 24-hour toll-free telephone number (1-800-424-5081) for anyone wishing to report suspected violations of the Reclamation Reform Act of 1982 (RRA). Anyone reporting suspected violations will be protected under Federal privacy laws.

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