

ACT 144

S.B. NO. 1339

A Bill for an Act Relating to Rural Areas.

Be It Enacted by the Legislature of the State of Hawaii:

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

While the federal definitions of rural will keep some communities from participating in some federal programs, there are several other federal programs that recognize state definitions of rural. The State of New Jersey, which has no areas within its state that meet any of the federal definitions of rural, still maintains a State Office of Rural Health and has eight areas that qualify as rural for federal programs due to the enactment by the state of a definition for rural. New Jersey maintains that if a county's population density is below eight hundred people per square mile, the area is considered rural. Several states have rural definitions in order to protect and maintain services to remote communities within their state.

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

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

**“CHAPTER
DESIGNATION OF RURAL AREAS FOR FEDERAL PROGRAMS**

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

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

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

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

- (1) Any island with a population density fewer than or equal to five hundred people per square mile shall be considered rural; and
- (2) If an island's population density exceeds five hundred people per square mile, an area within the island shall be considered rural if it is within a zip code tabulation area with a population density below eight hundred people per square mile as determined by the population of the last official census and using the entire zip code tabulation area as determined by the United States Census Bureau."

SECTION 3. This Act shall take effect on July 1, 2013.

(Approved June 21, 2013.)