

MINISTRY OF WATER AND POWER

IRAN WATER LAW
AND THE MANNER OF
WATER NATIONALIZATION

September, 1968
TEHRAN, IRAN

MINISTRY OF WATER AND POWER

His Imperial Majesty's Order relating to the execution of "Iran Water Law and the Manner of Water Nationalization" which has been approved by both Houses of Parliament and Senate, is communicated as follows:

With the Assistance
of the Mighty God
We,
Mohammad Reza Pahlavi
Shahanshah Arya Mehr
of Iran,

by virtue of the 27th. principle supplementary to the Constitutional Law, resolve that:

Article 1. Iran Water Law and the Manner of Water Nationalization which has been approved by Houses of Parliament and Senate and attached to this Order, be executed.

Article II. The Council of Ministers is assigned to execute this law.

IRAN WATER LAW
AND THE MANNER OF
WATER NATIONALIZATION

CHAPTER I. GENERALITIES

SECTION 1.

Public and national ownership of water:

Article 1. All waters running in rivers, natural streams, valleys, brooks or in any other natural courses, either surface or underground as well as flood, sewage and drainage waters and those of lakes, marshes, natural ponds, springs, mineral waters and the underground water resources are considered as the national wealth and belong to the public, and the responsibility for safeguarding and utilization of this national wealth and the establishment and management of water resources development establishments are charged to the Ministry of Water and Power.

Article 2. The bed of natural streams and rivers whether they have continuous or seasonal waters belongs to the Government and its width is up to a limit where it shows the course of rivers or streams at the maximum usual overflow and the sea and lake coasts as well.

According to the Riparian Lands Law approved on 8.16.1967, in considering the legal prohibited area it is forbidden to set up any type of structure in the bed of streams and rivers and on the coast of lakes and seas whether of natural or artificial water storage, unless with the permission of the Ministry of Water and Power.

N O T E 1. The maximum overflow in respect of each river and stream shall be determined by the Ministry of Water and Power, in considering the hydrological data of rivers, streams and the water mark in their natural beds without regarding the effect of construction of water installations.

N O T E 2. The Ministry of Water and Power shall, in case that it recognizes that the existing structures in the beds of rivers and streams are obstructive for water and power utilization, notify the owners or possessors concerned as to vacate and destroy the structures within a certain period of time and in case of refusal, the Ministry of Water and Power shall take action regarding the vacation and demolition of such structures under the supervision of prosecutor or his representative.

In case that as of date of approval of this law the construction of structures has been with the permission obtained from competent authorities, the indemnity of such structures shall be determined and paid only as set forth under Article 50 of this law.

SECTION 2.

Water right and water use permit:

- Article 3. Water right means the right of use of such waters which have been specified and registered in records or ownership documents or orders of courts or other legal documents in the favor of the owners concerned before the date of approval of this law.
- Article 4. Water use permit means a right which shall be given to real or legal entities (Individuals) for the purpose of beneficial and reasonable use of water through the issuance of permit, in taking into view the regulations provided for in this law.
- Article 5. In such rivers where the total of water rights of land owners are more than the actual and usual capacity of the rivers and the existing water rights are not beneficially used, the Ministry of Water and Power may review the matter of determining the water rights

of the owners concerned up to the date of implementation of the Water Nationalization Law in each region, through Three and Five Member Committees according to Articles 7 and 8, in considering the existing documents, water capacity of the river, quality of use, method of water distribution, customs prevailing in the locality and the amount of water right; and the final views given by the said committees shall be put into force by the Ministry of Water and Power.

Article 6. The Ministry of Water and Power, in appointing the Three Member Committees in each region and district as from the date of implementation of the Water nationalization in conformity with Article 7 of this law, shall be bound to issue beneficial water use permits to water right owners and water users and in which the capacity of delivering water for agricultural, industrial or municipal purposes as well as other uses stipulated in this law, should be mentioned. After the issuance of beneficial water use permit, the water rights covered by Article 3 are considered as cancelled.

N O T E. Execution of Articles 5 and 6 of this law relating to the conversion of water right to beneficial water use permit and the issuance of water use permit shall not create any right for changing of rent or price of such estates which have been or shall be transferred in conformity with the regulations of the Land Reform Law.

Article 7. The Ministry of Water and Power is bound to appoint Three Member Committees in each region or district for determining the amount of beneficial use of water for agricultural, industrial or municipal purposes from water resources, for those real or legal entities (Individuals) who have had water rights in the past and converting of such rights to beneficial water use permits.

These committees shall study the quantity of existing water, percentage of cultivable land, place of use, branch, quality of use, customs prevailing in the locality and other factors in accordance with a by - law which shall be prepared by the Ministries of Water and Power and Agriculture on the basis of essential information acquired and permits shall be issued according to this committee's recommendation. In case of any objection to the Three Member Committee's decision, the person concerned shall submit his objection to the Ministry of Water and Power in writing so that in case of approval of same by the Ministry, the matter could be referred to the Five Member Committee whose decision shall be considered as final and executable.

Article 8. Members of the Three Member Committees shall consist of two experts appointed by the Ministry of Water and Power and one expert by the Ministry of Agriculture.

Members of the Five Member Committees are: Public Prosecutor of a province where the river basin is situated, Managing Director of the Regional Water Authority and in case of non-existence of the Regional Water Authority, representative of the Ministry of Water and Power, Director General or General Manager of the Provincial Land Reform Department or Government General Department and one expert who will be appointed by the Ministry of Water and Power.

In case that the river basin includes several provinces or Government General Departments, the appointment of Public Prosecutor or other officials covered by this article shall be the responsibility of the Ministers concerned.

N O T E. The period of assignment, manner of investigation of the Three and Five Member Committees as well as the manner of enforcing the decisions of such committees are referred to the Five Member Committees for revision. The period of objection to the decisions taken by the Three Member Committees shall be in accordance with a by-law approved by the Council of Ministers upon the proposal of Water and Power and Agricultural Ministries.

SECTION 3.

Issuance of water use permit:

Article 9. As of date of approval of this law, beneficial water use permits shall solely be issued by the Ministry of Water and Power and the issuance of official documents relating to water rights is prohibited.

N O T E. The Ministry of Land Reform and Rural Cooperative, in enforcing rules and regulations of the land reform, shall prepare the relevant documents as usual but insert the following condition in each document:

"The water right covered by this document is changed to water use permit in time according to the text and regulations set forth in the Water Nationalization Law, without accepting any claim thereof".

Article 10. To use the water resources covered by Article (1) of this law, shall require the obtainment of water use permit.

Article 11. The Ministry of Water and Power or its subsidiary organizations and companies shall issue water use permits, after obtaining information, studying applications for water use, issuance of permit and taking the necessary undertaking, in considering the

priority right and on the basis of a by - law which shall be prepared upon the proposal of the Ministries of Water and Power and Agriculture and approval of the Council of Ministers.

Article 12. A by - law relating to applications for water use and the issuance of permit for utilization of water resources mentioned under Article (1) of this law, should contain all the necessary regulations, conditions and obligations and, in the meantime, the date of completion of the private irrigational establishments and the date of their use should be stipulated in the water use permit.

Article 13. No one is allowed to use the water whose right of consumption has been obtained, for any other purposes other than what has been mentioned in the permit and he also shall have no right as to transfer the permit to others unless with the permission of the Ministry of Water and Power.

Article 14. Water use permit relates to a piece of land for which it has been issued unless some other decisions are to be taken by the Government in the region and/or due to any reason it becomes definite that the water use is not beneficial and economical. In this case, the Ministry of Water and Power shall notify the matter, by mentioning reasons and submitting technical instructions, to the water user. Whenever

during a period of three years from the date of notice, the water user does not act as per the instructions issued by the Ministry of Water and Power, his water use permit shall be cancelled. In case of an objection to the decision taken by the Ministry of Water and Power, the source of investigation shall be the Three Member Committee set forth under Article (7) of this law.

SECTION 4.

Conditions and the manner of water use:

- Article 15. Holders of water use permits are bound to avoid wastage and unbeneficial use of water. They should establish and maintain their private water courses in such a manner as to meet these purposes:
- Article 16. Beneficial use of water means a use where, under the conditions of time and locality (In considering requirements of the user and the public needs and possibilities), shall be determined according to the regulations covered by this law. The beneficial use is revisable through the change of technical and scientific methods.
- Article 17. The Ministry of Water and Power shall be required to gradually determine and notify the amount of water use permit in each region, in considering the

type of product, type of soil and the continental conditions as well as the information put at its disposal by the Ministry of Agriculture relating to water use for each type of agricultural products.

SECTION 5.

Unused waters:

Article 18. The Ministry of Water and Power shall issue permits for the following water in each region after necessary investigations:

1. Such water resources which have remained unused.
2. Such water resources which have been acquired as the result of construction of irrigational systems, dams and drainage establishments through the government investments.
3. Such water resources in excess to use, flowing into lakes, seas and streams.
4. Such water resources acquired from the public sewage systems.
5. Such waters which are surplus to the municipal use.
6. Such water resources which have not been used by a permit holder or his substitute up to three years from the date of issuance of permit.
7. Such water resources whose permits have been cancelled for legal reasons.

8. Such water resources which will appear in a region due to an earthquake or other natural causes.

CHAPTER II

DUTIES AND AUTHORITIES

Article 19. The Ministry of Water and Power is bound that, for the purpose of supplying the amount of water required for the country, take the necessary action in the following manner:

- a. To harness floods and reserve the water of river in surface and underground reservoirs
- b. To regulate and distribute the water through the establishment of irrigational and piping systems.
- c. Exploitation and beneficial use of the underground and mineral waters.
- d. Desalination of saline water in such regions where necessary.
- e. Prevention of the fresh waters from salination.
- f. Impregnation of clouds.
- g. Supervision over the quality and quantity of water uses and study on all the water resources of the country.
- h. Creation of irrigational systems and establishment of companies, irrigational organizations, boards of executive and water conservation

committees in various regions and districts.

- i. Direct or indirect supervision over the water resources and their rationing during the drought.
- j. Accomplishment of other works which result in the proper enforcement of this law.

Article 20. Report of staff employees of the Ministry of Water and Power and those of staff of the subsidiary organizations as well as reports of staff of the Ministry of Agriculture and Ministry of Land Reform and Rural Cooperative (On the introduction of Ministers of Agriculture and Land Reform and Rural Cooperative) who have been appointed by the Ministry of Water and Power for implementation of the duties covered by this law by virtue of special notifications and are introduced to prosecutor offices, are considered as a basis for prosecution of offenders.

These reports shall be considered as those ones prepared by the officials of the Department of Justice; and the prosecution of such offenders shall be made in accordance with Note (b) of Article 59 of the Penal Code.

Article 21. The Ministry of Water and Power may establish Armed Police Organizations for water in such regions and districts where it finds necessary, for the purpose of maintaining security as well as the enforcement of this law.

The duties of water armed polices who shall have the power of the Department of Justice's officials in the execution of this law are determined in conformity with a by - law which shall be approved by the Council of Ministers upon the proposal of the Ministry of Water and Power.

Article 22. The Ministry of Water and Power may directly establish Regional Water Organizations and Companies which are to be administered in the form of commercial companies or in association with other Governmental organizations or such companies which have been established through the Government's investments.

Constitutions of these companies shall be approved by the Water and Power, Finance and Employment Committees of both houses of Parliament and Senate, upon the proposal of the Ministry of Water and Power. The said companies shall be exempted from the payment of registration and stamp charges.

The Ministry of Water and Power may make use of these authorities for changing its existing organizations to commercial companies.

N O T E. The Ministry of Water and Power shall, in the implementation of these duties, determination of river basins in regions and districts and also description

of definitions, idioms and titles set forth in this law, prepare the necessary by-laws and put them into force after the approval of the Council of Ministers.

CHAPTER III

UNDERGROUND WATER RESOURCES

Article 23. Utilization of the underground water resources through the drilling of any type of well and ghanat at any point of the country should, with the exception of cases mentioned under Article 25 of this law be carried out with the permission of the Ministry of Water and Power and the latter shall take measures regarding the issuance of drilling permits, in taking into view the hydrological specifications (Geology of earth and underground water resources) of the region concerned and the regulations provided for in this law.

N O T E 1. According to this law, it is necessary to obtain permits for using wells and other underground water resources pumping installations which have been established before the date of approval of this law.

Arrangements for issuing notice for the public information, issuance of permit and the source of issue of same and other conditions and obligations, shall be in accordance with the regulations approved by the Ministry of Water and Power, in observing Article 14 of this law.

N O T E. 2 According to the laws and regulations concerned such wells which have been excavated in those regions where proclaimed as prohibited or restricted by the Ministry of Water and Power as from October 5, 1963 (Mehr 14, 1942) upon the recognition of the Ministry as well as such unauthorized wells which have been drilled without any permits, shall be used for irrigational purposes by the Ministry of Water and Power without paying any indemnity or closed down in the presence of the local prosecutor's representative.

Article 24. The Ministry of Water and Power is authorized to prohibit excavation of deep wells or semi-deep wells and/or ghanats with the designated geographical limits in such regions where it is made known through its technical and scientific studies that the level of underground water resources is going down due to high consumption or other reasons and also in such regions where comprehensive irrigational plans and utilization of the underground water resources should be carried out by the Government in an area for the purpose of water nationalization; and the elimination of this hindrance depends upon getting a new permission from the Ministry of Water and Power.

Article 25. Establishment of water well at each locality and its use for domestic, drinking, sanitary and gardening

purposes upto an amount of 25 cubic meters in every 24 hours may be permitted and it does not require any permit.

The Ministry of Water and Power may, in cases where necessary, inspect such wells for the purpose of studying water resources of the region, collecting of data and the matter of water consumption as well.

N O T E. In case that the drilling of such wells result in the depletion or dryness of a well's water and/or that of an adjacent ghanat, the Ministry of Water and Power may, in case of disagreement of the owners concerned, investigate the complaint of complainant and if the matter is proved, close down the well and/or prevent its drilling and utilization.

Article 26. Up to the date of enforcing the water nationalization in each region or district, the right of each of the land owners of undivided and joint well or ghanat is in proportion to the shares that they have invested or agreed upon for drilling of the well or ghanat and establishment of pumping installations. In case of shortage and increase of water, the existing water shall be divided or a rationing system enforced, proportionate to their shares.

Article 27. Holders of well permits are responsible to prevent pollution of well's water and are bound to act in accordance with the health regulations.

Article 28. Those issued with well permits are, under no circumstances, authorized to sell the water after the proclamation of the water nationalization in each region unless the permits have been issued in the name of a rural cooperative society or agricultural stock company where in which case, they are permitted to sell the water to members of the company.

N O T E. In regard to such wells which have been established with permission before the approval of this law and the extracting capacity of which is more than the amount of beneficial use of the permit holders and the surplus quantity has been beneficially used for agricultural, industrial and municipal purposes as per evidences submitted, separate permits shall be issued to consumers of the surplus water in considering the regulations concerned.

Water rate shall be paid to the owner of the well in considering the current and amortization expenses according to criteria of the Ministry of Water and Power together with an interest up to 8% which shall be calculated on the capital by the consumer.

In case that the consumer or consumers refrain from payment of water charges regularly, they shall be dealt with in accordance with the Article 53 of this law.

Article 29. The Ministry of Water and Power shall, upon the request of an applicant for drilling well or ghanat despatch one of its experts to the locality for the purpose of technical and scientific guidance so as to examine the economic and technical feasibility of the well or ghanat.

In such cases, 50% of the expenses involved shall be borne by the applicant.

N O T E. Rural cooperative societies and agricultural stock companies shall only pay 20% of such expenses instead of 50%.

Article 30. In case that saline water or water mixed with mineral salts is not fit for use but mixed with the fresh water, the Ministry of Water and Power may close the course of saline water or that of the water mixed with the mineral salts.

In ~~the~~ event that this action is technically not possible, it shall, of necessity, close down the well or the course or destroy same without paying any indemnity.

Article 31. For the purpose of preventing wastage of the underground water resources, particularly in such seasons when there is no need to exploit the underground water resources, permit holders of artesian wells should install taps and faucets on the wells in order to control the continuous extraction of the underground water resources.

Article 32. In artesian wells where the underground water rises to the surface by itself and in the semi artesian wells where the water level rises higher than its original level, permit holders are bound to prevent penetration of water under pressure to other layers, through well coverages or by other suitable means, upon the recognition of the Ministry of Water and Power.

Article 33. Each well, except such wells mentioned under Article 25, should be equipped with measuring equipment for the purpose of controlling the amount of water extracted as well as the existing level of water. Permit holders shall be bound to regularly submit their reports on the amount of water used, in conformity with the criteria of the Ministry of Water and Power and upon a request made by the latter.

N O T E. The Ministry of Water and Power is authorized that, in case of necessity, install measuring equipment for the measurement of ghanat's water at its own expense. The protection and maintenance of the said equipment as well as the measurement of ghanat's discharge shall be the responsibility of the authorities concerned.

Article 34. Those real or legal entities (Individuals) whose vocation is drilling and they drill wells or ghanats with mechanized equipment, should procure permits from the Ministry of Water and Power. They shall not be permitted to drill with mechanized equipment unless they possess authorized drilling permits.

The said persons are bound to observe all terms and conditions set forth in the drilling permit and in case of any violation on their part, their permits shall be considered as cancelled.

If these persons, companies and organizations drill or excavate wells without holding any permits, they (Managing Directors of companies and organizations too) shall be penalized and condemned according to the provisions covered by Article 60 of this law. Moreover, the Ministry of Water and Power may confiscate the drilling equipment of the violator in the interest of the Government.

Article 35. Whenever due to drilling a new well or sinking a new ghanat, the water of a former well or ghanat decreases or dries up, should it be practicable for the owner of an adjacent well or ghanat to use the water of the new well or ghanat, his former quantity of water shall be provided by the new well or ghanat for his sharing in the operational expenses, upon the recognition of the Ministry of Water and Power, otherwise, the owner or owners of the new well or ghanat should compensate for the damages caused to the owner or owners of the former well or ghanat.

It is the duty of the Ministry of Water and Power as to determine the amount of indemnity and in case of any refusal by the persons concerned, the said indemnity is recoverable according to the regulations set forth in the last part of Article 53 of this law.

N O T E. The basis for determining the quantity of water or the amount of indemnity, shall be the average amount of beneficial use of water of the well or ghanat during the last five years of the exploitation period.

Hours of exploitation during the year shall be determined on the basis of continental conditions of various points of the country as well as the period of cultivation and irrigation in accordance with views of the Ministry of Water and Power's expert.

Article 36. The Ministry of Water and Power and its subsidiary organizations and irrigational companies may purchase all primitive mechanical equipment such as water mills etc. that cause wastage of water or impede correct distribution of such water, as provided for under Article 50 of this law.

Article 37. A well or ghanat which has remained unused for four continuous years or has practically been recognized unserviceable on account of its great depletion and the owner or owners of which do not operate their unused well or ghanat for a period not exceeding one year, upon the written notice of the Ministry of Water and Power, shall be recognized as deserted and gratuitously counted as the nationalized resources.

The Ministry of Water and Power may directly exploit the deserted well or ghanat and/or vest the authorization for using same in others. In case of necessity, it may issue permit for drilling well or ghanat in the prohibited area of the deserted well or ghanat.

Article 38. If a person owns a well or ghanat or waterway in another person's land, the possession of the well or waterway shall be for the ownership of ghanat and waterway as well as the operations relating to the ghanat, well and waterway only.

The owner of land may take possession around the well, waterway or the lands between two wells up to the prohibited area of the well and waterway; provided that his possessions do not cause any loss to the owner of ghanat, well or waterway.

N O T E. In all cases, the Ministry of Water and Power is bound to recognize the prohibited area of a well, ghanat and waterway.

Article 39. An executive by - law covering all the articles set forth under this chapter shall be proposed by the Ministry of Water and Power and put into force in time after the approval of the Council of Ministers.

CHAPTER IV
PROTECTION AND MAINTENANCE
OF JOINT ESTABLISHMENTS

- Article 40. All partners shall be responsible for protection and maintenance of wells, ghanats, streams, brooks, ponds and any other joint water resources, in proportion to their shares.
- Article 41. Water users from joint water courses and gates shall be responsible for the maintenance of joint installations and no one shall, without the permission of the Ministry of Water and Power, have the right to make additions, alter the course of water and fix new connections.
Each upstream water user shall be responsible for any damages caused by his unusual action to a downstream water user.
- Article 42. No stream, brook, ghanat and well should cause any danger and inconvenience to pedestrians and traffic on the public and private roads and in their prohibited areas. It is the duty of the owner or owners concerned to cover his/their water resources in such a manner as to prevent dangers or damages to the pedestrians, traffic and roads.

In case that the owner or owners do not take any action regarding the elimination of danger as per the written notice of the Ministry of Roads and Municipality (In cities) within a period of one month according to technical specifications of the Water and Power and Roads Ministries, and also in case that they do not use and/or dispense with the utilization of same within three consecutive years and such water courses were not used within three months from the date of the written notice, they shall belong to the Government.

N O T E. Establishment of streams, brooks, wells, ghanats etc. on roads and their prohibited areas, shall depend upon obtaining permit from the Ministries of Water and Power and Roads and in streets of cities the approval of the Municipality and Ministry of Water and Power should be obtained. The technical specifications mentioned in the permit are enforceable.

Article 43. Whenever joint users of a stream, brook, well or ghanat etc. refrain to repair such waterways, each of the partners concerned may, with the confirmation of the Ministry of Water and Power, repair them and claim the expenses thereof plus 12% for delaying losses in each year from the refusing partner or partners.

In such case, the amount of cost of repairs and their accomplishment should be certified by the Ministry of Water and Power and the share of the refusing partner or partners shall be recovered in accordance with the provisions relating to executable official documents through the Registration Office, following a request placed by the interested person.

N O T E. The Ministry of Water and Power shall delegate the matter of enforcement of duties on the rural level covered by this Article, to the Ministry of Land Reform and Rural Cooperative.

Article 44. Holders of water use permit are authorized to use the land of others for the purpose of laying canal, conveying water and maintaining the relevant installations.

In such a case, the owner of land shall have the right to recover the cost of land as well as the damages involved according to an equitable rate which shall be settled before the start of operations.

Technical specifications of canals and installations should be determined by the Ministry of Water and Power.

Article 45. Whenever water users cannot reach an agreement in regard to a water course or a branch from a natural course, the Ministry of Water and Power may locate such a course or branch, in taking into consideration that no harm or damage is caused to the rights of other water users.

Article 46. In regard to surface water, any dispute arising in connection with priority, quality and quantity of water as well as such differences which cause delay in water supply, water distribution and consumption should in the first stage, be settled in a syndical friendly manner by chief water masters and water masters. But in case of continuation of the disputes, Director of the region or Manager of the district, as the case may be, should intervene, investigate the matter and then give his recommendation.

The Director's recommendation or that of the Manager shall temporarily be final until the implementation of the Water Nationalization Law in that region or district. Security officials are charged to execute such recommendations.

Article 47. If any stream flowing in the land of another person has remained dried up and unused for a period of five years, the right to use the water of such a stream shall be waived.

Article 48. In such cases where the streams which are used obstruct the development operations of a land owner, the latter may establish another course at his own expense instead of the stream in such a form as to prevent wastage of water as well as any difficulty in irrigational operations, with the approval of the Ministry of Water and Power.

Article 49. The Ministry of Water and Power is bound to purchase shares of such non-governmental real or legal entities (Individuals or enterprises) in irrigational companies whose parts of shares are owned by the Government against payment of the nominal amount of each share and shall merge these companies in the Regional Water Authorities or Organizations. Such shareholders are bound to sell the shares of the Ministry of Water and Power.

CHAPTER V
TAKING POSSESSION OF
LANDS AND STRUCTURES REQUIRED

Article 50. Whenever lands, buildings, structures, establishments and other rights belonging to real or legal entities (Individuals or enterprises) are required for the purpose of execution of development and industrial projects, agricultural expansion, dam construction and the relating main and sub-installations as well as utilization of the surface and underground water resources and the necessity for taking possession of which has been confirmed by the Ministry of Water and Power and the Managing Director of the Plan Organization, the Ministry of Water and Power and its subsidiary organizations and companies may purchase and possess such lands, buildings and structures as mentioned hereunder. And in necessary and emergency cases, formalities for assessment and payment of the cost shall not hinder the possession and fulfilment of the matter, provided that the present situation has been determined before the possession and the relative proces-verbal prepared by the expert and representative of the plan executive concerned:

- a) Price of lands, buildings, structures and establishments and other rights shall be fixed through an agreement reached between executive bodies and the owners concerned. In case that no agreement is reached, a committee comprising

of the Ministry of Water and Power, Minister of Land Reform and Rural Cooperative, Managing Director of the Plan Organization, Prosecutor General, Director General of Registration Department or their representatives shall be formed for determining the price of such property and any decision taken by this committee shall be final.

In case that an owner or owners is/are not prepared to sign the transferring bill, then the Prosecutor General or his representative shall sign the bill on behalf of the owner or owners, after depositing of the cost in the safe of the Local Registration Office by the Ministry of Water and Power.

- b) The basis for fixing price of such lands, buildings, structures, establishments and other rights is the reasonable price of similar property situated in an operational zone in the year before the approval of preliminary plan, without taking into consideration the effect of operations on prices, where the latter shall be fixed in benefitting from an expert or experts recommendation.
- c) Price of cultivable lands, orchards and nurseries shall be fixed in accordance with paragraph (b) above and paid to the owner or owners and farmers concerned, in observing Articles 5

and 6 of the Land Acquisition Law approved on 6.16.1966 and applied to the Farahnaz Pahlavi Dam site.

- N O T E. 1 The date "5.19.1958" mentioned under Note (t) of Article 5 and the phrase "the date of submission of this decree" set forth under Article 6 of the Land Acquisition Law applied to the Farahnaz Pahlavi Dam, are changed to "the year before the approval of preliminary plan".
- N O T E. 2 In case that as a result of the implementation of a plan (Without the necessity of taking possession and purchase), damages are sustained by persons, the cost of damages shall be determined and paid on the basis of provisions set forth under this Article.
- N O T E. 3 In instances where the damages are due to depletion of water and the compensation for shortage of same is possible, it shall be undertaken to deliver some quantity of water as much as the beneficial use is concerned without paying any indemnity, otherwise the cost of damages shall be paid up.
- N O T E. 4 Such lands which are situated beyond the limits of cities, in the course of irrigational networks, shall be put at the disposal of the Government free of charge and without any formalities by the

owners concerned, in considering the prohibited area required.

If structures or constructions in the said lands are destroyed or damaged as a result of implementing plans of the said installations, the Governmental organizations concerned should assess and pay the damages caused to the owners of constructions in accordance with the provisions set forth under this article, without the constructional works being stopped because of the payment of damages.

The prohibited area of streams and irrigational networks shall be approved by the Council of Ministers upon the proposal of the Ministry of Water and Power.

N O T E. 5 The text of Note 2 of Article 19 of the Amendment Law of the Land Reform Law approved on 1.10.1962 relating to such lands which have been transferred to farmers is observed in enforcing the regulations of the Land Reform Law.

N O T E. 6 The Ministry of Agriculture may use the authority covered by this Article and the relevant Notes for the purpose of execution of agricultural development plans.
In such cases, the Minister of Agriculture shall act instead of the Minister of Water and Power.

Article 51. In case that due to water nationalization in a region or district, ghanats water and that of wells and any other type of installations for extracting the underground water resources belonging to persons are possessed or their waters depleted or dried up as a result of the implementation of projects relating to the nationalization of water resources the matter of compensation for damages shall be carried out in the following manner:

1. In all cases where cultivable lands have been irrigated through such resources situated in the space limit of a development project and the acquisition of water for their irrigation from the nationalized resources is possible or in cases where these lands are beyond the limit of the said development project and their irrigational water from another resource in the amount of beneficial use is feasible, the equitable cost of ghanat or water pumping installations shall be paid to the owner or the losing person only in accordance with the provisions stipulated in this law, otherwise damages shall be determined and paid up according to Note 1. of Article 50 of this law.
2. In regard to such wells, ghanats and pumping installations relating to the underground water resources for which should legally hold permits but they have been constructed without any permits, the matter shall be dealt with according to Note 2. of Article 23 of this law.

3. As regards such lands which are irrigated by the nationalized resources inside or outside of an irrigational project and their compensations have been paid in conformity with this law, the cost of water used should be paid up by the consumer as same as other consumers in compliance with the regulations and criteria of the Ministry of Water and Power.
4. In regard to lands and agricultural establishments of persons and such farmers who are shifted to and from a project, it should be acted in accordance with Article 8 concerning the annexation of eight articles to the Land Reform by-law approved on 6.13.1967 (22nd. Khordad 1346).

Article 52. Ministries of Natural Resources and Land Reform and Rural Cooperative are authorized to put at the disposal of the Ministry of Water and Power such pastures and arid lands which are required for the purpose of enforcing the development plans.

N O T E. 1 The Ministry of Water and Power may, directly or through its subsidiary organizations and companies, make any alterations which deem necessary for the purpose of utilization of the said lands.

N O T E. 2 In order to safeguard the transferred lands in the original form or productive and prevent them from trespassing, the Ministry of Water and Power may directly perform the duties and use the authorities

which have been delegated to the Ministry of Natural Resources through the water police and oust the violators in accordance with the regulations set forth in the law for Protection and Utilization of the Natural Resources.

N O T E. 3 In regard to such lands transferred to the Ministry of Water and Power by the Ministries of Natural Resources and Land Reform and Rural Cooperative, if the ownership bill has been issued in the name of the said Ministries, the Registration Office is bound to issue the ownership bill in the name of the Ministry of Water and Power and in case that no bill has been issued, it must continue the matter of registration until such time when the Ownership bill is issued.

CHAPTER VI
COLLECTION OF WATER
CHARGES AND DUES

Article 53. The Ministry of Water and Power is bound to fix the average cost of water as per cubic meter in such regions where development plans or the water nationalization has been put into force and gradually notify same to all water users in each district or river basin, in considering the current expenses for management, maintenance, repairs, operations, amortization and capital interest. It also should gradually and uniformly fix a water rate and collect same for agricultural uses for a unique product in the whole country.

Any loss incurred by an organization or a company due to high cost of acquiring water in a river basin is to be compensated for through the incomes of such organizations and companies in another river basin where the cost of water acquisition is cheaper.

Water users are bound to pay the water charges on the basis of the said rate, otherwise the water of a water user who has not been prepared to pay same shall be cut off after the harvesting of each product. Moreover, the outstanding water charges shall be collected in compliance with the regulations provided for in this law. Any redelivery of water shall call for payment of expenses which are determined thereof.

In the event that water users refuse to pay their dues within the grace period stipulated under Note 6. of this law, specified by Directors and Managers of the irrigational regions and districts or do not make any acceptable arrangement for settlement of their accounts, those persons responsible for the region or district concerned shall send bills of the water users to the local Registration Office for the purpose of issuing notification to the persons concerned.

The Registration Office is bound to take action regarding the issuance of notice and recovery of dues in accordance with the regulations relating to executable official documents.

N O T E. 1 The organizations and companies mentioned in this law shall benefit from the tax exemptions considered for private companies (Agricultural and industrial) in the law of Income Tax. In order to process a unique rate for certain products in various regions of the country, profit making organizations and companies shall take into account the losses of the losing organizations and companies and pay same on the recognition of the Ministry of Water and Power and the net profit which is calculated in such a manner, shall be liable to tax regulations on the expiry of the exemption period.

N O T E. 2 As regards the agricultural uses the amount of capital interest which should be calculated in the water rate, shall not be taken in the rate up to the first ten years of the operation, in considering the social and economic conditions in each region recognized by the Ministry of Water and Power. On the completion of the exemption period, the capital interest shall be determined by the Council of Ministers upon the proposal of the Ministry of Water and Power.

N O T E. 3 After the issuance of permit for beneficial use in each region or district, the manner of calculation of the water charges shall be in accordance with Article 53 of this law. But in such regions where installations for storage, diversion, transfer and distribution of water have not been completed, the amortization expenses and capital interest on the rate of water charges of the former water right owners in the amount of volume of water mentioned in the permits, shall not be taken into account up to the date of completion of the project.

N O T E. 4 All amounts collected by virtue of this law for any reason, shall be used for current expenses and those of operation, maintenance, amortization completion of installations and for contingent aid to such losing companies covered by Note 1. of this Article, in accordance with the constitutions of Water Organization and Companies which are responsible for administration of rivers and other water resources.

In calculating the water rate, the capital interest on municipal uses in provincial and industrial centers has been considered 6% and in other cities 3% during the year.

N O T E. 5 The duties covered by Article 16 of the former Independent Irrigation Foundation shall directly be carried out by the Ministry of Water and Power or its subsidiary organizations and companies until such time when the water nationalization is implemented in each region and district and the revenues so earned shall absolutely be spent for the management and repair of the irrigational installations of the area concerned.

N O T E. 6 The period of notice for cutting off water due to non-payment of the charges thereof shall take from one month up to four months long and for farming works after the harvesting of each product, upon the recognition of the Ministry of Water and Power.

N O T E. 7 As regards the recovery of water charges debt less than Rials 20,000 for agricultural uses, the Registration Office shall only seize the property of the debtors concerned and refrain from detaining them.

Article 54. Former water right owners of the surface water resources who are covered by Article 7. of this law shall benefit from a water charge discount of 30% for a period of 10 years, in proportion to their volume of water used according to their permits.

CHAPTER VII
PROTECTION OF WATER RESOURCES
FROM POLLUTION

Article 55. Pollution of water in some way or other is prohibited. Such organizations which use water for municipal, industrial or mining purposes have to prepare and enforce plans for purifying water and controlling sewage water with the approval of the Ministry of Water and Power and the Ministry of Health.

N O T E. In instances where due to insufficiency of usable water the reuse of water is necessary, the organizations covered by the above-mentioned Article should purify the water and use it again.

Article 56. Pollution means to mix water with foreign substances in such an amount as to change its physical, chemical and biological quality so as to be harmful for the human beings, animals, fishes and plants.

These foreign substances are as follows:

1. Oil, Coal, acids or any other type of carbonic or oily matters, harmful chemical substances whether solid or liquid from any refinery or gas storage, painting work-shop, alcohol extracting factory or chemical, mineral and industrial plants as well as cities sewage water.

Article 57. The Ministry of Water and Power is bound that, with the agreement of the Ministries of Health, Interior, Natural Resources and Game and Fish Department, prepare a special by-law for the purpose of preventing water from pollution and closing down such institutions which result in the pollution of water and enforce same after the approval of the Council of Ministers.

Article 58. Employees of the Ministry of Water and Power and those of its subsidiary organizations and companies and employees of the Agriculture and Natural Resources Ministries and those of the Game and Fish Department who are assigned as per written orders of the Ministry of Water and Power and in accordance with the relevant by-law to prevent the pollution of water and close down a whole or a part of a plant or an establishment, should prevent the pollution of water according to the regulations concerned and, in case of repetition, they have to introduce the violator concerned through the security officials or water police to the nearest judicial source for prosecution.

CHAPTER VIII
VIOLATIONS AND PENALTIES

Article 59. Anybody who utilizes his well's water more than the limit stipulated in his water use permit and/or does not observe the regulations of the Ministry of Water and Power on the manner of its use, shall be condemned to pay Rials 1000/- to 30000/-, and in case of repetition, his permit shall be cancelled.

In case that he uses the well without any permit, it shall be closed down and, if necessary, filled in by the Ministry of Water and Power in the presence of the Prosecutor's representative.

Article 60. The following persons shall be condemned as per the relevant cases to pay Rials 2000/- to 5000/- fine or imprisoned for a period of two to six months of correctional confinement or to both penalties:

1. Anybody who intentionally and without any permission opens a trap door or catch of an irrigational system or makes some changes in the distribution of water or makes unauthorized changes in water meters or, in some way or other, suspends the operation of such public systems.
2. Anyone who intentionally diverts the water into his own waterway or irrigational network without having any right or permission from the

responsible authorities or causes to deprive another person of his water right.

3. Anybody who usurps another person's water right without any legal authorization.
4. Anyone who intentionally and in some way or other wastes the water, causing a loss to another person.
5. Anyone who intentionally pollutes the water of rivers, public streams, brooks, water storages, sources, ghanats and wells by adding foreign matters to it in such a manner as mentioned under Article 56 of this law or in cases where the water storage is used as the source of drinking water, the defaulter shall penally be prosecuted in accordance with the regulations concerned.
6. Any person who violates the conditions mentioned in the water use permit or without the permission of the Ministry of Water and Power, transfers his permit to another person or violates the regulations enacted by the Ministry of Water and Power in the enforcement of such Articles covered by Chapter II of this law.
7. Anybody who, without observing the regulations provided for in this law, drills a well or sinks a ghanat or makes use of water from water resources.

N O T E. Regarding paragraphs 2, 3 and 4 mentioned above, no prosecution shall be carried out if the matter is dispensed with by the private complainant.

Article 61. Any person who intentionally and, in some way or other, sabotages or destroys a dam or its allied constructions whether irrigational or pertaining to hydro electric installations, transformers, power stations and high tension power transmission lines, shall be condemned to an imprisonment of hard labor for three to fifteen years.

CHAPTER IX
MISCELLANEOUS REGULATIONS

Article 62. The water nationalization and its related articles and regulations shall, gradually, be announced and executed in the river basins and the underground water resources from a region to another region and from a district to another district, in taking into consideration the financial and technical feasibilities of the development plans

Distinction of these special regulations and the date of their enforcement are charged to the Ministry of Water and Power.

Article 63. The Ministry of Water and Power is bound to give a six month notice prior to the execution of water nationalization in a region or district so that those who are entitled, become acquainted with their own duties and responsibilities and those of the Ministry of Water and Power.

Article 64. The Ministry of Water and Power is the authority to determine the scientific competency of experts in various fields of technology relating to the development of water resources and irrigational systems for obtaining official permits.

Article 65. All laws and regulations which are contradictory to this law and also the law on protection and conservation of the underground water resources shall be considered null and void as of date of approval of this law.

Article 66. Such by-laws related to the enforcement of other articles shall, in case of necessity, be approved by the Council of Ministers upon the proposal of the Ministry of Water and Power.

The above-mentioned law which consists of 56 Articles and 35 Notes was approved by the House of Parliament on Thursday 18th. of July 1968 after being approved by the House of Senate on July 3, 1968.

Abdullah Riazi
Speaker of House of
Parliament.

The original copy of Order of His Imperial Majesty and the Law are kept at the office of the Prime Minister.

for Prime Minister
Ghollam Reza
Nikpey.

JK/s.h.