

[~118H5359]

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(Original Signature of Member)

119TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To harmonize the population threshold for rural communities under programs carried out by the Department of Agriculture, and for other purposes.

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**IN THE HOUSE OF REPRESENTATIVES**

Mr. COSTA introduced the following bill; which was referred to the Committee  
on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To harmonize the population threshold for rural communities under programs carried out by the Department of Agriculture, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Rural Development  
5       Modernization Act”.

1 **SEC. 2. HARMONIZATION OF THE POPULATION THRESHOLD**  
2 **FOR RURAL COMMUNITIES UNDER DEPART-**  
3 **MENT OF AGRICULTURE PROGRAMS.**

4 (a) INCREASE IN POPULATION THRESHOLDS UNDER  
5 CERTAIN PROGRAMS.—

6 (1) BROADBAND, TELEMEDICINE, AND DIS-  
7 TANCE LEARNING.—

8 (A) IN GENERAL.—Section  
9 601(b)(3)(A)(ii) of the Rural Electrification Act  
10 of 1936 (7 U.S.C. 950bb(b)(3)(A)(ii)) is  
11 amended by striking “20,000 inhabitants” and  
12 inserting “25,000 inhabitants (excluding popu-  
13 lations described in subparagraphs (F) and (G)  
14 of such section)”.

15 (B) RATIO FOR ALLOCATION.—Section  
16 601(j)(2)(B) of such Act (7 U.S.C.  
17 950bb(j)(2)(B)) is amended by striking “2,500”  
18 each place it appears and inserting “25,000”.

19 (2) TELEPHONE SERVICE LOANS.—Section  
20 203(b) of the Rural Electrification Act of 1936 (7  
21 U.S.C. 924(b)) is amended by striking “5,000 in-  
22 habitants” and inserting “25,000 inhabitants (ex-  
23 cluding populations described in subparagraphs (F)  
24 and (G) of section 343(a)(13) of the Consolidated  
25 Farm and Rural Development Act)”.

1           (3) RESERVATION APPLICABLE TO LOAN GUAR-  
2       ANTEES FOR WATER, WASTEWATER, AND ESSENTIAL  
3       COMMUNITY       FACILITIES       LOANS.—Section  
4       306(a)(24)(D)(ii) of the Consolidated Farm and  
5       Rural       Development       Act       (7       U.S.C.  
6       1926(a)(24)(D)(ii)) is amended by striking  
7       “20,000” and inserting “25,000”.

8           (4) EMERGENCY AND IMMINENT COMMUNITY  
9       WATER ASSISTANCE GRANTS.—Section 306A(e) of  
10      the Consolidated Farm and Rural Development Act  
11      (7 U.S.C. 1926A(e)) is amended—

12               (A) in paragraph (1)(A), by striking  
13               “10,000” and inserting “25,000”; and

14               (B) in paragraph (2), by striking “3,000”  
15               and inserting “25,000”.

16           (5) RURAL HOUSING.—Title V of the Housing  
17      Act of 1949 is amended—

18               (A) in section 520 (42 U.S.C. 1490)—

19                       (i) in the first sentence—

20                               (I) in clause (1), by striking  
21                               “2,500” and inserting “25,000”;

22                               (II) in clause (2)—

23                                       (aa) by striking “2,500” and  
24                               inserting “25,000”; and

1 (bb) by striking “10,000”

2 and inserting “25,000”; and

3 (III) in clause (3)—

4 (aa) by striking “10,000”

5 and inserting “25,000”; and

6 (bb) by striking “20,000”

7 and inserting “25,000”; and

8 (ii) by striking the last sentence and

9 inserting the following: “In determining

10 whether an area is ‘rural’ or a ‘rural area’,

11 the Secretary shall disregard the popu-

12 lations described in subparagraphs (F) and

13 (G) of section 343(a)(13) of the Consoli-

14 dated Farm and Rural Development Act (7

15 U.S.C. 1991(a)(13)).”; and

16 (B) in section 533(d)(3)(C) (42 U.S.C.

17 1490m(d)(3)(C)), by striking “10,000” and in-

18 serting “25,000”.

19 (b) ELIMINATION OF CAP ON MILITARY BASE POPU-

20 LATION EXCLUSION.—Section 343(a)(13)(I) of the Con-

21 solidated Farm and Rural Development Act (7 U.S.C.

22 1991(a)(13)(I)) is amended—

23 (1) in the subparagraph heading, by striking

24 “LIMITED EXCLUSION” and inserting “EXCLUSION”;

25 and

1 (2) by striking “The first 1,500” and inserting  
2 “Populations of”.

3 (c) ELIMINATION OF LOWER POPULATION THRESH-  
4 OLDS UNDER WATER AND WASTE, AND COMMUNITY FA-  
5 CILITIES PROGRAMS.—

6 (1) IN GENERAL.—Section 343(a)(13) of the  
7 Consolidated Farm and Rural Development Act (7  
8 U.S.C. 1991(a)(13)) is amended by striking sub-  
9 paragraphs (B) and (C) and redesignating subpara-  
10 graphs (D) through (I) as subparagraphs (B)  
11 through (G), respectively.

12 (2) CONFORMING AMENDMENTS.—Section  
13 343(a)(13) of such Act (7 U.S.C. 1991(a)(13)) is  
14 amended—

15 (A) in subparagraph (A), by striking “(I)”  
16 and inserting “(G)”;

17 (B) in subparagraph (D)(i), by striking  
18 “(F)” each place it appears and inserting  
19 “(D)”;

20 (C) in subparagraph (F), by striking  
21 clause (ii) and inserting the following:

22 “(ii) ADJUSTMENTS.—The Secretary  
23 may, by regulation only, consider an area  
24 described in clause (i)(I) of this subpara-

1 graph not to be a rural area for purposes  
2 of subparagraph (A).”.

3 (d) EXCLUSION OF INCARCERATED AND MILITARY  
4 BASE POPULATIONS IN DETERMINING WHETHER PART  
5 OF AN AREA IS RURAL IN CHARACTER.—

6 (1) IN GENERAL.—Section 343(a)(13)(D)(iii) of  
7 the Consolidated Farm and Rural Development Act  
8 (7 U.S.C. 1991(a)(13)(D)(iii)) is amended by redes-  
9 ignating subclauses (III) through (VII) as sub-  
10 clauses (IV) through (VIII), respectively, and insert-  
11 ing after subclause (II) the following:

12 “(III) disregard the populations  
13 described in subparagraphs (F) and  
14 (G) in determining whether part of an  
15 area is rural in character;”.

16 (2) CONFORMING AMENDMENT.—Section  
17 343(a)(13)(D)(iii)(V) of such Act (7 U.S.C.  
18 1991(a)(13)(D)(iii)(V)) is amended by striking  
19 “(IV)” and inserting “(V)”.

20 **SEC. 3. HARMONIZATION OF THE POPULATION THRESHOLD**  
21 **FOR RURAL COMMUNITIES UNDER DEPART-**  
22 **MENT OF ENERGY PROGRAM.**

23 Section 609(a)(5) of the Public Utility Regulatory  
24 Policies Act of 1978 (7 U.S.C. 918c(a)(5)) is amended by  
25 striking “10,000 inhabitants” and inserting “25,000 in-

1 habitants (excluding populations described in subpara-  
2 graphs (F) and (G) of section 343(a)(13) of the Consoli-  
3 dated Farm and Rural Development Act (7 U.S.C.  
4 1991(a)(13))’.

5 **SEC. 4. HARMONIZATION OF THE POPULATION THRESHOLD**  
6 **FOR RURAL WATER SUPPLY PROJECTS.**

7 The Reclamation Rural Water Supply Act of 2006  
8 (43 U.S.C. 2401 et seq.) is amended—

9 (1) in section 102(9)(C)—

10 (A) in clause (i) by striking “or”;

11 (B) in clause (ii), by striking “structures.”

12 and inserting “structures; or”; and

13 (C) by adding at the end the following:

14 “(iii) a project that is designed to  
15 serve an area described in subparagraph  
16 (F) or (G) of section 343(a)(13) of the  
17 Consolidated Farm and Rural Develop-  
18 ment Act (7 U.S.C. 1991(a)(13)).”; and

19 (2) in section 202(6)—

20 (A) by redesignating subparagraphs (B)  
21 and (C) as subparagraphs (D) and (E) respec-  
22 tively; and

23 (B) by inserting after subparagraph (A)  
24 the following:

1 “(B) a rural water project, or rural water  
2 supply project that does not otherwise meet the  
3 definition of a rural water supply project under  
4 section 102(9), authorized under—

5 “(i) section 1110 of division FF of the  
6 Consolidated Appropriations Act, 2021  
7 (Public Law 116–260); or

8 “(ii) any other Federal statute;

9 “(C) any project authorized for an Indian  
10 Tribe under part III of subtitle A of title X of  
11 the Omnibus Public Land Management Act of  
12 2009 (Public Law 111–11);”.

13 **SEC. 5. CLARIFICATIONS REGARDING UNITED STATES TER-**  
14 **RITORIES AND FREELY ASSOCIATED STATES.**

15 (a) BROADBAND, TELEMEDICINE, AND DISTANCE  
16 LEARNING.—

17 (1) Section 601(c)(3)(D)(ii) of the Rural Elec-  
18 trification Act of 1936 (7 U.S.C. 950bb(c)(3)(D)(ii))  
19 is amended by inserting “, including any such com-  
20 munities in a territory or possession of the United  
21 States” before the period.

22 (2) Section 601(d)(4) of such Act (7 U.S.C.  
23 950bb(d)(4)) is amended—

24 (A) in the subsection heading, by inserting  
25 “, TERRITORIAL,” before “AND LOCAL”; and



1 (B) in the text, by inserting “, territorial,”  
2 before “or local”.

3 (b) COMMUNITY CONNECT GRANTS.—Section  
4 604(a)(3)(A)(i)(III) of the Rural Electrification Act of  
5 1936 (7 U.S.C. 950bb–3(a)(3)(A)(i)(III)) is amended by  
6 inserting “or territory of the United States” before the  
7 semicolon.

8 (c) RURAL COOPERATIVE DEVELOPMENT GRANTS.—  
9 Section 310B(e)(1)(B) of the Consolidated Farm and  
10 Rural Development Act (7 U.S.C. 1932(e)(1)(B)) is  
11 amended by inserting “the Commonwealth of the North-  
12 ern Mariana Islands,” before “and the”.

13 (d) CONSOLIDATED FARM AND RURAL DEVELOP-  
14 MENT ACT.—Each of sections 343(a)(6) and 381A(1) of  
15 the Consolidated Farm and Rural Development Act (7  
16 U.S.C. 1991(a)(6) and 2009(1)) is amended by striking  
17 “Trust Territory of the Pacific Islands” and inserting  
18 “the Republic of the Marshall Islands, the Federated  
19 States of Micronesia, or the Republic of Palau, pursuant  
20 to the terms of the applicable Compact of Free Association  
21 with the United States”.

22 (e) HOUSING ACT OF 1949.—Title V of the Housing  
23 Act of 1949 (42 U.S.C. 1471 et seq.) is amended—

24 (1) in section 501 (42 U.S.C. 1471)—

1 (A) in subsection (a), by striking “and in  
2 the Territories of Alaska and Hawaii and in the  
3 Commonwealth of Puerto Rico, the Virgin Is-  
4 lands, the territories and possessions of the  
5 United States, and the Trust Territory of the  
6 Pacific Islands” and inserting “, including any  
7 territory or other possession of the United  
8 States”; and

9 (B) in subsection (b)(4), by striking “the  
10 Northern Mariana Islands, and the Trust Terri-  
11 tory of the Pacific Islands” and inserting “and  
12 the Northern Mariana Islands”;

13 (2) in section 502(h)(16)(D) (42 U.S.C.  
14 1472(h)(16)(D)), by striking “the Trust Territories  
15 of the Pacific,”;

16 (3) in section 520, by striking “but not in ex-  
17 cess of 20,000”; and

18 (4) in section 533(d)(3)(C), by striking “below  
19 10,000” and inserting “below 25,000”.

20 **SEC. 6. TECHNICAL AND CONFORMING AMENDMENTS.**

21 (a) Section 748 of the Agriculture, Rural Develop-  
22 ment, Food and Drug Administration, and Related Agen-  
23 cies Appropriations Act, 2002 (7 U.S.C. 918b) is amended  
24 by inserting a comma after “Service”.

1 (b) The Rural Electrification Act of 1936 is amend-  
2 ed—

3 (1) in section 305(d)(3)(C) (7 U.S.C.  
4 935(d)(3)(C)), by striking “(2)(A)(iii)” and insert-  
5 ing “(2)(A)(ii)”;

6 (2) in section 306A(e) (7 U.S.C. 936a(e)), by  
7 striking “transferred” and inserting “transferred”;

8 (3) in section 601(e)(4)(C)(i) (7 U.S.C.  
9 950bb(e)(4)(C)(i)), by adding “and” at the end;

10 (4) in section 603(c)(1)(A) (7 U.S.C. 950bb-  
11 2(c)(1)(A)), by striking “maximum” and inserting  
12 “minimum”; and

13 (5) in section 701(a) (7 U.S.C. 950cc(a)), by  
14 striking the first comma.

15 (c) The Consolidated Farm and Rural Development  
16 Act is amended—

17 (1) in section 306(a)(20)(E) (7 U.S.C.  
18 1926(a)(20)(E)), by striking “states” and inserting  
19 “States”;

20 (2) in section 307(a)(6)(B)(i) (7 U.S.C.  
21 1927(a)(6)(B)(i)), by striking the comma and insert-  
22 ing a semicolon;

23 (3) in section 310B(e)(4)(C)(vi) (7 U.S.C.  
24 1932(e)(4)(C)(vi)), by striking “center” and insert-  
25 ing “centers”;

1           (4) in section 310B(i)(1)(A) (7 U.S.C.  
2    1932(i)(1)(A)), by inserting “section” before  
3    “501(a)”;

4           (5) in section 310E(d)(4)(C) (7 U.S.C.  
5    1935(d)(4)(C)), by striking “; and” the second place  
6    it appears;

7           (6) in section 310F (7 U.S.C. 1936(e)(2)), in  
8    the paragraph heading, by striking “ELIGIBILITY”  
9    and inserting “ELIGIBILITY”;

10          (7) in section 343(a)(11)(C) (7 U.S.C.  
11    1991(a)(11)(C)), by striking “operator” and insert-  
12    ing “operators”;

13          (8) in section 373(b)(2)(A)(ii) (7 U.S.C.  
14    2008h(b)(2)(A)(ii)), by striking “chapters 11, 12, or  
15    13, of Title” and inserting “chapter 11, 12, or 13  
16    of title”; and

17          (9) in section 381F (7 U.S.C. 2009e(a)), by  
18    striking “Director” and inserting “director”.

19    (d) The Housing Act of 1949 (42 U.S.C. 1471 et  
20    seq.) is amended—

21          (1) in section 501 (42 U.S.C. 1471), by trans-  
22    ferring paragraph (5) of subsection (a) to subsection  
23    (b), adding such paragraph at the end of subsection  
24    (b), and redesignating such paragraph as paragraph  
25    (9);

1 (2) in section 515 (42 U.S.C. 1485)—

2 (A) in subsection (h)(2)(B), by inserting  
3 “for” after “approval requirements”; and

4 (B) in subsection (r)(1), by striking “the  
5 Secretary—” and inserting “The Secretary—”;

6 (3) in section 520 (42 U.S.C. 1490), in the first  
7 sentence, by striking “(except in the cases of Pajaro,  
8 in the State of California, and Guadalupe, in the  
9 State of Arizona)”;

10 (4) in section 536(e) (42 U.S.C. 1490p)—

11 (A) in paragraph (1), in the matter pre-  
12 ceding subparagraph (A), by inserting “of”  
13 after “or (d)”; and

14 (B) in paragraph (2), by striking “any sec-  
15 tion” and inserting “any subsection”; and

16 (5) in section 538 (42 U.S.C. 1490r)—

17 (A) in subsection (d)(2), by striking “low  
18 or moderate income” and inserting “low- or  
19 moderate-income”; and

20 (B) in subsection (t), by striking “chapter  
21 I” and inserting “chapter 1”.

22 (e) The Reclamation Rural Water Supply Act of 2006  
23 (43 U.S.C. 2401 et seq.) is amended—

1 (1) in section 106(e), by striking “(1) IN GEN-  
2 ERAL” and all that follows through “After comple-  
3 tion” and inserting “After completion”;

4 (2) in section 107(e), by striking “or a grant is  
5 made, to an organization” and inserting “or a grant  
6 is made to, an organization”; and

7 (3) in section 202(2)(A), by striking “of title  
8 17, Code of Federal Regulation” and inserting “of  
9 title 17, Code of Federal Regulations”.

10 **SEC. 7. ANNUAL REASSESSMENT OF POPULATION THRESH-**  
11 **OLD FOR RURAL AREAS.**

12 The Secretary of Agriculture shall annually reassess  
13 and, if necessary, adjust the numerical threshold used in  
14 determining whether an area is a rural area for purposes  
15 of the provisions of law amended by this Act, taking into  
16 account population level and density trends identified by  
17 the Bureau of the Census, the classification of areas as  
18 metropolitan or non-metropolitan by the Office of Manage-  
19 ment and Budget, and, as appropriate, Rural-Urban Com-  
20 muting Area codes of the Economic Research Service, and  
21 in doing so, may take account of regional differences.