

118TH CONGRESS
1ST SESSION

H. R. 5359

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

SEPTEMBER 8, 2023

Mr. COSTA (for himself, Mr. GARAMENDI, Mr. LAMALFA, Ms. LOFGREN, and Mr. VALADAO) introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committees on Energy and Commerce, Natural Resources, and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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 “50,000 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 “10,000”.

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 “50,000 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 “30,000”.

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 “50,000”; and

14 (B) in paragraph (2), by striking “3,000”
15 and inserting “10,000”.

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 “10,000”;

22 (II) in clause (2)—

23 (aa) by striking “2,500” and
24 inserting “10,000”; and

1 (bb) by striking “10,000”
2 and inserting “30,000”; and

3 (III) in clause (iii)—

4 (aa) by striking “10,000”
5 and inserting “30,000”; and

6 (bb) by striking “20,000”
7 and inserting “50,000”;

8 (ii) in the second sentence, by striking
9 “35,000” and inserting “50,000”; and

10 (iii) by striking the last sentence and
11 inserting the following: “In determining
12 whether an area is ‘rural’ or a ‘rural area’,
13 the Secretary shall disregard the popu-
14 lations described in subparagraphs (F) and
15 (G) of section 343(a)(13) of the Consoli-
16 dated Farm and Rural Development Act (7
17 U.S.C. 1991(a)(13)).”; and

18 (B) in section 533(d)(3)(C) (42 U.S.C.
19 1490m(d)(3)(C)), by striking “10,000” and in-
20 serting “30,000”.

21 (b) ELIMINATION OF CAP ON MILITARY BASE POPU-
22 LATION EXCLUSION.—Section 343(a)(13)(I) of the Con-
23 solidated Farm and Rural Development Act (7 U.S.C.
24 1991(a)(13)(I)) is amended—

1 (1) in the subparagraph heading, by striking
2 “LIMITED EXCLUSION” and inserting “EXCLUSION”;
3 and

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

6 (c) ELIMINATION OF LOWER POPULATION THRESH-
7 OLDS UNDER WATER AND WASTE, AND COMMUNITY FA-
8 CILITIES PROGRAMS.—

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

15 (2) CONFORMING AMENDMENTS.—Section
16 343(a)(13) of such Act (7 U.S.C. 1991(a)(13)) is
17 amended—

18 (A) in subparagraph (A), by striking “(I)”
19 and inserting “(G)”;

20 (B) in subparagraph (D)(i), by striking
21 “(F)” each place it appears and inserting
22 “(D)”;

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

1 “(ii) ADJUSTMENTS.—The Secretary
2 may, by regulation only, consider an area
3 described in clause (i)(I) of this subpara-
4 graph not to be a rural area for purposes
5 of subparagraph (A).”.

6 (d) EXCLUSION OF INCARCERATED AND MILITARY
7 BASE POPULATIONS IN DETERMINING WHETHER PART
8 OF AN AREA IS RURAL IN CHARACTER.—

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

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

19 (2) CONFORMING AMENDMENT.—Section
20 343(a)(13)(D)(iii)(V) of such Act (7 U.S.C.
21 1991(a)(13)(D)(iii)(V)) is amended by striking
22 “(IV)” and inserting “(V)”.

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

4 Section 609(a)(5) of the Public Utility Regulatory
5 Policies Act of 1978 (7 U.S.C. 918c(a)(5)) is amended by
6 striking “10,000 inhabitants” and inserting “50,000 in-
7 habitants (excluding populations described in subpara-
8 graphs (F) and (G) of section 343(a)(13) of the Consoli-
9 dated Farm and Rural Development Act (7 U.S.C.
10 1991(a)(13))”.

11 **SEC. 4. HARMONIZATION OF THE POPULATION THRESHOLD**
12 **FOR RURAL WATER SUPPLY PROJECTS.**

13 The Reclamation Rural Water Supply Act of 2006
14 (43 U.S.C. 2401 et seq.) is amended—

15 (1) by amending section 102(9)(A) to read as
16 follows:

17 “(A) IN GENERAL.—The term “rural
18 water supply project” means a project that is
19 designed to serve a community or group of com-
20 munities—

21 “(i) each of which has a population of
22 not more than 50,000 inhabitants (exclud-
23 ing populations described in subparagraphs
24 (F) and (G) of section 343(a)(13) of the
25 Consolidated Farm and Rural Develop-
26 ment Act (7 U.S.C. 1991(a)(13)); and

1 “(ii) which may include Indian Tribes
2 and Tribal organizations, dispersed home-
3 sites, or rural areas with domestic, indus-
4 trial, municipal, and residential water.”;
5 and

6 (2) in section 202(6)—

7 (A) by redesignating subparagraphs (B)
8 and (C) as subparagraphs (D) and (E) respec-
9 tively; and

10 (B) by inserting after subparagraph (A)
11 the following:

12 “(B) a rural water project or rural water
13 supply project authorized under—

14 “(i) section 1110 of division FF of the
15 Consolidated Appropriations Act, 2021
16 (Public Law 116–260); or

17 “(ii) any other Federal statute;

18 “(C) any project authorized for an Indian
19 Tribe under part III of subtitle A of title X of
20 the Omnibus Public Land Management Act of
21 2009 (Public Law 111–11);”.

22 **SEC. 5. CLARIFICATIONS REGARDING UNITED STATES TER-**
23 **RITORIES AND FREELY ASSOCIATED STATES.**

24 (a) **BROADBAND, TELEMEDICINE, AND DISTANCE**
25 **LEARNING.—**

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

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

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

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

12 (b) COMMUNITY CONNECT GRANTS.—Section
13 604(a)(3)(A)(i)(III) of the Rural Electrification Act of
14 1936 (7 U.S.C. 950bb–3(a)(3)(A)(i)(III)) is amended by
15 inserting “or territory of the United States” before the
16 semicolon.

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

22 (d) CONSOLIDATED FARM AND RURAL DEVELOP-
23 MENT ACT.—Each of sections 343(a)(6) and 381A(1) of
24 the Consolidated Farm and Rural Development Act (7
25 U.S.C. 1991(a)(6) and 2009(1)) is amended by striking

1 “Trust Territory of the Pacific Islands” and inserting
2 “the Republic of the Marshall Islands, the Federated
3 States of Micronesia, or the Republic of Palau, pursuant
4 to the terms of the applicable Compact of Free Association
5 with the United States”.

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

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

9 (A) in subsection (a), by striking “and in
10 the Territories of Alaska and Hawaii and in the
11 Commonwealth of Puerto Rico, the Virgin Is-
12 lands, the territories and possessions of the
13 United States, and the Trust Territory of the
14 Pacific Islands” and inserting “, including any
15 territory or other possession of the United
16 States”; and

17 (B) in subsection (b)(4), by striking “the
18 Northern Mariana Islands, and the Trust Terri-
19 tory of the Pacific Islands” and inserting “and
20 the Northern Mariana Islands”; and

21 (2) in section 502(h)(16)(D) (42 U.S.C.
22 1472(h)(16)(D)), by striking “the Trust Territories
23 of the Pacific,”.

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

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

6 (b) The Rural Electrification Act of 1936 is amend-
7 ed—

8 (1) in section 305(d)(3)(C) (7 U.S.C.
9 935(d)(3)(C)), by striking “(2)(A)(iii)” and insert-
10 ing “(2)(A)(ii)”;

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

13 (3) in section 601(e)(4)(C)(i) (7 U.S.C.
14 950bb(e)(4)(C)(i)), by adding “and” at the end;

15 (4) in section 603(c)(1)(A) (7 U.S.C. 950bb-
16 2(c)(1)(A)), by striking “maximum” and inserting
17 “minimum”; and

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

20 (c) The Consolidated Farm and Rural Development
21 Act is amended—

22 (1) in section 306(a)(20)(E) (7 U.S.C.
23 1926(a)(20)(E)), by striking “states” and inserting
24 “States”;

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

4 (3) in section 310B(e)(4)(C)(vi) (7 U.S.C.
5 1932(e)(4)(C)(vi)), by striking “center” and insert-
6 ing “centers”;

7 (4) in section 310B(i)(1)(A) (7 U.S.C.
8 1932(i)(1)(A)), by inserting “section” before
9 “501(a)”;

10 (5) in section 310E(d)(4)(C) (7 U.S.C.
11 1935(d)(4)(C)), by striking “; and” the second place
12 it appears;

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

16 (7) in section 343(a)(11)(C) (7 U.S.C.
17 1991(a)(11)(C)), by striking “operator” and insert-
18 ing “operators”;

19 (8) in section 373(b)(2)(A)(ii) (7 U.S.C.
20 2008h(b)(2)(A)(ii)), by striking “chapters 11, 12, or
21 13, of Title” and inserting “chapter 11, 12, or 13
22 of title”; and

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

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

3 (1) in section 501 (42 U.S.C. 1471), by trans-
4 ferring paragraph (5) of subsection (a) to subsection
5 (b), adding such paragraph at the end of subsection
6 (b), and redesignating such paragraph as paragraph
7 (9);

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

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

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

13 (3) in section 520 (42 U.S.C. 1490), in the first
14 sentence, by striking “(except in the cases of Pajaro,
15 in the State of California, and Guadalupe, in the
16 State of Arizona)”;

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

18 (A) in paragraph (1), in the matter pre-
19 ceding subparagraph (A), by inserting “of”
20 after “or (d)”; and

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

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

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

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

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

8 (1) in section 106(e), by striking “(1) IN GEN-
9 ERAL” and all that follows through “After comple-
10 tion” and insert “After completion”;

11 (2) in section 107(e), by striking “or a grant is
12 made, to an organization” and inserting “or a grant
13 is made to, an organization”; and

14 (3) in section 202(2)(A), by striking “of title
15 17, Code of Federal Regulation” and inserting “of
16 title 17, Code of Federal Regulations”.

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