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[H.R. 404, To authorize early repayment of obligations to the Bureau of reclamation within the Northport Irrigation District in the State of Nebraska](#)

FLOOR SITUATION

On Monday, June 1, 2015, the House will consider [H.R. 404](#), *a bill to authorize early repayment of obligations to the Bureau of reclamation within the Northport Irrigation District in the State of Nebraska*, under suspension of the rules. H.R. 404 was introduced on January 16, 2015, by Rep. Adrian Smith (R-NE) and was referred to the Committee on Natural Resources, which ordered the bill reported by unanimous consent on March 25, 2015.

SUMMARY

H.R. 404 authorizes landowners within the Northport Irrigation District in the State of Nebraska to make early repayments of their obligations under a water contract with the Bureau of Reclamation. Landowners who repay their portion of the obligation will no longer be subject to federal acreage limitations and paperwork requirements.

BACKGROUND

“Under federal law, any irrigation district that receives contracted water from a Bureau of Reclamation facility must repay its allocated portion of the capital costs of the federal water project. These repayment costs are typically set forth in long-term capital repayment contracts between the irrigation district and the federal government.”¹

The Northport Irrigation District in the western part of Nebraska receives water from the federal North Platte Project.² The water is transported 80 miles from a reservoir, passing through the Tri-State Canal, which is privately owned by the Farmers Irrigation District.³ “In return for allowing the water to be conveyed through the Tri-State Canal, Farmers receives compensation in the form of a ‘carriage

¹ [House Report 114-76](#) at 1.

² Id.

³ Id. at 1 and 2.

fee' from Northport . . . [I]f the amount of the carriage fee owed to Farmers by Northport is more than \$8,000 per year, Northport is not obligated to make its annual capital repayment to the federal government.”⁴

Because carriage fees have exceeded \$8,000 since the early 1950s, Northport’s capital debt has remained at approximately \$923,000. “As long as Northport owes the debt, its landowners are subject to a 960 irrigated acre planting limitation and paperwork requirements that must be met prior to getting water each year . . . ”⁵ Several landowners within the Northport Irrigation District wish to retire and transfer their property to family members who already own land.⁶ However, the combined land amount will exceed the 960 irrigated acre planting limitation.⁷ These landowners “are willing to repay their portion of the capital repayment obligations owed to the federal government to avoid being subject to the federal requirements,” but are prohibited from doing so under federal law.⁸ H.R. 404 permits them to make such early payments.

The House passed an identical bill ([H.R. 4562](#)) by voice vote on July 22, 2014. The Senate did not act on that measure during the 113th Congress.

COST

The Congressional Budget Office (CBO) [estimates](#) that enacting the H.R. 404 would have an insignificant effect on the federal budget. CBO further estimates that the bill would reduce direct spending by \$440,000 over the 2016 to 2025 period, but would not affect revenues. Because the legislation would affect direct spending, pay-as-you-go procedures apply.

STAFF CONTACT

For questions or further information please contact [Jerry White](#) with the House Republican Policy Committee by email or at 5-0190.

⁴ Id. at 2.

⁵ Id.

⁶ Id.

⁷ Id.

⁸ Id.