

2021 Regular Session

HOUSE BILL NO. 622

BY REPRESENTATIVES THOMPSON, ADAMS, BACALA, BAGLEY, BOURRIAQUE, BROWN, BRYANT, BUTLER, CARRIER, ROBBY CARTER, COX, DESHOTEL, ECHOLS, EDMONSTON, FARNUM, FIRMENT, GADBERRY, HORTON, ILLG, JEFFERSON, MIKE JOHNSON, TRAVIS JOHNSON, JONES, KERNER, LACOMBE, LYONS, MCCORMICK, MCFARLAND, MCKNIGHT, MCMAHEN, DUSTIN MILLER, GREGORY MILLER, MINCEY, MOORE, ORGERON, CHARLES OWEN, RISER, ROMERO, SCHAMERHORN, SCHEXNAYDER, SELDERS, ST. BLANC, WHEAT, AND WHITE

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 \* \* \*

1           (4) The legislature seeks to amplify the efforts of existing agencies and  
 2 individuals who are interested in such rural policy areas as economic development  
 3 and employment, local government and management, business, agriculture,  
 4 environment, land use, natural resources, community revitalization, human services  
 5 and community life, health care, education, transportation, community facilities, ~~and~~  
 6 housing, broadband connectivity, water quality, and sewer treatment.

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

19           §313. Definitions

20   \*       \*       \*

21           (8) "Regional planning commission districts" means the eight regional  
 22 planning commissions created pursuant to Subparts C and F of Part IV of Chapter  
 23 1 of Title 33 of the Louisiana Revised Statutes of 1950.

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

28           ~~(9)~~(10) "Rural development and revitalization" means those policies,  
 29 programs, laws, regulations, or other matters having to do with rural areas, including

1 but not limited to economic development, employment, local government services  
2 and management, business, agriculture, environment, land use and natural resources,  
3 human services and community life, health care, education, transportation,  
4 community facilities, ~~and housing, broadband connectivity, water quality, and sewer~~  
5 treatment.

6 ~~(10)~~(11) "State agency" means any department, office, council, or agency of  
7 the state, or any public benefit corporation or authority authorized by the laws of the  
8 state.

9 §314. State office of rural development

10 \* \* \*

11 B. The director shall employ necessary staff to carry out the duties and  
12 functions of the office as otherwise provided in this Chapter, or as otherwise  
13 provided by law. As part of the necessary staff, the director shall employ one  
14 regional director in each of the eight regional planning commission districts of the  
15 state. Each applicant for the position of regional director shall reside in the district  
16 in which he seeks employment as a regional director. Any person hired as a regional  
17 director shall remain a resident of the district in which he is employed throughout the  
18 entirety of his employment. Regional directors shall serve under the supervision of  
19 the director and assist with the functions and duties assigned by the director and as  
20 provided for under this Chapter.

21 \* \* \*

22 PART II. RURAL DEVELOPMENT PROGRAM

23 §321. Policy Statement

24 Louisiana's rural areas are a vital element of the state. In order to mitigate  
25 the rapid deterioration of rural health, education, infrastructure, and other systems  
26 essential to the socioeconomic well-being of Louisiana's rural population, it is  
27 necessary that the state encourage and support the creation of a rural development  
28 program. It is therefore declared to be the public policy of this state to develop and

1 enhance the state's rural areas through a rural development fund and a program of  
2 rural development.

3 §322. Rural Development Fund

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

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

21 C. The monies in the Rural Development Fund shall be used by the office  
22 of rural development solely to fund projects developed and coordinated jointly by the  
23 office of rural development and the Department of Transportation and Development  
24 in rural areas of this state and for the administration and implementation of the  
25 provisions of this Chapter.

26 D. The Rural Development Fund is hereby authorized to receive monies  
27 from the sale of general obligation bonds of the state issued pursuant to Article VII,  
28 Section 6 of the Constitution of Louisiana. Such proceeds are to be used for the  
29 constitutionally permissible purposes of making capital improvements, providing

1 relief from natural catastrophes, or for the matching of federal funds received for  
2 such purposes.

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

4 A. The Rural Development Fund shall be administered by the office of rural  
5 development. Subject to the budget process and appropriations made for such  
6 purposes, the director of the office of rural development may employ personnel  
7 necessary for the efficient and proper administration of this Chapter.

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

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

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

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

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

- 1                   (4) All projects or activities should further the provisions of the Louisiana  
 2                   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 Reengrossed

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 requires each applicant for regional director to reside in the district for which he seeks to be employed and requires each regional director to remain a resident of the district he is employed in for the entirety of the employment.

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.

The House Floor Amendments to the engrossed bill:

1. Require that each applicant for the position of regional director reside in the district which he seeks employment and require any person hired as a regional director to remain a resident of the district in which he is employed for the entire length of employment.
2. Make technical changes.