



United States Department of the Interior

BUREAU OF RECLAMATION
PO Box 25007
Denver, Colorado 80225-0007

IN REPLY REFER TO:

D-5300
LND-9.00

AUG 25 2004

**See Clarification Notes
on Last Page** →

Dear Ladies and Gentlemen:

Because nonsubmittal of the appropriate Reclamation Reform Act of 1982 (RRA) form following a landholding change within the 60 calendar days allowed by Section 426.18(k) of the Acreage Limitation Rules and Regulations (43 CFR¹ part 426) will result in the assessment of an administrative fee, it is important that districts be aware of what constitutes a landholding change. The following tables and information provide clarification of how landholding changes initiate RRA form requirements. While not all inclusive, the following information identifies the most common types of landholding changes that require the submittal of new standard RRA forms. The information contained in this memorandum is supplemented by a revised version of RRA Fact Sheet 11 ("What Constitutes a Landholding Change?"), which will be transmitted to the districts under separate cover.

Also included in this document is clarification of what constitutes a "new landholder" within the context of RRA administration. In short, landholders that meet the definition of "new landholder" are not allowed any time period following the receipt of Reclamation irrigation water in which to submit a standard RRA form, as allowed in the case of a landholding change. A landholding change for RRA forms purposes can only occur after a landholder has submitted an initial RRA form for the water year in question. The following table details the enclosures to this letter:

Enclosure	Description
1	Questions and answers regarding landholding change information and "new landholders."
2	A table and questions/answers that reiterate the longstanding application of the landholding change provision for landholders that hold any land directly.
3	A table and questions/answers that reiterate the longstanding application of the landholding change provisions for landholders that hold land only indirectly.
4	A table that reiterates events that do not constitute a landholding change.
5	Examples illustrating various landholding change scenarios.
6	An updated replacement for page 2 of the April 26, 1999, district mailing (subject: "Implementation of the Administrative Fee Provisions in the Acreage Limitation Rules and Regulations").
7	An updated replacement for page 1 of the "Summary of Consequences for Form Violations" table (Attachment 2 of the April 26, 1999, district mailing, subject: "Implementation of the Administrative Fee Provisions in the Acreage Limitation Rules and Regulations").
8	An updated replacement for the "Types of RRA Charges" table (Page 17 of the "Summary of District Responsibilities" booklet [stand-alone document in a purple cover]).

¹ Code of Federal Regulations

The following documents are entirely superseded by this letter and its enclosures:

	Document	Date	Location
1	District mailing: Information on What Constitutes a Landholding Change for Reclamation Reform Act of 1982 Administration	October 3, 1995	N/A
2	District mailing: Page 2 of the letter with the subject: "Implementation of the Administrative Fee Provisions in the Acreage Limitation Rules and Regulations"	April 26, 1999	N/A
3	Page 1 of the "Summary of Consequences for Form Violations" table	April 1999	Attachment 2 of the April 26, 1999, district mailing (subject: "Implementation of the Administrative Fee Provisions in the Acreage Limitation Rules and Regulations")
4	"Types of RRA Charges" table	August 2001	Page 17 of the "Summary of District Responsibilities" booklet (stand-alone document in a purple cover)

Please replace within your materials the documents detailed above using this letter and its enclosures. Please make sure to account for any multiple copies of the same document that you may have.

REVISED RRA FACT SHEETS

As stated earlier, the information provided in the attached enclosures is supplemented by a revised version of RRA Fact Sheet 11 ("What Constitutes a Landholding Change?"). Three other RRA Fact Sheets have also been revised to clarify the information they provide. The following table details the RRA Fact Sheets that have been revised and will be shipped to your office under separate cover:

Document	Date
RRA Fact Sheet 10: "Signature Requirements for RRA Forms"	August 1998
RRA Fact Sheet 11: "What Constitutes a Landholding Change?"	August 1998
RRA Fact Sheet 13: "Involuntary Acquisitions and the RRA"	August 1998
RRA Fact Sheet 14: "How to Appeal Final RRA Determinations"	August 1998
"Fact Sheet Index"	August 1998

In order to ensure westwide consistency, any landholding change questions that are not answered by this document or the revised RRA Fact Sheet 11 should be directed to the appropriate Bureau of Reclamation office.

Sincerely,

/s/ ROSEANN GONZALES

Roseann Gonzales, Director
Office of Program and Policy Services

Enclosure 1

Questions and answers regarding
landholding change information
and “new landholders.”

LANDHOLDING CHANGE INFORMATION

Question: What constitutes a “landholding change,” and what actions are required by the district and landholder?

See Note 1

Response: Landholders who hold (directly or indirectly own or lease) more land than the district’s applicable RRA forms submittal threshold must **annually** submit either a standard RRA form or a Form 7-21 VERIFY (“Verification of Landholdings”). In general, if any information provided on the most recently submitted standard RRA form changes, the landholder must inform all districts where the landholder holds land subject to the acreage limitation provisions of the change either verbally or in writing within 30 calendar days of the change and submit a new standard RRA form within 60 calendar days of the change. Nonsubmittal of a new standard RRA form or a correction to an existing RRA form following a landholding change will result in the assessment of an administrative fee. The Bureau of Reclamation also sent to all districts subject to the acreage limitation provisions an April 28, 2003, letter that reinforces the landholding change provision’s longstanding administration. The table in Enclosure 2 details events that are considered to be landholding changes.

Question: If a standard RRA form has already been submitted, can a landholding change be identified by noting the change on the submitted RRA form?

See Note 2

Response: No. All districts where the landholder holds land subject to the acreage limitation provisions must be notified of any landholding change either verbally or in writing within 30 calendar days of the change and the landholder must submit a **new** standard RRA form within 60 calendar days of the change. Failure to do so will result in the assessment of an administrative fee.

Question: Do the landholding change requirements affect farm operators that are required to submit a Form 7-21 FARMOP (“Declaration of Farm Operator Information”)?

Response: No. Farm operators that are required to submit a Form 7-21 FARMOP must submit that form each and every year prior to the delivery of Reclamation irrigation water to the land for which services are provided. If the farm operator starts providing services to additional lands or ceases to provide services to certain lands during the current water year, the farm operator does not have to submit a new Form 7-21 FARMOP.

NEW LANDHOLDER INFORMATION

Question: What is a “new landholder” versus a landholder experiencing a landholding change?

Response: A new landholder is considered to be an individual, legal entity, or public entity that did not directly or indirectly own or lease land in a specific district during the water year immediately preceding the water year in question. For RRA forms submittal purposes only, a landholder whose landholding changes from “not exceeding” to “exceeding” the applicable RRA forms submittal threshold during the water year will be considered to be a “new landholder.”

This definition was included on RRA Form 7-21INFO (“General Information About the RRA Forms”) starting with the 2000 water year. According to this definition, if Landholder A holds 900 acres in District Y during the 1998 water year, holds no land in District Y in 1999, and then reappears with acreage in 2000, then Landholder A would be a new landholder in District Y for 2000. If Landholder A should hold the same 900 acres, Landholder A would still be a new landholder because either a new lease is in place or the land was sold and reacquired. Both are landholding changes that require the submittal of new standard RRA forms and since Landholder A’s landholdings exceed the RRA forms submittal threshold, those RRA forms must be submitted before Landholder A receives Reclamation irrigation water for the 2000 water year.

Question: Does the 60 calendar day form submittal time period for landholding changes apply to new landholders?

Response: No. Such landholders are not entitled to the 60 calendar day form submittal time period provided for landholding changes. Landholding changes for RRA forms purposes can only occur after a landholder has submitted an initial RRA form for the water year in question. Instead, a new landholder who has purchased or leased land that is subject to the acreage limitation provisions must submit standard RRA forms before receiving any Reclamation irrigation water on land subject to the acreage limitation provisions.

Enclosure 2

What constitutes a “landholding change” for landholders that hold land directly and what are the required district and landholder actions?

Event	Required Action
Change in the number of acres owned or leased.	All events listed at left trigger RRA forms requirements as provided by section 43 CFR 426.18(k) of the Acreage Limitation Rules and Regulations:
Change in the specific parcels owned or leased.	
Change in the effective date or term (length) of the lease.	
Change in the identity of a lessor or lessee.	“Notification requirements for landholders whose ownership or leasing arrangements change after submitting forms. If a landholder’s ownership or leasing arrangements change in any way:
Change in the acreage limitation status of a landholder (e.g., change from being subject to the prior law provisions to being subject to the discretionary provisions, or change from being a qualified recipient to being a limited recipient).	
Change in the identity of the landholder (i.e., change in marital status or death of a landholder). For example: <ul style="list-style-type: none"> • Any divorce. • A spouse’s death, upon which the land in question does not pass directly to the surviving spouse (i.e., an estate or trust is created) and certain criteria are not met. Fact Sheet 11 (as revised in 2004) provides detailed information regarding this particular situation. 	(1) During the irrigation season, the landholder must: <ul style="list-style-type: none"> (i) Notify the district office, either verbally or in writing within 30-calendar days of the change; and (ii) Submit new forms to all districts in which the landholder holds nonexempt land, within 60-calendar days of the change. (2) Outside of the irrigation season, then the landholder must submit new standard certification or reporting forms to all districts in which nonexempt land is held prior to any irrigation water deliveries following such changes.”
Change in the number of part owners or beneficiaries.	
Change in the percentage of a legal entity’s landholding attributed to any part owner or beneficiary.	
Change in the number of acres designated as excess acres. ¹	
Change in the number of acres selected as nonfull-cost acres. ²	An administrative fee will be assessed in all cases where a new standard RRA form is not submitted when it is required to be submitted within 60 calendar days of a landholding change.
Change in the Internal Revenue Service classification of a legal entity from a partnership to a corporation, or vice versa.	See Note 3
Transfer of directly owned land from a landholder to a 100-percent, family-owned entity (this does not include adding a “doing business as” [dba] name).	Landholding changes cannot be identified by correcting a previously submitted RRA form. A new standard RRA form must be submitted prior to receiving Reclamation irrigation water in the future if Reclamation irrigation water deliveries for the current water year cease before 60 calendar days have elapsed following a landholding change.

¹ All requests for redesignation of land (from excess to nonexcess or vice versa) **must** be accompanied by a new standard RRA form and a new Form 7-21XS (“Designation of Excess Land”).

² Landholders that want to change the lands selected as full cost **and** that are otherwise eligible to submit a Form 7-21 VERIFY are not required to submit a new standard RRA form. If RRA forms are being submitted for a new water year, such landholders must submit a Form 7-21 VERIFY and a new Form 7-21FC (“Selection of Full-Cost Land”). If RRA forms have already been submitted for a water year and the landholder has **no other landholding change**, such landholders must submit **only** a Form 7-21FC **provided**: (a) the landholder has not already received Reclamation irrigation water during the water year in question on a westwide landholding that equals or exceeds the applicable nonfull-cost entitlement, **AND** (2) the land that the landholder wants to reselect as nonfull-cost or full-cost has not yet received Reclamation irrigation water during the water year in question. The district must be able to verify that the land in question has not yet been irrigated with such water or the original selection will stand.

Question: Are there any exceptions to the above requirements in the event of a landholding change?

Response: The only exception is if the landholder experiencing the change will finish receiving Reclamation irrigation water for the water year in question before the 60 calendar days expires. In such cases, landholders must submit new standard RRA forms before receiving Reclamation irrigation water in the future.

Question: When must a landholder who holds some land directly and some land indirectly submit new standard RRA forms?

Response: A landholder who is subject to the RRA form requirements and who holds some land directly and some land indirectly must annually submit either a standard RRA form or a verification form prior to the receipt of Reclamation irrigation water. In addition, if a landholding change occurs, the landholder must submit new standard RRA forms as explained in the above table.

Enclosure 3

What constitutes a “landholding change” for landholders that hold land only indirectly and what are the required district and landholder actions?

Question: What constitutes a landholding change for landholders that hold land only indirectly and what are the required district and landholder actions?

Response: Landholders that hold land **only** indirectly through a legal entity must complete an initial standard RRA form. Such part owners are not required to submit any RRA forms in subsequent years unless any of the situations in the following table occur.

Event	Required Actions
The part owner becomes a direct landholder through purchase or lease of land subject to the acreage limitation provisions.	All events listed at left trigger RRA forms requirements as provided by section 43 CFR 426.18(k) of the Acreage Limitation Rules and Regulations. Namely, in all districts where the landholder holds land subject to the acreage limitation provisions, the landholder must (1) inform the district(s) of the change either verbally or in writing within 30 calendar days of the change , and (2) submit a new standard RRA form within 60 calendar days of the change , if the change occurs after Reclamation irrigation water deliveries have started.
An entity is required to submit a new standard form because its landholding changed in some way. As a result of the landholding change, information disclosed on a part owner's previously submitted standard RRA form is no longer accurate.	
A change to the acreage limitation status (e.g., change from prior law to discretionary provisions recipient, etc.) or identity of the part owner (e.g., change in marital status, etc.).	
<p>Any change in land attributed to a part owner, including a beneficiary of a trust, estate, etc., regardless of who initiates the action. For example:</p> <ul style="list-style-type: none"> • If the landholding of a trust is changed by a trustee or grantor, then new certification or reporting forms must be submitted for the trust and any affected landholder (e.g., beneficiary, trustee, grantor, etc.). • If a part owner acquires interest in another legal entity and is consequently attributed with additional acreage through that entity, then new certification or reporting forms must be submitted. 	<p>An administrative fee will be assessed in all cases where a new standard RRA form is not submitted when it is required to be submitted within 60 calendar days of a landholding change.</p> <p>Landholding changes cannot be identified by correcting a previously submitted standard RRA form.</p> <p>A new standard RRA form must be submitted prior to receiving Reclamation irrigation water in the future if (1) Reclamation irrigation water deliveries for the current water year cease before 60 calendar days have elapsed following a landholding change, or (2) a landholding change occurs outside of the irrigation season.</p>

Question: If a landholding change is initiated by someone other than the part owner, is the part owner still required to submit a new standard form?

Response: Yes. Any change in land attributed to a part owner, including a beneficiary of a trust, estate, etc., constitutes a landholding change regardless of who initiates the action. For example, if the landholding of a trust is changed by a trustee or grantor, then new certification or reporting forms must be submitted for the trust and any affected landholder (e.g., beneficiary, trustee, grantor) within the 60 calendar day time period.

Enclosure 4

What events do not constitute a “landholding change?”

Question: Are there any events that *do not* constitute a landholding change?

Response: Yes, as listed in the following table:

Event
<p>Land passes directly to a surviving spouse as a result of his or her spouse's death during a current water year.</p> <ul style="list-style-type: none">• The submittal of a new standard RRA form(s) is not required until the start of the next water year. However, the next time an RRA form is submitted, the marital status designation on the surviving spouse's RRA form would change and only one signature would be required.
<p>A landholder's westwide landholding no longer exceeds the applicable RRA forms submittal threshold as a result of a landholding change. In this situation, the landholding change requirements are not applicable.</p>
<p>A farm operator starts providing services to additional lands, or ceases to provide services to certain lands. In this situation, the farm operator does not have to submit a new Form 7-FARMOP ("Declaration of Farm Operator Information") <i>provided</i> the farm operator has already submitted a Form 7-21FARMOP to the applicable district(s) for the current water year.</p>

Enclosure 5

Examples of various landholding change scenarios.

NOTE: It is assumed in each of the following examples that the irrigation season will continue for more than 60 days after the landholding change occurs.

Example 1: *Farmer A, a qualified recipient, owns 550 irrigable acres in a district that has amended its contract to conform to the discretionary provisions of the RRA. Farmer B owns no land of his own, but leases 320 irrigable acres from Farmer A for a term of 1 year, ending on September 30, 1998. During the lease term, Farmer B purchases 200 irrigable acres from Farmer C who has not received Reclamation irrigation water.*

Has there been a landholding change? Yes; the landholding of Farmer B has changed from a total of 320 acres to 520 acres.

Who must submit new standard RRA forms? A new standard RRA form must be submitted by Farmer B within 60 calendar days of the purchase. Farmer B will be assessed an administrative fee if he fails to submit a new standard RRA form within the allowed 60 calendar days.

Example 2: *Under the same facts as above, Farmer B leases the same 320 acres for another 5-year term, ending September 30, 2003.*

Has there been a landholding change? Yes; the lease termination date changed.

Who must submit new standard RRA forms? Both Farmers A and B must complete a new RRA standard form to reflect the change in the lease termination date from September 30, 1998, to September 30, 2003. This is because at the termination of the lease on September 30, 1998, Farmer B no longer is attributed with the 320 acres and Farmer A has ceased to have a lessee. After the new lease term is in force each party must account for the acreage. Farmer B must identify the additional attributable acreage (again, 320 acres) and Farmer A must identify how much acreage is being leased and to whom the acreage is being leased. Upon termination of the lease on September 30, 2003, or another extension of the lease, both Farmers A and B would again need to complete new standard RRA forms. An administrative fee will be assessed for Farmer A, Farmer B, or both, upon failure to submit a new standard RRA form within the allowed 60 calendar days following the change in lease termination date. Another administrative fee will be assessed for Farmer A, Farmer B, or both, upon failure to submit a new standard RRA form within the allowed 60 calendar days following the termination of the lease on September 30, 2003, or another extension of the lease.

Example 3: Corporation C is a qualified recipient with four shareholders, who are also qualified recipients, with each owning 25 percent. Corporation C owns 960 irrigable acres. One of the four shareholders sells 5 percent of his ownership to each of the other three shareholders.

Has there been a landholding change? Yes; the percentages of ownership have changed.

Who must submit new standard RRA forms? The corporation must file a new Form 7-2181 ("Certification of Entity's Landholdings"). Each of the shareholders whose westwide landholding exceeds the applicable RRA forms submittal threshold must file a new Form 7-2180 ("Certification of Individual's Landholdings") that reflects the change in their percentage of ownership and the amount of attributable acres owned through the corporation. An administrative fee will be assessed for the corporation, any part owner, or both, upon failure to submit a new standard RRA form within the allowed 60 calendar days following the change in percentages of ownership.

Example 4: Corporation D leases land from Farmer X. Corporation D has three part owners who hold no land subject to acreage limitation other than that held through Corporation D. The initial term of Corporation D's lease is 5 years, with the option to renew the lease for another 5 years. At the end of the initial 5-year term Corporation D and Farmer X agree to exercise the lease's renewal option.

Has there been a landholding change? Yes; the lease term changed.

Who must submit new standard RRA forms? Both Corporation D and Farmer X must submit new standard RRA forms. An administrative fee will be assessed for Corporation D, Farmer X, or both, upon failure to submit a new standard RRA form within the allowed 60 calendar days following the change in lease term. The part owners, on the other hand, do not have to submit new standard RRA forms, unless they have a change to their acreage limitation status or identity, become direct landholders, or a change to the lease results in their previously submitted standard RRA form becoming inaccurate. In this case, there is no change to the information previously provided on the part owners' standard RRA forms. This is because the standard RRA forms completed by the part owners do not ask for inclusion of the term or effective date of the lease between Corporation D and Farmer X. However, if Corporation D were to lease additional land from Farmer X or any other landholder, then the part owners would have to submit new standard RRA forms.

Example 5: *Farmer A leases 300 acres to Farmer B. Farmer B, who owns 500 acres, subleases to Farmer C the 300 acres leased to Farmer B for a 2-year term. Near the end of the 2-year term, Farmer B and Farmer C agree to extend the sublease for another 1-year term.*

Has there been a landholding change? Yes; the term of the sublease has changed.

Who must submit new standard RRA forms? Farmer B (the lessee who also owns 500 acres) and Farmer C (the sublessee) must submit new standard RRA forms within 60 calendar days of the landholding change. An administrative fee will be assessed for Farmer B, Farmer C, or both, upon failure to submit a new standard RRA form within the allowed 60 calendar days following the change in the term of the sublease. Farmer A (the lessor) does not have to submit a new standard RRA form nor will he be assessed an administrative fee for failure to submit a new standard RRA form as a result of a landholding change that occurs strictly between Farmer B and Farmer C. Farmer A is still leasing the land to the original lessee and will likely not even be aware of changes to a sublease between the lessee and a sublessee.

Example 6: *On April 1, 1999, Farmer Z submits to the district an RRA form identifying 340 leased acres. Farmer Z does not own any acres. On April 15, 1999, Farmer Z enters into another lease for 100 additional acres. On April 30, 1999, Farmer Z starts receiving Reclamation irrigation water.*

Has there been landholding change? Yes; the landholding of Farmer Z changed from a total of 340 acres to 440 acres.

See Note 4

~~*When must a new standard RRA form be submitted?* Farmer Z must submit a new standard RRA form within 60 calendar days from the date of the landholding change (in this case, April 15, 1999). Even though Farmer Z had not yet received Reclamation irrigation water when the landholding change took place, he had already submitted an RRA form for the 1999 water year on April 1, 1999. Therefore, Farmer Z gets the same 60 calendar day time period in which to submit a new standard RRA form that is afforded to landholders who experience a landholding change after the start of Reclamation irrigation water deliveries. Farmer Z will be assessed an administrative fee if he fails to submit a new standard RRA form within the allowed 60 calendar days.~~

Enclosure 6

An updated replacement for page 2 of the April 26, 1999, district mailing (subject: "Implementation of the Administrative Fee Provisions in the Acreage Limitation Rules and Regulations").

ADMINISTRATIVE FEE PROVISIONS ACREAGE LIMITATION RULES AND REGULATIONS

Note: In this document, the word "form(s)" refers to RRA certification or reporting forms.

Question: When does a form submittal violation occur?

A: A form submittal violation occurs when Reclamation irrigation water is delivered to land that was ineligible because a landholder did not submit an acceptable form for the year in question prior to receiving such water, or a landholder receives Reclamation irrigation water despite failure to file new standard forms within 60 calendar days following the date of a landholding change that occurred during an irrigation season. The administrative fee provisions for form submittal violations first became effective on March 27, 1995. Accordingly, Reclamation will not assess the administrative fee for form submittal violations that occurred prior to that date.

Question: What are "acceptable forms?"

A: Beginning with the 1999 water year, acceptable forms are:

- Forms that were distributed by Reclamation or legible photocopies of such forms
- Forms that were prepared by scanning forms distributed by Reclamation, with no changes made to the electronic version
- Substitute forms that Reclamation has assigned a Substitute Form Approval Number (SFAN) *(Note: SFAN's are to be printed at the bottom left margin area on the first page of every substitute form and instructions that have been approved.)*

Question: Are there any consequences for form submittal violations other than the administrative fee assessment?

A: Yes, a landholder with a form submittal violation is ineligible to receive Reclamation irrigation water until all the proper forms have been submitted. "Proper forms" means past-due forms for the period of noncompliance and, depending on the circumstances of the case, may also include forms for an upcoming water year.

Question: Reclamation has considered a form submittal violation by 100-percent family-owned trusts and estates to be a correctable error. Is this policy still in effect?

A: Reclamation's policy on this has been: If such a trust or estate did not submit a form prior to receiving Reclamation irrigation water, this is considered a correctable problem, provided certain conditions are met. Trusts or estates that meet those conditions are given a 60-day grace period in which to submit their past-due forms. The administrative fee is not assessed if the forms are submitted within this timeframe. *(Answer continued on next page.)*

Enclosure 7

Updated replacement for page 1 of the “Summary of
Consequences for Form Violations” table
(Attachment 2 of the April 26, 1999, district mailing
[subject: “Implementation of the Administrative Fee
Provisions in the Acreage Limitation Rules and Regulations”]).

*NOTE: As of January 1, 2004, the amount of the
administrative fee changed from \$260 to \$290.*

SUMMARY OF CONSEQUENCES FOR FORM VIOLATIONS

TYPE OF FORM VIOLATION	CONSEQUENCES
<p>Form Submittal Violation</p> <p>A landholder receives Reclamation irrigation water prior to submitting forms for the year in question, or A landholder receives Reclamation irrigation water despite failure to file new standard forms within 60 calendar days following the date of a landholding change that occurred during an irrigation season.</p>	<p>(1) The \$260 administrative fee will be assessed.</p> <p>(2) The landholder is ineligible to receive Reclamation irrigation water until all the proper forms have been submitted. If Reclamation finds that a landholder has a form submittal violation in the current water year, a final determination to terminate water deliveries will be issued.</p>
<p>Form Error Violation - Form errors are not corrected within the specified timeframe.</p>	<p>The consequences vary depending on whether the errors are administrative or eligibility errors. See the following two rows.</p>
<p>Administrative Errors</p>	<p>The \$260 administrative fee will be assessed if the errors are not corrected within 60 calendar days of Reclamation's written request. Failure to correct administrative errors will not affect the landholder's eligibility to receive Reclamation irrigation water.</p>
<p>Eligibility Errors</p>	<p>(1) The \$260 administrative fee will be assessed if the errors are not corrected within 60 calendar days of Reclamation's request.</p> <p>(2) Generally a landholder is ineligible to receive Reclamation irrigation water in future water years until the errors are corrected. However, Reclamation will make exceptions for some errors, provided certain conditions are met.</p> <p>EXAMPLES</p> <p>Following are examples of uncorrected eligibility errors that will always affect a landholder's eligibility in future water years:</p> <ul style="list-style-type: none"> - Some of the landholder's owned and/or leased land is not disclosed. - The "operated by" box is not marked. - Name is not provided for a lessee, sublessee, or other operator in the "land directly owned" section or for a landowner (sublessor) in the "land directly leased" section. - Signature(s) is (are) missing for some or all of the parties required to sign the form. - A verification form was submitted when a standard form was required.

Enclosure 8

An updated replacement for the “Types of RRA Charges” table
(Page 17 of the “Summary of District Responsibilities” booklet
[stand-alone document in a purple cover]).

TYPES OF RRA CHARGES ¹

Revised January 2003

TYPE OF CHARGE	REASON FOR CHARGE	ELIGIBLE FOR WATER (Yes or No)
<i>Full-Cost</i>		
General full-cost	Landholder receives Reclamation irrigation water on eligible land owned and/or leased above the nonfull-cost entitlement which is eligible to receive Reclamation irrigation water only at the full-cost rate.	Yes
Full-cost on formerly excess land	Landholder or farm operator receives Reclamation irrigation water on eligible formerly excess land that the landholder or farm operator sold or transferred when the land was excess at a price approved by Reclamation. (This charge is not applicable if an exception specified in 43 CFR 426.12(g) or 428.9 applies.)	Yes
Full-cost on an isolated tract(s)	Landholder receives Reclamation irrigation water on land determined by Reclamation to be an isolated tract(s) and total land being irrigated (including the isolated tract[s]) exceeds the landowner's nonfull-cost entitlement.	Yes
<i>Compensation Rate</i>		
General compensation rate	Any time Reclamation issues a final determination that land is ineligible to receive Reclamation irrigation water, other than for an RRA forms violation, but receives such water anyway. The compensation rate is equal to the full-cost rate that would apply to the landholder.	No
Terms of a lease	Compensation charges are imposed when Reclamation irrigation water is delivered to lands with lease terms which do not meet the leasing criteria specified in 43 CFR 426.6(a) and are not corrected in the time provided.	No (until the lease is revised and approved)
Length of a lease	Compensation charges are imposed when Reclamation irrigation water is delivered to lands associated with leases whose duration exceeds 10 years, with an exception for certain perennial crops. In any case, if a lease exceeds 25 years, the compensation rate is imposed.	No (until the lease is revised and approved)
Excess land violation	Compensation charges at the full-cost rate are imposed when Reclamation irrigation water is delivered to ineligible lands owned in excess of the applicable ownership entitlement.	No
<i>Administrative Fee</i>		
Form error violation	An administrative fee is imposed as a direct result of landholder or farm operator failure to correct errors identified on RRA forms within the 60 calendar day grace period.	Yes (in the current water year)
Form submittal violation	<ol style="list-style-type: none"> 1. An administrative fee is imposed as a direct result of landholder or farm operator failure to file RRA forms prior to receiving Reclamation irrigation water. 2. An administrative fee is imposed for landholder failure to file new standard RRA forms within 60 calendar days following the date of a landholding change. 	<ol style="list-style-type: none"> 1. No (if RRA forms for the current water year are missing) 2. No (if, in the current water year, new standard RRA forms are not submitted within 60 calendar days of the landholding change)
Excess-land violation	An administrative fee is imposed in addition to compensation charges when Reclamation irrigation water is delivered to ineligible lands owned in excess of the applicable ownership entitlement.	No
<i>Other</i>		
Administrative charges	Actual costs billed to district for Reclamation staff to complete district work (e.g., nonsubmittal of district summary forms).	Yes
Underpayment interest	Interest assessed when the proper rate for water has not been paid.	N/A

¹ Not all inclusive.

Clarification Notes to August 25, 2004, Letter, Subject “Landholding Changes”

Note 1: The response to the first question in Enclosure 1, Page 1, is further clarified as follows:

Additional response: If there are multiple landholding changes: New RRA standard forms **do not** have to be submitted every time there is a landholding change. Therefore, if there are multiple landholding changes, they can all be reported on **one** new standard RRA form. The date that the new RRA form was received by the district must be within 60-calendar days of the **first** landholding change.

Note 2: The response to the second question in Enclosure 1, Page 1, is further clarified as follows:

Additional response: If landholding changes occur **before** the start of an irrigation season and a new RRA standard form has already been submitted for the water year, that standard RRA form can be **altered up to the time** Reclamation irrigation water deliveries for that year commence to that landholder.

Therefore, if Reclamation irrigation water **has not yet been delivered**, the landholder can report all landholding changes on the original **standard** RRA form submitted for that water year. Each specific change must be noted on the RRA standard form, dated, and initialed by the **landholder**.

Note 3: An exception is made to the next to last “Required Action” in Enclosure 2, Page 1, as follows. (See Note 2 above)

If Reclamation irrigation water **has not yet been delivered**, the landholder can report all landholding changes on the original **standard** RRA form submitted for that water year. Each specific change must be noted on the RRA standard form, dated, and initialed by the **landholder**.

Note 4: The response to Question 6 in Enclosure 5, Page 3, is to be replaced with the following:

RESPONSE: If Farmer Z submitted an RRA **standard** form for 1999 water year, Farmer Z would be able to simply adjust that RRA standard form and date/initial each change. Farmer Z will then need to submit a new RRA standard form before receiving Reclamation irrigation water in a future water year.