

charges for operation and maintenance and all penalties: *Provided*, That no water-right applicant or entryman shall be entitled to credit for any payment thus made until the same shall have been paid over to an officer designated by the Secretary of the Interior to receive the same.

(Aug. 13, 1914, ch. 247, § 7, 38 Stat. 688.)

**§ 478. Pecuniary penalty for nonpayment of installments of construction charges**

If any water-right applicant or entryman shall have, prior to December 5, 1924, failed to pay any installment of his construction charges when due, there shall be added to the amount unpaid a penalty of 1 per centum thereof, and there shall be added a like penalty of 1 per centum of the amount unpaid on the first day of each month thereafter so long as such default shall have continued: *Provided*, That the penalty of 1 per centum per month against delinquent accounts, is reduced to one-half of 1 per centum per month, as to all installments which may become due after December 5, 1924.

(Aug. 13, 1914, ch. 247, § 3, 38 Stat. 687; Dec. 5, 1924, ch. 4, § 4, subsec. H, 43 Stat. 703.)

CODIFICATION

Section consolidates first sentence of act Aug. 13, 1914, § 3, with act Dec. 5, 1924, § 4, subsec. H.

**§ 479. Shutting off water for nonpayment of construction charge**

No water shall be delivered to the lands of any water-right applicant or entryman who shall be in arrears for more than one calendar year for the payment of any annual construction charge and penalties.

(Aug. 13, 1914, ch. 247, § 6, 38 Stat. 688.)

CODIFICATION

Section is comprised of part of first sentence of section 6 of act Aug. 13, 1914. Remainder of first sentence of such section 6 is classified to sections 493, 494, and 495 of this title; second and third sentences of such section 6 are classified to sections 496 and 497 of this title, respectively.

**§ 480. Cancellation of water right or entry for nonpayment of construction charge**

If any water-right applicant or entryman shall be one year in default in the payment of any installment of the construction charges and penalties, or any part thereof, his water-right application, and if he be a homestead entryman his entry also, shall be subject to cancellation, and all payments made by him forfeited to the reclamation fund, but no homestead entry shall be subject to contest because of such default.

(Aug. 13, 1914, ch. 247, § 3, 38 Stat. 687.)

**§ 481. Action to recover construction charges and penalties**

If the Secretary of the Interior shall so elect, he may cause suit or action to be brought for the recovery of the amount of the construction charges in default and penalties; but if suit or action be brought, the right to declare a cancellation and forfeiture of the entry or water-

right application as provided in section 480 of this title shall be suspended pending such suit or action.

(Aug. 13, 1914, ch. 247, § 3, 38 Stat. 687.)

**§ 482. Omitted**

CODIFICATION

Section, act May 10, 1926, ch. 277, 44 Stat. 479, authorized Secretary of the Interior, until June 30, 1927, to contract with water-users' associations for payment of charges within such term as may be necessary. See section 485b of this title.

SUBCHAPTER X—PAYMENT OF  
CONSTRUCTION CHARGES

**§ 485. Declaration of policy**

For the purpose of providing for United States reclamation projects a feasible and comprehensive plan for an economical and equitable treatment of repayment problems and for variable payments of construction charges which can be met regularly and fully from year to year during periods of decline in agricultural income and unsatisfactory conditions of agriculture as well as during periods of prosperity and good prices for agricultural products, and which will protect adequately the financial interest of the United States in said projects, obligations to pay construction charges may be revised or undertaken pursuant to the provisions of this subchapter.

(Aug. 4, 1939, ch. 418, § 1, 53 Stat. 1187.)

REFERENCES IN TEXT

This subchapter, referred to in text, was in the original "this Act", meaning act Aug. 4, 1939, ch. 418, 53 Stat. 1187, as amended, known as the Reclamation Project Act of 1939, which enacted this subchapter, sections 375a, 380a, and 387 to 389 of this title and section 16d of former Title 41, Public Contracts, and enacted provision set out as a note under section 485j of this title. For complete classification of this Act to the Code, see section 485k of this title and Tables.

**§ 485a. Definitions**

As used in this subchapter—

(a) The term "Federal reclamation laws" shall mean the Act of June 17, 1902 (32 Stat. 388), and all Acts amendatory thereof or supplementary thereto.

(b) The term "Secretary" shall mean the Secretary of the Interior.

(c) The term "project" shall mean any reclamation or irrigation project, including incidental features thereof, authorized by the Federal reclamation laws, or constructed by the United States pursuant to said laws, or in connection with which there is a repayment contract executed by the United States, pursuant to said laws, or any project constructed or operated and maintained by the Secretary through the Bureau of Reclamation for the reclamation of arid lands or other purposes.

(d) The term "construction charges" shall mean the amounts of principal obligations payable to the United States under water-right applications, repayment contracts, orders of the Secretary, or other forms of obligation entered into pursuant to the Federal reclamation laws, excepting amounts payable for water rental or

power charges, operation and maintenance and other yearly service charges, and excepting also any other operation and maintenance, interest, or other charges which are not covered into the principal sums of the construction accounts of the Bureau of Reclamation.

(e) The term "repayment contract" shall mean any contract providing for payment of construction charges to the United States.

(f) The term "project contract unit" shall mean a project or any substantial area of a project which is covered or is proposed to be covered by a repayment contract. On any project where two or more repayment contracts in part cover the same area and in part different areas, the area covered by each such repayment contract shall be a separate project contract unit. On any project where there are either two or more repayment contracts on a single project contract unit or two or more project contract units, the repayment contracts or project contract units may be merged by agreements in form satisfactory to the Secretary.

(g) The term "organization" shall mean any conservancy district, irrigation district, water users' association, or other organization, which is organized under State law and which has capacity to enter into contracts with the United States pursuant to the Federal reclamation laws.

(h) The term "division of a project" shall mean any part of a project designated as a division by order of the Secretary or any phase or feature of project operations given a separate designation as a division by order of the Secretary for the purposes of orderly and efficient administration.

(i) The term "development unit" shall mean a part of a project which, for purposes of orderly engineering or reclamation development, is designated as a development unit by order of the Secretary.

(j) The term "irrigation block" shall mean an area of arid or semiarid lands in a project in which, in the judgment of the Secretary, the irrigable lands should be reclaimed and put under irrigation at substantially the same time, and which is designated as an irrigation block by order of the Secretary.

(Aug. 4, 1939, ch. 418, §2, 53 Stat. 1187; Pub. L. 85-611, §3, Aug. 8, 1958, 72 Stat. 543.)

#### REFERENCES IN TEXT

This subchapter, referred to in text, was in the original "this Act", meaning act Aug. 4, 1939, ch. 418, 53 Stat. 1187, as amended, known as the Reclamation Project Act of 1939, which enacted this subchapter, sections 375a, 380a, and 387 to 389 of this title and section 16d of former Title 41, Public Contracts, and enacted provision set out as a note under section 485j of this title. For complete classification of this Act to the Code, see section 485k of this title and Tables.

Act of June 17, 1902, referred to in subsec. (a), is popularly known as the Reclamation Act, which is classified generally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 371 of this title and Tables.

#### AMENDMENTS

1958—Subsecs. (h) to (k). Pub. L. 85-611 repealed subsec. (h) which defined "annual returns" and "normal returns", and redesignated subsecs. (i) to (k) as (h) to (j), respectively.

#### § 485b. Amendment of existing repayment contracts

In connection with any repayment contract or other form of obligation, existing on August 4, 1939, to pay construction charges, providing for repayment on the basis of a definite period, the Secretary is authorized, upon request by the water users involved or their duly authorized representatives for amendment under this section of said contract or other form of obligation, and if in the Secretary's judgement such amendment is both practicable and in keeping with the general purpose of this subchapter, to amend said contract or other form of obligation so as to provide that the construction charges remaining unaccrued on the date of the amendment, or any later date agreed upon, shall be spread in definite annual installments on the basis of a longer definite period fixed in each case by the Secretary: *Provided*, That for any construction charges said longer period shall not exceed forty years, exclusive of 1931 and subsequent years to the extent of moratoria or deferments of construction charges due and payable for such years effected pursuant to Acts of Congress, from the date when the first installment of said construction charges become due and payable under the original obligation to pay said construction charges and in no event shall the unexpired part of said longer period exceed double the number of remaining years, as of the date of the amendment made pursuant to this subchapter, in which installments of said construction charges would become due and payable under said existing repayment contract or other form of obligation to pay construction charges. (Aug. 4, 1939, ch. 418, §3, 53 Stat. 1188.)

#### EXTENSION OF DATE OF MODIFICATION OF REPAYMENT CONTRACTS

Act Mar. 6, 1952, ch. 94, 66 Stat. 16, as amended by acts Aug. 31, 1954, ch. 1168, 68 Stat. 1044; Pub. L. 85-156, Aug. 21, 1957, 71 Stat. 390; Pub. L. 85-611, §3, Aug. 8, 1958, 72 Stat. 543; Pub. L. 86-308, §2, Sept. 21, 1959, 73 Stat. 585, provided that the authority vested in the Secretary of the Interior by sections 485b and 485f of this title should be extended through Dec. 31, 1960.

#### § 485b-1. Deferment of installments under repayment contracts; determination of undue burden; conditions; supplemental contract; report to Congress

(a) The authority granted in section 485b of this title for modification of existing repayment contracts or other forms of obligations to pay construction charges shall continue through December 31, 1960.

(b) The Secretary is authorized, subject to the provisions of this subsection to defer the time for the payment of such part of any installments of construction charges under any repayment contract or other form of obligation as he deems necessary to adjust such installments to amounts within the probable ability of the water users to pay. Any such deferment shall be effected only after findings by the Secretary that the installments under consideration probably cannot be paid on their due date without undue burden on the water users, considering the various factors which in the Secretary's judgment bear on the ability of the water users so to pay.