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MEMORANDUM

To: All Districts Subject to the Acreage Limitation Provisions of Federal Reclamation Law

From: Alonzo D. Knapp ALONZO D. KNAPP  
Manager, Reclamation Law and Revenues Management Office

Subject: New Acreage Limitation Regulations

On January 26, 2000, the final version of new regulations entitled, "Information Requirements for Certain Farm Operations in Excess of 960 Acres and the Eligibility of Certain Formerly Excess Land," was published in the Federal Register. We have attached a copy of these final regulations (43 CFR part 428) for your use. The regulatory text itself may be found starting on page 4324, third column, of the attachment.

The new regulations will be effective with the start of the 2001 water year or January 1, 2001, whichever date comes first. Since the vast majority of districts do not have water years starting before the beginning of the calendar year, for most districts and landholders the effective date will be January 1, 2001. There may be some confusion on this point because the "Dates" section included on page 4304 of the attached Federal Register provides for an effective date of October 1, 2000, except for sections 428.9 and 428.10 of the final regulations. The reader is directed to see section 428.11 of the regulations for "applicability dates," which basically provides that all of the provisions will apply on January 1, 2001, except for those districts whose 2001 water year commences prior to January 1, 2001. For those districts, the applicability date of sections 428.1 through 428.8 is October 1, 2000. The wording for the "Dates" section on page 4304 and section 428.11(a) were changed by the Office of the Federal Register shortly before publication and we apologize for any confusion it may have caused.

The final regulations have two major components. First, the new regulations provide that any farm operator who is providing services to more than 960 acres held (directly or indirectly owned or leased) by one trust or legal entity or any combination of trusts and legal entities must annually submit Reclamation Reform Act of 1982 forms. It should be noted that (a) farm operators may not use the "Verification of Landholdings" (Form 7-21VERIFY) to meet this requirement (see §428.4[c]) and (b) landholding change requirements do not apply to farm operators (see §428.4[d]).

Since we did not know when final regulations would be issued and effective, during 1999 we designed and received Office of Management and Budget approval for the form that farm

operators will need to complete. We then had such forms printed for the 2000 water year, just in case they would be needed. Although the "Declaration of Farm Operator Information for Certification and Reporting Requirements of the Reclamation Reform Act of 1982" (Form 7-21FARMOP) will not be used until the 2001 water year, we have attached a copy of the year 2000 version and the associated instructions for information purposes. In addition, based on your district's acreage limitation status, we have provided a copy of the applicable "District Summary of Certification [Reporting] and Declaration Forms Tabulation G of 'Declaration of Farm Operator Information' Forms (Form 7-21FARMOP)" that will have to be completed starting with the 2001 water year if any farm operator should submit a Form 7-21FARMOP to your district.

The second component of the new regulations addresses former owners of excess land who sold or transferred such land at an approved price and then become farm operators for that land. Such farm operators are prohibited from receiving Bureau of Reclamation irrigation water on any of their formerly excess land that they sold or transferred at an approved price and are now providing services to, unless the full-cost rate is paid for all such water deliveries.

We would like to encourage you and your staff who have Reclamation Reform Act of 1982 responsibilities to review the attached materials prior to the 2001 water year. By doing so, we will be able to answer any resulting questions in advance of the actual implementation of the new regulations.

If you do have any questions, please contact your local Bureau of Reclamation office. All staff who work on acreage limitation matters were briefed on the new regulations during the first week of February.

#### Attachments

**The referenced attachments are not attached to this memorandum.**  
The regulations can be found on the website at [www.usbr.gov/rra](http://www.usbr.gov/rra).