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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.

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)”.

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 LATIION 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

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

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:

graph not to be a rural area for purposes 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:

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 subparagraphs 2 (F) and (G) of section 343(a)(13) of the Consolidated Farm and Rural Development Act (7 U.S.C. 3 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

(B) in the text, by inserting “, territorial,” 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)—

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”;

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

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”;

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

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—

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—

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.