



Agriculture (Passed during Regular Session on 5/19)

Appropriation total:

MDA: FY 2026: \$58,957,000

FY 2027: \$56,052,000

AURI: FY 26: \$4,388,000

FY 27: \$4,434,000

Office of Broadband: FY 26: \$1,001,000

FY 27: \$1,001,000

Board of Animal Health: FY 26: \$6,675,000

FY 27: \$4,388,000

Target: FY 26/27 \$9 million above base FY 28/29 \$3 million above base

Finance

- \$2,750,000/year – biofuels Infrastructure Grant Program.
- \$639,000/year for the Soil Health Financial Assistance Program- original base funding maintained after a reduction in the revised Governor’s Budget
- \$250,000/year for a Biofertilizer and Innovation Efficiency Pilot Program
- \$75,000 – To evaluate the Olmsted County groundwater protection and soil health initiative (MDA may contract with a third-party evaluator)
- Changes in Grain Buyer License fee Structures
- \$1,425,000/year for AgBMP Loan Program
- \$3 million from green fertilizer plant was sent back to the general fund (original appropriation was for \$7 million)

Policy

Biofuels Infrastructure

- Availability of first round of Biofuels Infrastructure Grant Program funding made available through 2032
- Grants are now available to stations with 20 locations or less. Previously it was 10 stations or less.



Biofertilizer and Innovation Program

- Per acre payment rate to be determined by the Commissioner.
- Farmers would need to prove a reduction of commercial nitrogen fertilizer of either 15 percent or 30 pounds per acre using a qualifying product such as soil amendments, biologicals, and fertilizers with nitrogen-fixing properties. Etc. Qualifying products will need to be approved by the Commissioner.
- Pilot program will only be available in the following counties that have a high percentage of acres that are subject to the groundwater protection rule or have a large DWSMA: Becker, Benton, Carver, Cass, Crow Wing, Dakota, Dodge, Douglas, Fillmore, Goodhue, Houston, Hubbard, Kandiyohi, Lincoln, Morrison, Mower, Murray, Nicollet, Nobles, Olmsted, Otter Tail, Pipestone, Pope, Rock, Scott, Sherburne, Stearns, Swift, Todd, Wabasha, Wadena, or Winona

AGRI Works Program

- In the past many organizations have received grants known as “pass through grants” they included groups like Northern Crops Institute, Greenseam, The Center for Rural Policy, Turf Seed Council etc.
- House GOP had a strong no pass-through position throughout the session. DFL committee members saw it as an opportunity to open up grants to new recipients
- MDA will still give priority to past grant recipients that are state-created entities.

Legacy (Passed During Regular Session on 5/19)

Appropriation Totals:

Outdoor Heritage Fund: FY 26 \$162,000,000

Clean Water Fund: FY 26 \$144,625,000, FY 27 \$159,301,000

Parks and Trails: FY 26 \$61,435,000 FY 27 \$68,733,000

Arts and Cultural Heritage: FY 26 \$85,293,000 FY 27 \$94,618,000

Clean Water Fund

\$1,750,000/year for Conservation Equipment Assistance Grants Soil Health Financial Assistance Program

\$2,000,000/year for the AgBMP Loan Program



\$1,600,000/year for technical assistance and research, some of which supports Discovery Farms Research.

\$1,050,000 the 1st year and \$1,250,000 the second year to expand Minnesota's weather stations and soil temperature networks

Environment (Working Group Agreement)

Appropriation Totals:

MPCA: FY 26: \$149,605,000

FY 27: \$155,675,000

DNR: FY 26: \$398,162,000

FY 27: 398,358,000

BWSR: FY 26 \$16,145,000

FY 27: \$16,102,000

Target: FY 26/27 -\$6,500,000, FY 28/29 \$2,500,000

Not Included

- Public Waters Clarification that would have provided certainty around a water bodies placement on the PWI.

Finance

- \$700,000/year (MPCA) – Permitting Efficiency
- Increased Water Appropriation Permit Ag Irrigation fee maximum from \$750 to \$1,500 and application processing fee from \$20 to \$100 (DNR)

Permitting Efficiency

- EAW petition signatures must be from the county where the proposed action is taking place, or an adjoining county.
- If a project falls within the Mandatory EIS category that project will not need to also do an EAW
- Gives permit applicants five business days to remedy any deficiencies in an application before the commissioner can determine that the application is complete or incomplete



Taxes (Awaiting Final Agreement)

- No agricultural provisions were in the final agreement. This includes buffers, changes beginning farmer tax credit or expanding the SAF tax credit.
- Agreement will include technical language to ensure that 2023 SAF credit money is still available for future years

Commerce

Policy

- Changes to section 239.791 that allows fuel stations to offer for sale non-oxygenated motor sports racing gasoline and store the fuel in a maximum of one storage tank on the premises of the fuel station. Will be required to display a label similar to non-oxygenated for antique vehicles/small engines.

Transportation

- No hearings, informational or otherwise of the LCFS were heard in either body.

Energy

- Sunset (2035) and revised annual caps for Xcel Energy solar rewards program (40kW and below systems). Program funding is from the Renewable Development Account (Xcel Energy ratepayers)
- No changes to net metering law – changes pushed by Minnesota Rural Electric Association