

FACT SHEET 2

ACREAGE LIMITATION STATUS

Reclamation Reform Act of 1982 (RRA)

This fact sheet details how to identify your acreage limitation status under the RRA and the Acreage Limitation Rules and Regulations (43 CFR¹ part 426; Regulations). Your acreage limitation status determines the amount of land you can irrigate with water from a Bureau of Reclamation project, and the appropriate water rate that will be charged for Reclamation irrigation water. If you are unsure of the information discussed in this fact sheet, contact your district or the appropriate Reclamation office, or see the **Sources for more information** section at the end of this fact sheet.

This fact sheet does not apply to public entities, religious or charitable organizations, trusts, estates, nonresident aliens, or foreign entities. Landholders of these types should contact their district or the appropriate Reclamation office for more information. Trusts and estates can refer to Fact Sheet 12 (Trust and Estates) for specific information. Nonresident aliens and foreign entities can refer to Fact Sheet 16 (Nonresident Aliens and Foreign Entities) for specific information.

Acreage limitation status definitions

- **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. A married couple may become a qualified recipient if **either spouse** is a United States citizen or resident alien. A landholder is considered to be a qualified recipient if the landholder:
 - Directly owns or leases land within a district that is subject to the discretionary provisions,
 - Has made an irrevocable election to conform to the discretionary provisions, **or**
 - Marries someone that has made an irrevocable election to conform to the discretionary provisions either individually or as part of another marriage.
- **Limited Recipient:** A legal entity established under State or Federal law benefiting more than 25 natural persons. A legal entity is considered to be a limited recipient if the entity:
 - Directly owns or directly leases land within a district that is subject to the discretionary provisions, **or**
 - Has made an irrevocable election to conform to the discretionary provisions.
- **Prior Law Recipient:** An individual or legal entity landholder is considered to be a prior law recipient if the landholder or the landholder's spouse:

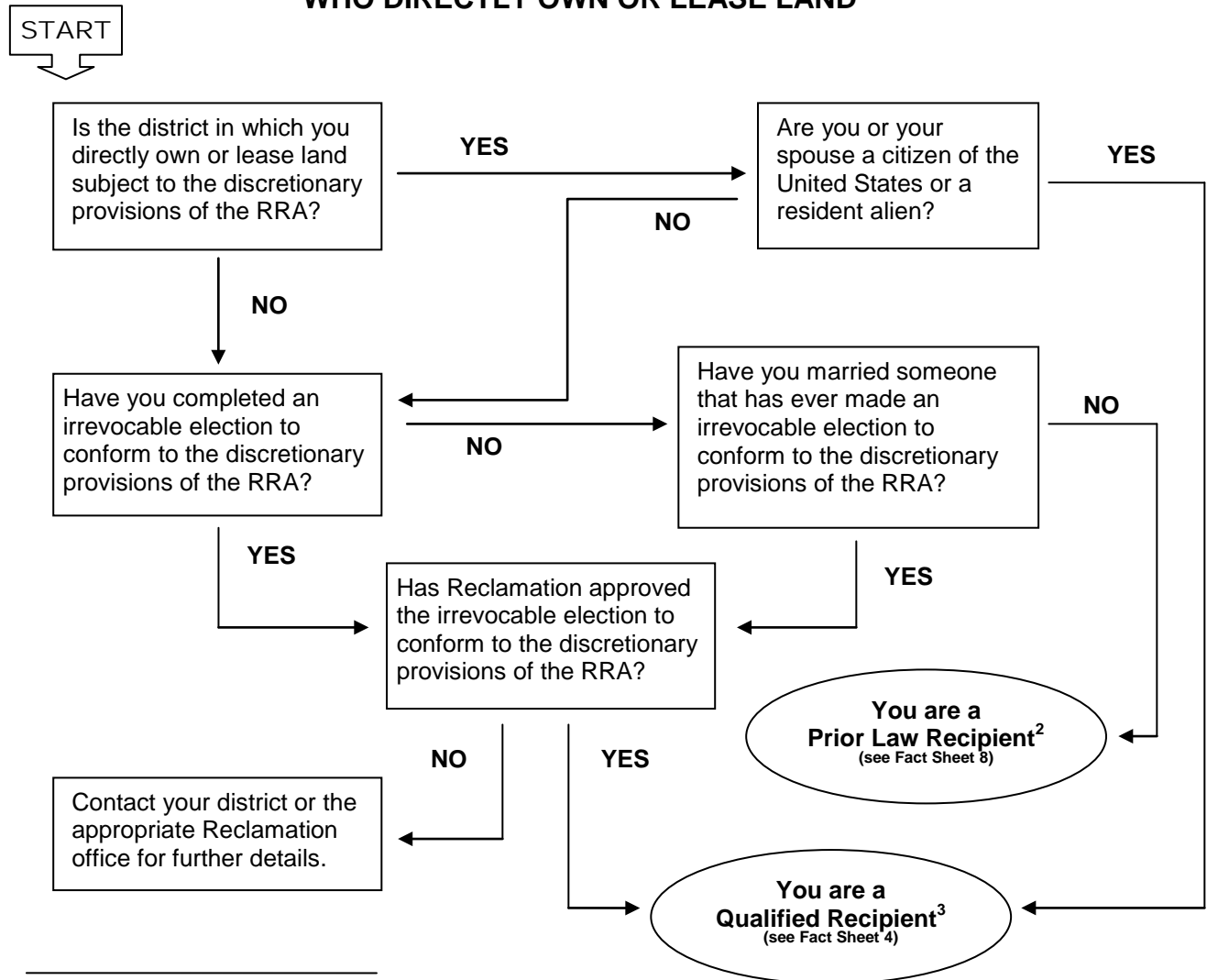
¹ Code of Federal Regulations

- Has **never** directly owned or leased land within a district that is subject to the discretionary provisions of the RRA, **and**
- Has **not** made an irrevocable election to conform to the discretionary provisions.

The following three sections will help you identify your acreage limitation status:

- Use **SECTION 1** if you are an **individual or a single family** (husband, wife, and dependents) who directly owns or leases land.
- Use **SECTION 2** if you represent a **legal entity** (partnership, corporation, joint tenancy, tenancy-in-common, etc.) that directly owns or leases land.
- Use **SECTION 3** if you are an **individual, single family, or legal entity that owns or leases land indirectly through an entity** (for example, as stockholders or partners) **AND** you have **no** directly owned or leased landholdings.

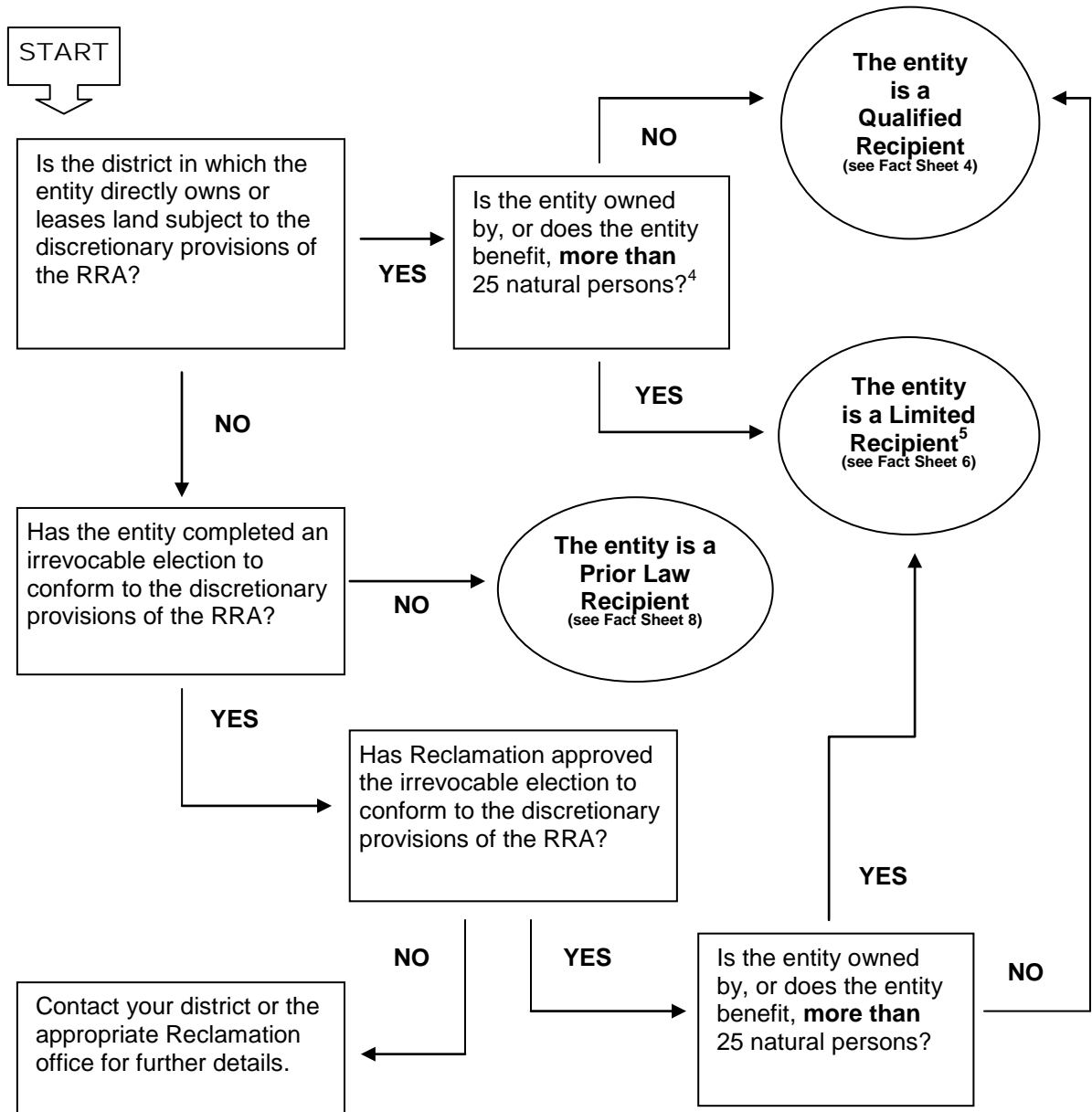
SECTION 1
INDIVIDUALS AND SINGLE FAMILIES (husband, wife, dependents)
WHO DIRECTLY OWN OR LEASE LAND



² An individual or legal entity that owns or leases land **only 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. See Fact Sheet 3 (How to Become Subject to the Discretionary Provisions) for specific information.

³ A qualified recipient cannot revert to prior law recipient status.

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

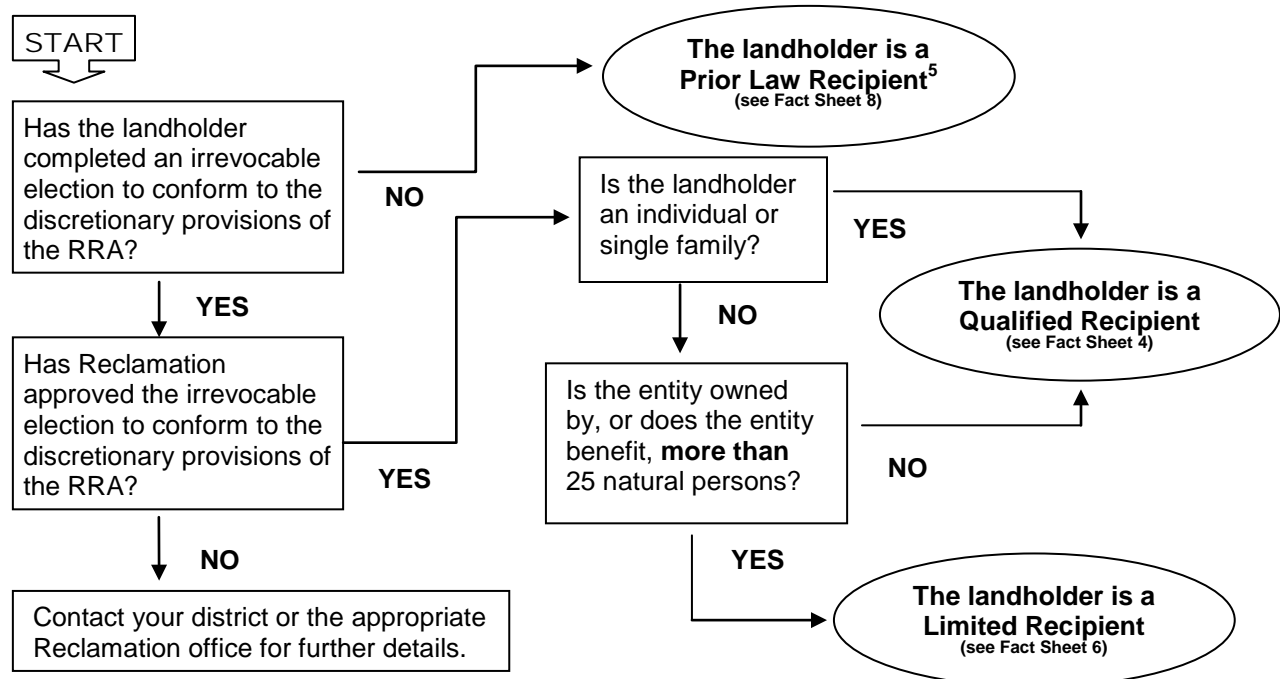


⁴ If the entity is a **wholly owned subsidiary** **AND** the parent entity is not established under State or Federal law (the parent entity is a foreign entity), contact the appropriate Reclamation office for further instructions.

⁵ A limited recipient cannot revert to prior law recipient status.

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

This section applies to landholders that own or lease all land (in any district) **indirectly** through a domestic entity. These landholders must pay particular attention to submitting the appropriate RRA form as a prior law recipient (reporting form) or a qualified recipient (certification form). Submitting the incorrect form can permanently affect acreage limitation status. See Fact Sheet 3 (How to Become Subject to the Discretionary Provisions) for more information. For purposes of this flowchart, the term “landholder” will include individuals, single families, and legal entities.



Sources for more information

More information for your landholding situation can be found in the following documents. Contact your district or the appropriate Reclamation office for further guidance.

| | | |
|--|---|--|
| Form 7-21INFO | General Information About the RRA Forms | The RRA Fact Sheets and the current water year's RRA forms and instructions are available online and at your district or the appropriate Reclamation office. |
| Separate instructions to each RRA form applicable to your landholding situation | | |
| RRA Fact Sheet 3 | How to Become Subject to the Discretionary Provisions | |
| RRA Fact Sheet 4 | Qualified Recipient Entitlements | |
| RRA Fact Sheet 5 | Qualified Recipient RRA Forms | |
| RRA Fact Sheet 6 | Limited Recipient Entitlements | |
| RRA Fact Sheet 7 | Limited Recipient RRA Forms | |
| RRA Fact Sheet 8 | Prior Law Recipient Entitlements | |
| RRA Fact Sheet 9 | Prior Law Recipient RRA Forms | |
| RRA Fact Sheet 11 | Landholding Changes | |
| RRA Fact Sheet 12 | Trusts and Estates | |
| RRA Fact Sheet 16 | Nonresident Aliens and Foreign Entities | |
| RRA website (including the RRA forms, District Reference Sources, and the text of the RRA and its associated Regulations) | | |

⁵ It is possible to be a prior law landholder in a district that has conformed to the discretionary provisions **only if** all of the landholder’s land is held indirectly through a domestic entity. See Fact Sheet 3 (How to Become Subject to the Discretionary Provisions) for specific information.