FORM 7-21FC
2008 Instructions
(7-07)

INSTRUCTIONS FOR SELECTION OF FULL-COST LAND

(For Landholders Subject to Certification and Reporting Requirements of the Reclamation Reform Act of 1982)

Bureau of Reclamation
Do not use this form after December 31, 2008

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Paperwork Reduction Act

This information is being collected to establish landholder compliance with Federal reclamation law. Response to this request is mandatory in accordance with Public Law 97-293 and 43 CFR 426.18. Public reporting burden for this form is estimated to average 30 minutes per response, including time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid Office of Management and Budget (OMB) control number. Direct comments regarding the burden estimated or any other aspect of these forms to Manager, Land Resources, Code 84-53000, Bureau of Reclamation, PO Box 25007, Denver CO 80225.

GENERAL INFORMATION

"General Information About RRA Forms" (Form 7-21INFO) provides basic information on using Reclamation Reform Act of 1982 (RRA) forms. Ask your district office for this form each year to keep current. Refer to the definitions at the end of Form 7-21INFO whenever the meaning of a term is not clear to you. Please note, some terms such as "irrigable land," "irrigation land," and "irrigation water" have special definitions when used in these forms which differ from their common meaning. Other terms and corresponding definitions that are specific to the RRA forms are:

- "**Land**" or "**acres**" means irrigable or irrigation land.
- "**You**" or "**your**" means all types of landholders -- individuals, entities, religious or charitable organizations, trusts, estates, etc.
- "**We,**" "**us,**" "**our**," or "**Reclamation**" means the Bureau of Reclamation.

As used in the RRA forms, the term "actual acres" refers to all irrigable and irrigation acres with no adjustment applied for Class 1 equivalency. The term "Class 1 equivalent acres" refers to the resulting number of acres when an adjustment is made to actual acres for Class 1 equivalency.

Visit www.usbr.gov/rra for more information.

WHO MUST SUBMIT THIS FORM

You must submit a "Selection of Full-Cost Land" (Form 7-21FC) if you are:

- A landholder (individual or entity) who exceeds your nonfull-cost entitlement, whether you want to irrigate your land or not.
- An entity who agrees to select some land as full-cost when a part owner is over the applicable nonfull-cost entitlement. Your entity's part owners do not have to submit Form 7-21FC if your entity selects full-cost land but the part owner still does not exceed his/her/its nonfull-cost entitlement (including all indirectly held land).
- Any party attributed with the land held (directly or indirectly owned or leased) by a trust or estate who exceeds the applicable nonfull-cost entitlement. In this instance, the trust or estate must select full-cost land even though trusts and estates do not have a set nonfull-cost entitlement to exceed.

WHERE TO SUBMIT FORMS

If you must complete a Form 7-21FC, then you must submit a Form 7-21FC along with your standard form to **each district** in which you hold land subject to the acreage limitation provisions. You must submit the original form to one district and may submit copies to the others if you hold land in more than one district.

WHAT LAND TO INCLUDE

When you select land parcels that are to receive Reclamation irrigation water at the full-cost rate, you must also select which land parcels will receive such water at the nonfull-cost rate. The amount of land you may select to receive Reclamation irrigation water at the nonfull-cost rate depends on many factors, such as your status under the law, the application of Class 1 equivalency factors, etc. You may select only directly owned or directly leased land as nonfull-cost, up to your nonfull-cost entitlements.

You cannot change the land you select as nonfull-cost and full-cost once you receive Reclamation irrigation water on your land until the next year. Note: You must list your irrigable land not receiving irrigation water even though it

does not count against your nonfull-cost entitlement, but does establish your nonfull-cost selection for this water year. You may want to work with your district office(s) or the appropriate Reclamation office to complete this form properly.

You must provide an accurate legal description or an assessor's parcel number for each land parcel you list. Be sure you break down land parcels as far as necessary to ensure accurate identification. Group the parcels by district if you are listing parcels located in more than one district.

TO CHANGE SELECTION MIDYEAR

You may reselect land as full-cost or nonfull-cost during a water year only if the following conditions are met:

(1) You have not already received Reclamation irrigation water this water year on westwide landholdings that equal or exceed your applicable nonfull-cost entitlement.

(2) The land you want to reselect as nonfull-cost or full-cost has not yet received Reclamation irrigation water this water year. Your original selection will stand if the district office is unable to verify that the land in question has not yet been irrigated with such water.

(3) You have completed and submitted a new Form 7-21FC.

WHEN THIS FORM IS REQUIRED

You must submit Form 7-21FC each and every year that you submit new standard forms, as well as each and every year you want to change the selections from those specified on the previously submitted Form 7-21FC. However, if you are eligible to submit a "Verification of Landholdings" (Form 7-21VERIFY), you do not need to submit a new Form 7-21FC for that year unless your selection of full-cost land changes. You may submit a Form 7-21VERIFY to verify the standard form and a new Form 7-21FC if you want to change the selection of your full-cost land.

Your entity must select enough land to attribute to the part owner the number of acres equal to what the part owner needs to select as full-cost land. For example, a part owner owns 50 percent of a legal entity and he needs to select 50 acres as full-cost land. The part owner asks the legal entity to select full-cost land. The entity must select 100 acres as full-cost land in order for the part owner to have 50 full-cost acres attributed to him.

If you are an indirect landholder, you may apply Class 1 equivalency to your selection of nonfull-cost land if the direct landholder has already utilized Class 1 equivalency on his/her/its Form 7-21FC. You should obtain a copy of the direct landholder's form, and indicate the same acreage as full-cost as the direct landholder. If after taking that action you still exceed your nonfull-cost entitlement, then apply one of the following:

(1) <u>If you hold land both directly and indirectly</u>, then apply the Class 1 equivalency to your directly held land.

(2) <u>If you hold no land directly (or you do not want to select such land as full-cost) and the direct landholder does not exceed the applicable entitlement</u>, then use the applicable Class 1 factors to determine how much land to request the direct landholder to select as full-cost land. Once the direct landholder has completed Form 7-21FC, obtain a copy of that form and indicate the same acreage as full-cost as the direct landholder.

GENERAL INSTRUCTIONS

Type or print in ink all answers. You must initial and date any crossouts and corrections. You may attach continuation sheets to list information. District name abbreviation(s) used on this form must be spelled out on the form where the abbreviation is used for the first time, or on a separate sheet attached to this form. Please contact your district office or the appropriate Reclamation office if you have any questions.

ITEM BY ITEM INSTRUCTIONS

Landholder Information

1. Enter the landholder's name.

2. Enter the spouse's name if the landholder is married.

3. (a) Enter the landholder's, trustee's, executor's, or administrator's street address or rural route number, city, state, and ZIP code. An attorney's address, "c/o" address, etc., is not acceptable in place of a street address. Post office box numbers may be used only if no other address exists.

   (b) Enter the landholder's mailing address if it is different from the street address.

4. (a) Enter the telephone number where questions can be directed.

   (b) Enter the name of a contact person at that telephone number.

5. Check the box that best identifies the landholder's nonfull-cost entitlement. Fill in the number of acres on the line provided if you check "Other." Check the box marked "Trust or Estate" instead of checking an entitlement if you are completing this form for a trust or estate.

6. (a) **For entities only:** Enter the name(s) of the part owner(s) causing the entity to complete this

form. Your entity may not exceed its nonfull-cost entitlement, but it may complete this form solely because one (or more) of its part owners exceeds his/her/its nonfull-cost entitlement and your entity has agreed to select all or part of its land as full cost.

(b) **For trusts or estates only:** Identify the attributed direct or indirect landholder(s) who exceeds his/her/its nonfull-cost entitlement, causing the trust or estate to complete this form.

Directly Held Nonfull-Cost Land

7. Complete this section if you directly hold land and either a portion or all of that land is to be selected as nonfull-cost. Identify which parcels of the directly held land will receive Reclamation irrigation water at the nonfull-cost rate.

If you are unsure of the meaning of the terms "actual acres" or "Class 1 equivalent acres," please see the "GENERAL INFORMATION" section of these instructions and the definitions provided in Form 7-21INFO.

(a) Name of district in which the land parcel is located.

(b) Provide an accurate legal description or an assessor's parcel number. Be sure to break down land parcels as far as necessary to ensure accurate identification. Group the parcels by district if you are listing parcels located in more than one district.

(c) Number of actual acres in the land parcel.

For direct landholders with a Class 1 equivalency factor: The following instructions explain how to calculate the maximum number of acres you may select as nonfull-cost.

If all of your land is of one class other than Class 1 and has a Class 1 equivalency factor of less than 1.0, you can divide your nonfull-cost entitlement by that equivalency factor to determine the number of acres you may select as **nonfull-cost**. If your equivalency factor is more than 1.0 you will need to multiply your nonfull-cost entitlement by that equivalency factor.

Example: If you own 1,200 acres and if your nonfull-cost entitlement is 960 acres and all your land is Class 2 with a Class 1 equivalency factor of 0.8, you will enter 1,200 **nonfull-cost** acres in column 7(c) (960 ÷ 0.8 = 1,200). If you have multiple classes of land and need assistance completing this item on your form, please contact your district office or the appropriate Reclamation office.

(d) If appropriate, enter the Class 1 equivalency factor for the district in which the land parcel is located. You may use this column only if you are subject to the discretionary provisions and only for land you hold in those districts listed in column 7(a) that have Class 1 equivalency factors. Leave this column blank if you are not subject to the discretionary provisions or if none of the districts listed in column 7(a) have Class 1 equivalency factors. Again, Class 1 equivalency can only be applied to acres in those districts that have Class 1 equivalency factors.

(e) If you completed column 7(d), enter the Class 1 equivalent acres by dividing item 7(c) by item 7(d) if your Class 1 equivalency factor is more than 1.0, or by multiplying item 7(c) by item 7(d) if your Class 1 equivalency factor is less than 1.0.

Example: If you have 1,400 actual Class 2 acres with a Class 1 equivalency factor of 0.8, you will enter 960 acres in column 7(e) because application of Class 1 equivalency to 1,200 of your actual 1,400 Class 2 acres results in 960 acres (1,200 x 0.8 = 960). However, you must still select the remainder of your actual Class 2 acres (200 acres) as full-cost in item 14. To do this, you must re-convert all class 1 equivalent acres to actual acres. Please refer to the example provided in item 14.

The total acres in column 7(e) cannot exceed your nonfull-cost entitlement.

This column can be used only by landholders subject to the discretionary provisions and only for those districts listed in column 7(a) that have Class 1 equivalency factors. Leave this column blank if you are not subject to the discretionary provisions or if none of the districts listed in column 7(a) have Class 1 equivalency factors.

All land you directly hold must be selected as either **nonfull-cost or full-cost**, or identified as not receiving Reclamation irrigation water. You can verify this by adding the total of column 7(c), item 13, and item 15. This total should equal the total number of directly owned and directly leased acres on your standard form.

Indirectly Held Nonfull-Cost Land

8. Complete this section if you exceed your nonfull-cost entitlement and you are a part owner, beneficiary,

trustee, or grantor who is attributed with land held by an entity, trust, or estate and a portion of such indirectly held land is selected to receive Reclamation irrigation water at the nonfull-cost rate by the direct holder of such land. Only direct landholders can select nonfull-cost land.

Determine which of the following situation applies to you:

- If you have asked a direct landholder to complete a Form 7-21FC and the landholder has done so, or the direct landholder has completed a Form 7-21FC for other reasons, you must use the direct landholder's Form 7-21FC to complete this section. Any applicable Class 1 equivalency calculations will be performed on the direct landholder's Form 7-21FC.
- OR, if the direct landholder has not completed a Form 7-21FC, then all land you indirectly hold through that landholder must be included here.

If you are unsure of the meaning of the terms "actual acres" or "Class 1 equivalent acres," please see the "GENERAL INFORMATION" section of these instructions and the definitions provided in Form 7-21INFO.

An indirect landholder who meets the following criteria must also note in column 8(b) what action was taken (e.g., I am not over my nonfull-cost entitlement because when the available Class 1 equivalency factor is used I only have ____ Class 1 equivalent acres) if the indirect landholder:

1. Exceeds his/her/its nonfull-cost entitlement;
2. Only holds land through entities that are under their entitlements; **and**
3. Finds that when Class 1 equivalency is available in the district(s) and applied by the direct landholder, it results in the indirect landholder also being under entitlement.

(a) Name of district in which the land parcel is located.

(b) Name of the direct landholder (i.e., the entity that owns or leases land in which you own an interest, or the name of the trust or estate in which the land is held).

(c) Number of actual or Class 1 equivalent acres selected as nonfull-cost by the direct landholder (entity, trust, or estate). You must obtain this number from item 7(c) if no Class 1 equivalency factor is used, or item 7(e) if Class 1 equivalency is used, on the direct landholder's Form 7-21FC.

(d) What type of acres were included in item 8(c): actual acres or Class 1 equivalent acres. You must indicate "actual acres" if the acreage you are using was obtained from item 7(c) of the direct landholder's Form 7-21FC. You must indicate "Class 1 equivalent acres" if the acreage you are using was obtained from item 7(e) of the direct landholder's Form 7-21FC.

(e) The percentage of interest in the entity, trust, or estate that is attributed to you.

(f) Multiply item 8(c) by item 8(e) in decimal form. This is the number of indirectly held nonfull-cost acres attributable to you by the entity, trust, or estate.

9. For calculation purposes only, please complete the steps specified below and enter your total for each step in the space provided to the right of the written instruction:

(a)	Total column 7(c) for those land parcels where Class 1 equivalency is not applicable, or.	9(a) _____
(b)	Total column 7(e) for those land parcels where Class 1 equivalency is applicable. . .	9(b) _____
(c)	Total column 8(f).	9(c) _____
(d)	Add the totals you calculated above. This is the number of acres westwide that you select to receive Reclamation irrigation water at the nonfull-cost rate. Enter this total in item 9 on the form.	9(d) _____

Total acres in item 9 cannot exceed your nonfull-cost entitlement.

10. Please provide an explanation if the total nonfull-cost acreage you entered in item 9 on the form exceeds your nonfull-cost entitlement (e.g., land held under recordable contract, land involuntarily acquired, etc.).

Land Not Receiving Reclamation Irrigation Water

11. Enter the landholder's name again. (These forms are often photocopied, so it is necessary to have the landholder identified on each page.)

12. Complete this section for directly or indirectly held land that is not receiving Reclamation irrigation water. You must list land subject to an **extended** recordable contract in this section, or in item 14 or item 16.

    If you are unsure of the meaning of the terms "actual acres" or "Class 1 equivalent acres," please see the "GENERAL INFORMATION" section of these instructions and the definitions provided in Form 7-21INFO.

    (a) Name of district in which the land parcel is located.

    (b) Provide an accurate legal description of the land parcel or an assessor's parcel number for **directly held** land that is not receiving Reclamation irrigation water. Leave this column blank if you are the indirect landholder of the land that is not receiving Reclamation irrigation water.

    (c) Name of the direct landholder (i.e., the entity that owns or leases irrigable and/or irrigation land in which you own an interest, or the name of the trust or estate in which the land is held). Leave this column blank if you are the direct landholder of the listed land parcel.

    (d) For **indirectly held** land, provide the actual acres that the direct landholder selected as not receiving Reclamation irrigation water. Leave this column blank if you are the direct landholder of the listed land parcel.

    (e) Provide the percentage of interest you have in the actual acres attributed to you as an indirect landholder. Leave this column blank if you are the direct landholder of the listed land parcel.

    (f) Check this column if the land is not currently being irrigated.

    (g) Check this column if the land is being irrigated, but is receiving water from a source **other than** a Reclamation irrigation project.

    (h) Number of actual acres in the land parcel. For **indirectly held** land, multiply item d and item e to obtain the correct number of actual acres (i.e., the percentage of actual acres attributed to you). **Note:** Any Class 1 equivalent acres must be reconverted to actual acres. Please refer to the example provided in item 14.

13. Total column 12(h). This is the number of actual acres held westwide that are not receiving Reclamation irrigation water.

Directly Held Full-Cost Land

14. Complete this section if you directly hold land and all or a portion of that land is to be selected as full cost. You must list land subject to an **extended** recordable contract in this section, or in item 12 or item 16. In this section, identify which parcels of directly held land will receive Reclamation irrigation water at the full-cost rate.

    If you are unsure of the meaning of the terms "actual acres" or "Class 1 equivalent acres," please see the "GENERAL INFORMATION" section of these instructions and the definitions provided in Form 7-21INFO.

    (a) Name of district in which the land parcel is located.

    (b) Provide an accurate legal description of the land parcel or an assessor's parcel number.

    (c) Number of **actual** full-cost acres in the land parcel. **Note:** Any Class 1 equivalent acres must be reconverted to actual acres.

    Using the example provided for item 7(e):

    Example: If you have 1,400 actual Class 2 acres with a Class 1 equivalency factor of 0.8, you entered 960 acres in column 7(e) because 1,200 acres x 0.8 = 960. However, you must select the remainder of your land (200 acres) as full-cost because you applied Class 1 equivalency to only a 1,200-acre portion of your 1,400-acre landholding.

    The actual acres included in items 7 and 14 must equal the total directly owned and leased land reported on your standard RRA form. Land reported on your standard RRA form is based on actual acres, not Class 1 equivalent acres. Therefore, if you use the Class 1 equivalent acres from item 7(e) to calculate the number of acres that must be selected as full-cost acres, you will arrive at a total number of acres that is less than the total owned and leased land reported on your standard RRA form.

15. Total column 14(c). This is the number of directly held actual acres westwide that you select to receive Reclamation irrigation water at the full-cost rate.

Indirectly Held Full-Cost Land

16. Complete this section if you exceed your nonfull-cost entitlement and you are a part owner, beneficiary, trustee, or grantor who is attributed with land held by an entity, trust, or estate and all or a portion of your indirectly held land is selected to receive Reclamation irrigation water at the full-cost rate by the direct holder

of such land. You must list land subject to an extended recordable contract in this section or in item 12 or item 14. Using information obtained from the direct landholder's Form 7-21FC, you must identify which parcels of your indirectly held land will receive Reclamation irrigation water at the full-cost rate.

If you are unsure of the meaning of the terms "actual acres" or "Class 1 equivalent acres," please see the "GENERAL INFORMATION" section of these instructions and the definitions provided in Form 7-21INFO.

(a) Name of district in which the land parcel is located.

(b) Name of the direct landholder (i.e., the entity that owns or leases irrigable and/or irrigation land in which you own an interest, or the name of the trust or estate in which the land is held).

(c) Number of actual acres selected as full-cost by the entity, trust or estate. Since only direct landholders can select full-cost land, you must obtain this number from the direct landholder's Form 7-21FC, item 14(c).

(d) The percentage of interest in the entity, trust, or estate that is attributed to you.

(e) Multiply item 16(c) by item 16(d) in decimal form. This is the number of indirectly held full-cost acres attributable to you by the entity, trust, or estate.

17. Total column 16(e). This is the number of acres you indirectly hold westwide for which the full-cost rate will be paid.

18. Total item 15 and item 17. This is the total number of acres held westwide that you select to receive Reclamation irrigation water at the full-cost rate.

Signatures

19. Sign the form in ink. Both you and your spouse, if married, must sign the form. This requirement applies even if the land is not jointly held. All partners, joint tenants, or co-tenants must sign the form if the landholder is a partnership, joint tenancy, or tenancy-in-common. However, you may use a written signature authorization to permit one spouse to sign for the couple, or to permit one natural person to sign for the entity, and a copy must be submitted to each district you submit RRA forms. All trustees, executors, or administrators must sign this form unless the trust or a power of attorney authorizes one individual to sign for the trust or estate. The district office must keep any signature authorizations on file.