

May 2005

FACT SHEET 2

HOW TO DETERMINE YOUR STATUS UNDER RECLAMATION LAW

Reclamation Reform Act of 1982 (RRA)

The RRA and the Acreage Limitation Rules and Regulations (43 CFR part 426) place limitations on the amount of owned land a landholder (direct or indirect landowner or lessee) is able to irrigate with water from Bureau of Reclamation (Reclamation) projects and establish the appropriate water rate to be charged for Reclamation irrigation water. Acreage limitations and water rates are based on a landholder's status under Federal reclamation law. The following will help you determine your acreage limitation status and refer you to other RRA Fact Sheets that provide the acreage limitation entitlements for each type of recipient and explain which RRA form(s) you must file in order to be eligible to receive Reclamation irrigation water.

L This Fact Sheet does not apply to public entities, religious or charitable organizations, trusts, or estates. Such entities and organizations should contact their district or the appropriate Reclamation office for more information.

L This Fact Sheet does not apply to nonresident aliens and foreign entities (entities not established under State or Federal law). Application of the acreage limitation provisions to nonresident aliens and foreign entities is addressed under section 426.8 of the Acreage Limitation Rules and Regulations and is dependent on factors and criteria that are not applicable to any other landholder. Nonresident aliens and foreign entities should review section 426.8 or contact their district or the appropriate Reclamation office for more information.

Qualified Recipient: An individual who is a citizen or resident alien of the United States or any legal entity established under State or Federal law that benefits 25 natural persons or less. In either case, a landholder is considered to be a qualified recipient if he/she/it (a) directly owns or leases land within a district that is subject to the discretionary provisions, **except for nonresident aliens and foreign entities**, (b) has made an irrevocable election to conform to the discretionary provisions, or (c) marries someone that has made an irrevocable election to conform to the discretionary provisions either individually or as part of another marriage. A married couple may become a qualified recipient if **either spouse** is a United States citizen or resident alien.

Limited Recipient: Any legal entity established under State or Federal law benefiting more than 25 natural persons. Such a legal entity is considered to be a limited recipient if it (a) directly owns or leases land within a district that is subject to the discretionary provisions, **except for foreign entities**, or (b) has made an irrevocable election to conform to the discretionary provisions.

Prior Law Recipient: An individual or legal entity that (a) has **no** directly owned or leased land within a district that is subject to the discretionary provisions of the RRA, and (b) has not made an irrevocable election to conform to the discretionary provisions.

L An individual or legal entity that **only owns or leases land indirectly** through a legal entity subject to the discretionary provisions may choose to remain a prior law recipient or may take action to conform to the discretionary provisions. Actions to conform to the discretionary provisions include submitting an irrevocable election and, if the land is located in a discretionary provisions district, submitting a certification form.

L **Although a prior law recipient may become a qualified recipient or a limited recipient, neither a qualified recipient nor a limited recipient may revert to prior law recipient status.**

If you are still not sure of your status, the following three sections will help you make a determination. Use **SECTION 1** of this Fact Sheet if you are an individual or a single family (husband, wife, and dependents) who directly owns or leases land. Use **SECTION 2** of this Fact Sheet if you represent a legal entity (partnership, corporation, joint tenancy, tenancy-in-common, etc.) that directly owns or leases land. Use **SECTION 3** of this Fact Sheet if you are an individual, single family (husband, wife, and dependents), or legal entity that owns or leases land **indirectly** through an entity (for example, as stockholders or partners) and have **no** direct landholdings. If, after reviewing this Fact Sheet, you are still not sure how you or your entity should be classified or have other questions concerning your acreage limitation status, contact your district or the appropriate Reclamation office.

SECTION 1.
INDIVIDUALS AND SINGLE FAMILIES (husband, wife, dependents)
WHO DIRECTLY OWN OR LEASE LAND

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| 1. | Is the district in which you directly own or lease land subject to the discretionary provisions of the RRA? If you are not sure about the answer to this question, contact your district or the appropriate Reclamation office. | YES | NO |
| 2. | Have you made an irrevocable election to conform to the discretionary provisions of the RRA? If you are not sure about the answer to this question, contact your district or the appropriate Reclamation office. | YES | NO |
| 3. | Have you married someone that has ever made an irrevocable election to conform to the discretionary provisions? | YES | NO |
| 4. | Is either you or your spouse a citizen of the United States or a resident alien? | YES | NO |

If your answers to questions 1 and 4 are **YES**, you are a **QUALIFIED RECIPIENT**, regardless of your answer to questions 2 and 3.

If your answer to question 2 is **YES** and your irrevocable election has been approved, you are a **QUALIFIED RECIPIENT**, regardless of your answers to questions 1, 3 or 4. If your irrevocable election has not been approved or disapproved, contact your district.

If your answer to question 1 is **YES**, but your answers to questions 2 and 3 are **NO**, or your answers to questions 1 and 2 are **NO**, regardless of your answer to question 3, you are a **PRIOR LAW RECIPIENT**.

SECTION 2.
LEGAL ENTITIES ESTABLISHED UNDER STATE OR FEDERAL LAW
THAT DIRECTLY OWN OR LEASE LAND

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| 1. | Is any district in which the entity directly owns or leases land subject to the discretionary provisions of the RRA? If you are not sure about the answer to this question, contact your district or the appropriate Reclamation office. | YES | NO |
| 2. | Has the entity made an irrevocable election to conform to the discretionary provisions? If you are not sure about the answer to this question, contact your district or the appropriate Reclamation office. | YES | NO |

For entities that are owned by or benefit MORE than 25 natural persons:

If your answer to question 1 is **YES**, your entity is a **LIMITED RECIPIENT**, regardless of your answer to question 2.

If your answer to question 2 is **YES** and your irrevocable election has been approved, your entity is a **LIMITED RECIPIENT**, regardless of your answer to question 1. If the entity's irrevocable election has not been approved or disapproved, contact your district.

If your answers to questions 1 and 2 are **NO**, your entity is a **PRIOR LAW RECIPIENT**.

For entities that are owned by or benefit 25 OR FEWER natural persons:

If your answer to question 1 is **YES**, your entity is a **QUALIFIED RECIPIENT**, regardless of your answer to question 2.

If your answer to question 2 is **YES** and your irrevocable election has been approved, your entity is a **QUALIFIED RECIPIENT**, regardless of your answer to question 1. If the entity's irrevocable election has not been approved or disapproved, contact your district.

If your answers to questions 1 and 2 are **NO**, your entity is a **PRIOR LAW RECIPIENT**.

L **WHOLLY OWNED SUBSIDIARIES ONLY:** If your answer to question 1 is **YES** and your **parent entity** is **NOT** established under State or Federal law, regardless of your answer to question 2, contact the appropriate Reclamation office.

SECTION 3.
INDIVIDUALS, SINGLE FAMILIES (husband, wife, dependents), AND LEGAL ENTITIES
ESTABLISHED UNDER STATE OR FEDERAL LAW THAT
OWN OR LEASE LAND INDIRECTLY THROUGH AN ENTITY
AND HAVE NO DIRECT LANDHOLDINGS

The key question is: *Has an irrevocable election to conform to the discretionary provisions been approved for the individual, single family, or legal entity that has no direct landholdings?*

If the answer to this question is **YES**, and you are an **individual or single family**, you are a **QUALIFIED RECIPIENT**. For **legal entities** that are owned by or benefit **25 or fewer** natural persons, the entity is a **QUALIFIED RECIPIENT**. If the legal entity is owned by or benefits **more** than 25 natural persons, the entity is a **LIMITED RECIPIENT**.

If the individual, single family, or legal entity has not made an irrevocable election, the landholder is a **PRIOR LAW RECIPIENT**. The only exception is if the individual (or the husband or wife) is a United States citizen or resident alien or the legal entity is established under State or Federal law, and the landholder **only** holds land **indirectly** in a district that has conformed to the discretionary provisions. In such cases, if the landholder has submitted a **CERTIFICATION FORM** (blue text) to the district that is subject to the discretionary provisions, they are either a **QUALIFIED RECIPIENT** or a **LIMITED RECIPIENT** as outlined above.

NEED MORE INFORMATION?

For questions about:	See Fact Sheet:
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Also visit www.usbr.gov/rra for more information.

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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