




# WHAT ARE MY ENTITLEMENTS AS A QUALIFIED 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 **qualified recipients**.

## OWNERSHIP ENTITLEMENT

A **qualified recipient** is entitled to receive Reclamation irrigation water on a maximum of **960 acres of owned nonexempt land**. The ownership entitlement is applied **westwide**; that is, it applies to all land in Reclamation projects subject to the acreage limitation provisions in the 17 Western States. Nonexempt land **owned** by a qualified recipient in **EXCESS** of 960 acres is generally **not eligible** to receive Reclamation irrigation water, unless it is eligible through a class 1 equivalency determination. 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).

The following is a simple procedure for determining if you have **EXCESS LAND**:

How much nonexempt land do you own directly or indirectly as a <b>qualified recipient</b> ?	_____ acres
Less the qualified recipient <b>OWNERSHIP</b> entitlement	- <u>960</u> acres
Your <b>EXCESS ACREAGE</b>	= <u>          </u> acres


(If zero or less, you have no **EXCESS LAND**.)

**For individuals:** You, your spouse, and your dependents are considered to be **one qualified recipient** with **one 960-acre ownership** entitlement. Any land you, your spouse, or your dependents own indirectly through an interest in an entity must also be taken into consideration when determining if you are within your entitlement.

**For entities:** 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 qualified recipient 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:** A partnership is a qualified recipient, but its two part owners, both of whom are individuals and each have a 50-percent interest in the partnership, are prior law recipients. Since the two part owners each have ownership entitlements of only 160 acres, the entity would only be able to realize 320 of its 960-acre ownership entitlement. To realize any larger entitlement would result in more than 160 acres being attributed to each part owner, thereby making such land **excess**.

 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 from another landholder), the following section does not apply to you.

## NONFULL-COST ENTITLEMENT


A qualified recipient has a **NONFULL-COST** entitlement of **960 acres westwide**, but unlike the ownership entitlement, only land actually **receiving** Reclamation irrigation water counts against the **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:** Farmer Z is a qualified recipient with a landholding of 1,000 acres of owned and 500 acres of leased land. Forty of the 1,000 owned acres are in excess of the 960-acre **OWNERSHIP** entitlement for qualified recipients and must be designated by the landholder as **excess land**, ineligible to receive Reclamation irrigation water at any price. The remaining 1,460 acres (960 acres of owned land and 500 acres of leased land) will be eligible to receive Reclamation irrigation water, but if Farmer Z irrigates all that land with Reclamation irrigation water, 500 acres (1,460 acres less the 960-acre **NONFULL-COST** entitlement) of owned nonexcess or leased land must be selected as **full-cost 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 500 acres that he purchased on October 1, 1982, and leases an additional 550 acres in District A. Farmer W is entitled to receive Reclamation irrigation water on the entire 1,050 acres, but must select 90 acres as **full-cost land** (1,050 acres of eligible land less the 960-acre **NONFULL-COST** entitlement). After Farmer W begins to receive Reclamation irrigation water on the 1,050 acres for the year, he decides to purchase an additional 500 acres. With this purchase, Farmer W must designate 40 acres as **ineligible excess** land (1,000 acres of owned land less the 960-acre **OWNERSHIP** entitlement). Farmer W will be able to receive Reclamation irrigation water on a total of 1,510 eligible acres (960 acres of eligible owned land and 550 acres of leased land); however, 550 acres (1,510 acres of eligible land less the 960-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 460 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 qualified 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.**

**NEED MORE INFORMATION?**

<b>For questions about:</b>	<b>See Fact Sheet:</b>
RRA forms requirements for qualified recipients	5
How to determine your acreage limitation status	2
What is a landholding change	11
Trusts and estates	12
Involuntary acquisitions	13

Contact your district or local Reclamation office for more information concerning qualified recipient entitlements and information on class 1 equivalency.

---

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.

Distributed by the Bureau of Reclamation, United States Department of the Interior.