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# A BILL FOR AN ACT

RELATING TO RURAL AREAS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The 2010 Census results determined that Oahu no  
2 longer contains any areas that federally qualify as rural. This  
3 endangers Kahuku Medical Center's designation as a critical  
4 access hospital and disqualifies all communities on Oahu from  
5 participating in federal rural programs. Since 2010, rural  
6 communities in Hawaii have qualified for \$1,890,000 in federal  
7 grants from the Health Resources and Services Administration's  
8 Office of Rural Health Policy alone, with about half going to  
9 Oahu. With the release of the latest census figures,  
10 communities on Oahu no longer qualify for these and other  
11 federal programs.

12           While the federal definitions of rural will keep some  
13 communities from participating in some federal programs, there  
14 are several other federal programs that recognize state  
15 definitions of rural. The State of New Jersey, which has no  
16 areas within its state that meet any of the federal definitions  
17 of rural, still maintains a State Office of Rural Health and has  
18 eight areas that qualify as rural for federal programs due to



1 the enactment by the state of a definition for rural. New  
2 Jersey maintains that if a county's population density is below  
3 eight hundred people per square mile, the area is considered  
4 rural. Several states have rural definitions in order to  
5 protect and maintain services to remote communities within their  
6 state.

7 The purpose of this Act is to establish a definition of  
8 rural that would protect existing programs in remote areas of  
9 the State, such as the critical access hospital program in  
10 Kahuku, and expand opportunities for other communities that are  
11 perceived as rural within the State but no longer meet federal  
12 definitions to qualify as such.

13 SECTION 2. The Hawaii Revised Statutes is amended by  
14 adding a new chapter to be appropriately designated and to read  
15 as follows:

16 **"CHAPTER**

17 **DESIGNATION OF RURAL AREAS FOR FEDERAL PROGRAMS**

18 **§ -1 Rural areas and federal programs.** (a) The term  
19 "rural" under this section shall be strictly used to determine  
20 if an area qualifies for a federal program that requires that an  
21 area be defined or designated as rural under state or federal  
22 law. This section does not connote any land use functions for



1 the area so designated or in any way affect the use or  
2 definition of rural districts established pursuant to section  
3 205-2.

4 (b) An area that qualifies as rural pursuant to a federal  
5 definition shall be considered rural by the State for purposes  
6 of this section only.

7 (c) If an area does not qualify as rural pursuant to a  
8 federal definition, the following definitions may be used for  
9 determining the area's rural status for the purposes of a  
10 federal program that accepts state definitions:

11 (1) Any island with a population density fewer than or  
12 equal to five hundred people per square mile shall be  
13 considered rural; and

14 (2) If an island's population density exceeds five hundred  
15 people per square mile, an area within the island  
16 shall be considered rural if it is within a zip code  
17 tabulation area with a population density below eight  
18 hundred people per square mile as determined by the  
19 population of the last official census and using the  
20 entire zip code tabulation area as determined by the  
21 United States Census Bureau."

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1 SECTION 3. This Act shall take effect on July 1, 2030.



**Report Title:**

Rural Areas; Federal Programs

**Description:**

Creates a state definition for determining if an area qualifies for a federal program that requires that an area be defined or designated as rural under state or federal law. Effective July 1, 2030. (SB1339 HD1)

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