(1) The term ''contract'' means any repayment or water service contract between the United States and a district providing for the payment of construction charges to the United States including normal operation, maintenance, and replacement costs pursuant to Federal reclamation law.

(2) The term ''district'' means any individual or any legal entity established under State law which has entered into a contract or is eligible to contract with the Secretary for irrigation water.

(3)(A) The term ''full cost'' means an annual rate as determined by the Secretary that shall amortize the expenditures for construction properly allocable to irrigation facilities in service, including all operation and maintenance deficits funded, less payments, over such periods as may be required under Federal reclamation law or applicable contract provisions, with interest on both accruing from October 12, 1982, on costs outstanding at that date, or from the date incurred in the case of costs arising subsequent to October 12, 1982: *Provided*, That operation, maintenance, and replacement charges required under Federal reclamation law, including this subchapter, shall be collected in addition to the full cost charge.

(B) The interest rate used for expenditures made on or before October 12, 1982, shall be determined by the Secretary of the Treasury on the basis of the weighted average yield of all interest bearing, marketable issues sold by the Treasury during the fiscal year in which the expenditures by the United States were made, but shall not be less than 7½ per centum per annum.

(C) The interest rate used for expenditures made after October 12, 1982, shall be determined by the Secretary of the Treasury on the basis of the arithmetic average of—

(i) the rate as of the beginning of the fiscal year in which expenditures are made on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from the date of issuance; and

(ii) the weighted average yield on all interest-bearing, marketable issues sold by the Treasury during the fiscal year preceding the fiscal year in which the expenditures are made.

(4) The term ''individual'' means any natural person, including his or her spouse, and including other dependents thereof within the meaning of the Internal Revenue Code of 1986 (26 U.S.C. 152).

(5) The term ''irrigation water'' means water made available for agricultural purposes from the operation of reclamation project facilities pursuant to a contract with the Secretary.

(6) The term ''landholding'' means total irrigable acreage of one or more tracts of land situated in one or more districts owned or operated under a lease which is served with irrigation water pursuant to a contract with the Secretary. In determining the extent of a landholding the Secretary shall add to any landholding held directly by a qualified or limited recipient that portion of any landholding held indirectly by such qualified or limited recipient which benefits that qualified or limited recipient in proportion to that landholding.

(7) The term ''limited recipient'' means any legal entity established under State or Federal law benefiting more than twenty-five natural persons.

(8) The term ''project'' means any reclamation or irrigation project, including incidental features thereof, authorized by Federal reclamation law, or constructed by the United States pursuant to such law, or in connection with which there is a repayment or water service contract executed by the United States pursuant to such law, or any project constructed by the Secretary through the Bureau of Reclamation for the reclamation of lands.

(9) The term ''qualified recipient'' means an individual who is a citizen of the United States or a resident alien thereof or any legal entity established under State or Federal law which benefits twenty-five natural persons or less.

(10) The term ''recordable contract'' means a contract between the Secretary and a landowner in writing capable of being recorded under State law providing for the sale or disposition of lands held in excess of the ownership limitations of Federal reclamation law including this subchapter.

(11) The term ''Secretary'' means the Secretary of the Interior.

(Pub. L. 97–293, title II, § 202, Oct. 12, 1982, 96 Stat. 1263; Pub. L. 99–514, § 2, Oct. 22, 1986, 100 Stat. 2095.)

REFERENCES IN TEXT

Federal reclamation law, referred to in pars. (1), (3)(A), (8), and (10), is defined in section 390aa of this title.

AMENDMENTS

1986—Par. (4). Pub. L. 99–514 substituted ''Internal Revenue Code of 1986'' for ''Internal Revenue Code of 1954''.

§ 390cc. New or amended contracts

(a) Generally

The provisions of this subchapter shall be applicable to any district which—

(1) enters into a contract with the Secretary subsequent to October 12, 1982;

(2) enters into any amendment of its contract with the Secretary subsequent to October 12, 1982, which enables the district to receive supplemental or additional benefits; or

(3) which amends its contract for the purpose of conforming to the provisions of this subchapter.

(b) Amendment of existing contracts

Any district which has an existing contract with the Secretary as of October 12, 1982, which does not enter into an amendment of such contract as specified in subsection (a) of this section shall be subject to Federal reclamation law in effect immediately prior to October 12, 1982, as that law is amended or supplemented by sections 209 through 230 of this title [43 U.S.C. 390ii—390zz–1, 373a, 422e, 425b, 485h]. Within a dis-

trict that does not enter into an amendment of its contract with the Secretary within four and one-half years of October 12, 1982, irrigation water may be delivered to lands leased in excess of a landholding of one hundred and sixty acres only if full cost, as defined in section 390bb(3)(A) of this title, is paid for such water as is assignable to those lands leased in excess of such landholding of one hundred and sixty acres: *Provided*, That the interest rate used in computing full cost under this subsection shall be the same as provided in section 390ee(a)(3) of this title.

(c) Election by qualified or limited recipients in absence of amendment to contract

In the absence of an amendment to a contract, as specified in subsection (a) of this section, a qualified recipient or limited recipient may elect to be subject to the provisions of this subchapter by executing an irrevocable election in a form approved by the Secretary to comply with this subchapter. The district shall thereupon deliver irrigation water to and collect from such recipient, for the credit of the United States, the additional charges required by this subchapter and assignable to the recipient making the election.

(d) Consent of non-Federal party

Amendments to contracts which are not required by the provisions of this subchapter shall not be made without the consent of the non-Federal party.

(Pub. L. 97–293, title II, § 203, Oct. 12, 1982, 96 Stat. 1264.)

REFERENCES IN TEXT

Federal reclamation law, referred to in subsec. (b), is defined in section 390aa of this title.

Sections 209 through 230 of this title, referred to in subsec. (b), are sections 209 through 230 of title II of Pub. L. 97–293, which enacted sections 390ii through 390zz–1 of this title, amended sections 373a, 422e, 425b, and 485h of this title, and repealed section 383 of Title 25, Indians.

§ 390dd. Limitation on ownership

Except as provided in section 390ii of this title, irrigation water may not be delivered to—

(1) a qualified recipient for use in the irrigation of lands owned by such qualified recipient in excess of nine hundred and sixty acres of class I lands or the equivalent thereof; or

(2) a limited recipient for the use in the irrigation of lands owned by such limited recipient in excess of six hundred and forty acres of class I lands or the equivalent thereof;

whether situated in one or more districts.

(Pub. L. 97–293, title II, § 204, Oct. 12, 1982, 96 Stat. 1265.)

§ 390ee. Pricing

(a) Delivery of irrigation water at full cost

Notwithstanding any other provision of law, any contract with a district entered into by the Secretary as specified in section 390cc of this title, shall provide for the delivery of irrigation water at full cost as defined in section 390bb(3) of this title to:

(1) a landholding in excess of nine hundred and sixty acres of class I lands or the equivalent thereof for a qualified recipient,[1]

(2) a landholding in excess of three hundred and twenty acres of class I land or the equivalent thereof for a limited recipient receiving irrigation water on or before October 1, 1981; and

(3) the entire landholding of a limited recipient not receiving irrigation water on or before October 1, 1981: *Provided*, That the interest rate used in computing full cost under this paragraph shall be determined by the Secretary of the Treasury on the basis of the arithmetic average of—

(A) the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from the date of issuance; and

(B) the weighted average of market yields on all interest-bearing, marketable issues sold by the Treasury

during the fiscal year preceding the fiscal year in which the expenditures are made, or October 12, 1982, for expenditures made before October 12, 1982.

(b) Delivery of irrigation water at prior terms and conditions

Any contract with a district entered into by the Secretary as specified in section 390cc of this title, shall provide for the delivery of irrigation water to lands not in excess of the landholdings described in subsection (a) of this section upon terms and conditions related to pricing established by the Secretary pursuant to Federal reclamation law in effect immediately prior to October 12, 1982, or, in the case of an amended contract, upon the terms and conditions established by such contract prior to the date of its amendment. However, the portion of any price established under this subsection which relates to operation and maintenance charges shall be established pursuant to section 390hh of this title.

(c) Delivery of irrigation water to lands under recordable contracts

Notwithstanding any extension of time of any recordable contract as provided in section 390ii(e) of this title, lands under recordable contract shall be eligible to receive irrigation water at less than full cost for a period not to exceed ten years from the date such recordable contract was executed by the Secretary in the case of contracts existing prior to October 12, 1982, or five years from the date such recordable contract was executed by the Secretary in the case of contracts entered into subsequent to October 12, 1982, or the time specified in section 390rr of this title for lands described in that section: *Provided*, That in no case shall the right to receive water at less than full cost under this subsection terminate sooner than eighteen months after the date on which the Secretary again commences the processing or the approval of the disposition of such lands.

(Pub. L. 97–293, title II, § 205, Oct. 12, 1982, 96 Stat. 1265.)

[1] So in original. The comma probably should be a semicolon.