

2021 Regular Session

HOUSE BILL NO. 622

BY REPRESENTATIVES THOMPSON, BOURRIAQUE, BUTLER, DESHOTEL,  
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Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

RURAL/DEVELOPMENT: Provides relative to the office of rural development and the Rural Development Program

1 AN ACT

2 To amend and reenact R.S. 3:312(4) and (5), 313(8) through (10), and 314(B) and to enact  
3 R.S. 3:313(11) and Part II of Chapter 4-A of Title 3 of the Louisiana Revised  
4 Statutes of 1950, to be comprised of R.S. 3:321 through 323, relative to the  
5 Louisiana Rural Development Law; to provide for definitions; to provide for  
6 employees in the state office of rural development; to provide for a rural  
7 development fund; to provide for fund administration; to provide for rules and  
8 regulations; to provide for a rural development program; to provide for receipt of  
9 bond proceeds; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 3:312(4) and (5), 313(8) through (10), and 314(B) are hereby  
12 amended and reenacted and R.S. 3:313(11) and Part II of Chapter 4-A of Title 3 of the  
13 Louisiana Revised Statutes of 1950, comprised of R.S. 3:321 through 323 are enacted to read  
14 as follows:

15 §312. Legislative findings

16 \* \* \*

17 (4) The legislature seeks to amplify the efforts of existing agencies and  
18 individuals who are interested in such rural policy areas as economic development  
19 and employment, local government and management, business, agriculture,  
20 environment, land use, natural resources, community revitalization, human services

1 and community life, health care, education, transportation, community facilities, ~~and~~  
2 housing, broadband connectivity, water quality, and sewer treatment.

3 (5) No state office has been specifically created to promote, harmonize, or  
4 assist such efforts of existing agencies and individuals that address the unique needs,  
5 conditions, and strengths of rural areas of the state. It is, therefore, the intent of the  
6 legislature to create a state office of rural development. The office shall serve as a  
7 single contact point for rural governments, service providers, state and federal  
8 agencies, and for individuals interested in rural policies and programs of the state;  
9 and shall strive to promote cooperative and integrated efforts among such agencies  
10 and programs that are designed to address rural needs, including but not limited to,  
11 the Governor's Advisory Council on Rural Revitalization, the office of broadband  
12 and connectivity, and the Department of Economic Development; and shall  
13 recommend to the governor and to the legislature the suitable use of policies,  
14 programs, long-range plans, laws, and regulatory mechanisms in order to meet such  
15 needs.

16 §313. Definitions

17 \* \* \*

18 (8) "Regional planning commission districts" means the eight regional  
19 planning commissions created pursuant to Subparts C and F of Part IV of Chapter  
20 1 of Title 33 of the Louisiana Revised Statutes of 1950.

21 ~~(8)~~(9) "Rural areas" means parishes within the state having less than one  
22 hundred thousand population, or municipalities within the state having less than  
23 thirty-five thousand population, and the unincorporated areas of a parish with a  
24 population of over one hundred thousand.

25 ~~(9)~~(10) "Rural development and revitalization" means those policies,  
26 programs, laws, regulations, or other matters having to do with rural areas, including  
27 but not limited to economic development, employment, local government services  
28 and management, business, agriculture, environment, land use and natural resources,  
29 human services and community life, health care, education, transportation,

1 community facilities, ~~and housing,~~ broadband connectivity, water quality, and sewer  
2 treatment.

3 ~~(10)~~(11) "State agency" means any department, office, council, or agency of  
4 the state, or any public benefit corporation or authority authorized by the laws of the  
5 state.

6 §314. State office of rural development

7 \* \* \*

8 B. The director shall employ necessary staff to carry out the duties and  
9 functions of the office as otherwise provided in this Chapter, or as otherwise  
10 provided by law. As part of the necessary staff, the director shall employ one  
11 regional director in each of the eight regional planning commission districts of the  
12 state. Regional directors shall serve under the supervision of the director and assist  
13 with the functions and duties assigned by the director and as provided for under this  
14 Chapter.

15 \* \* \*

16 PART II. RURAL DEVELOPMENT PROGRAM

17 §321. Policy Statement

18 Louisiana's rural areas are a vital element of the state. In order to mitigate  
19 the rapid deterioration of rural health, education, infrastructure, and other systems  
20 essential to the socioeconomic well-being of Louisiana's rural population, it is  
21 necessary that the state encourage and support the creation of a rural development  
22 program. It is therefore declared to be the public policy of this state to develop and  
23 enhance the state's rural areas through a rural development fund and a program of  
24 rural development.

25 §322. Rural Development Fund

26 A. Funds received by the office of rural development under this Chapter or  
27 otherwise made available for the purpose of this Chapter shall be deposited  
28 immediately upon receipt into the state treasury.

1           B. After compliance with the requirements of Article VII, Section 9(B) of  
2           the Constitution of Louisiana, relative to the Bond Security and Redemption Fund,  
3           and prior to monies being placed in the state general fund, an amount equal to that  
4           deposited as required in Subsection A of this Section and monies appropriated by the  
5           legislature shall be credited to a special fund hereby created in the state treasury to  
6           be known as the "Rural Development Fund". The monies in this fund shall be used  
7           solely as provided in Subsection C of this Section and only in the amounts  
8           appropriated by the legislature. All unexpended and unencumbered monies in this  
9           fund at the end of the fiscal year shall remain in the fund. The monies in this fund  
10           shall be invested by the state treasurer in the same manner as monies in the state  
11           general fund, and interest earned on the investment of these monies shall be credited  
12           to this fund, again following compliance with the requirements of Article VII,  
13           Section 9(B) of the Constitution of Louisiana, relative to the Bond Security and  
14           Redemption Fund.

15           C. The monies in the Rural Development Fund shall be used by the office  
16           of rural development solely to fund projects developed and coordinated jointly by the  
17           office of rural development and the Department of Transportation and Development  
18           in rural areas of this state and for the administration and implementation of the  
19           provisions of this Chapter.

20           D. The Rural Development Fund is hereby authorized to receive monies  
21           from the sale of general obligation bonds of the state issued pursuant to Article VII,  
22           Section 6 of the Constitution of Louisiana. Such proceeds are to be used for the  
23           constitutionally permissible purposes of making capital improvements, providing  
24           relief from natural catastrophes, or for the matching of federal funds received for  
25           such purposes.

26           §323. Administration of funds; rules and regulations; program guidelines

27           A. The Rural Development Fund shall be administered by the office of rural  
28           development. Subject to the budget process and appropriations made for such

1 purposes, the director of the office of rural development may employ personnel  
2 necessary for the efficient and proper administration of this Chapter.

3 B. The office shall adopt rules and regulations governing the use of this fund  
4 and shall adopt rules and regulations governing any program or funding action that  
5 it implements prior to the initiation of the program or funding action. Specifically,  
6 rules and regulations shall establish a formula for the distribution of funds. Such  
7 formula shall use as its basis, all relevant data including but not limited to the  
8 affected population, unemployment, and other elements that may assist in the  
9 determination of the direct and indirect social and economic benefit to the rural  
10 community and the relationship of the project or activity to the overall rural  
11 revitalization plan for the state. All rules and regulations shall be adopted in  
12 accordance with the Administrative Procedure Act with legislative review by the  
13 House and Senate committees on agriculture, forestry, aquaculture, and rural  
14 development.

15 C. The office shall clearly delineate the projects that are to be implemented  
16 and the functions that each project will fulfill. The office shall apply the following  
17 guidelines to any project funded:

18 (1) All projects or activities funded must be related to the revitalization of  
19 a designated rural area, as defined in R.S. 3:313.

20 (2) All funds shall be used to mitigate the rapid deterioration of rural health,  
21 education, transportation, public facilities, tourism, infrastructure, or other systems  
22 essential to the socioeconomic wellbeing of the state's rural areas.

23 (3) All projects or activities should enhance and broaden rural employment  
24 opportunities and community services.

25 (4) All projects or activities should further the provisions of the Louisiana  
26 Rural Development Law.

## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 622 Engrossed

2021 Regular Session

Thompson

**Abstract:** Expands the state office of rural development and creates the "Rural Development Fund" and program.

Present law creates the office of rural development within the office of the governor and provides for the powers and authorities of the office and executive director.

Proposed law retains present law and adds "broadband connectivity" and "water quality and sewer treatment" as policy areas considered to be a part of rural development and revitalization.

Proposed law defines "regional planning commission districts" as the eight regional planning commissions created pursuant to present law. Also modifies the definition of "rural development and revitalization" to include broadband connectivity, water quality, and sewer treatment.

Present law specifies that the head of the office of rural development is a director appointed by the governor. Further specifies that the director can employ necessary staff to carry out the duties and functions of the office.

Proposed law retains present law and requires the director to hire eight new regional directors to be placed in each of the regional planning districts of the state as outlined in present law.

Proposed law reestablishes previously repealed law to create the "Rural Development Fund" and "Rural Development Program" for the purpose of mitigating the rapid deterioration of rural health, education, infrastructure, and other systems essential to the socioeconomic well-being of the state's rural population.

Proposed law provides for permissible sources of monies to deposit into the fund and guidelines for administering the funds and program.

(Amends R.S. 3:12(4) and (5), 313(8)-(10), and 314(B); Adds R.S. 3:313(11) and 321-323)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Agriculture, Forestry, Aquaculture, and Rural Development to the original bill:

1. Change "water quality and treatment" to "water quality and sewer treatment" as policy areas considered to be part of rural development and revitalization.
2. Define the term "regional planning commission districts".
3. Modify the definition of "rural development and revitalization" to include sewer treatment.

4. Add a requirement for the director to hire eight new regional directors to be placed in each of the regional planning districts of the state as outlined in present law.
5. Make technical changes.