

HF3940 - 0 - Environ. Impact State. for Large Animal Proj. Req.

Chief Author: **Kristi Pursell**
 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **3/19/2026 12:27:13 PM**
 Lead Agency: **Pollution Control Agency**
 Other Agencies:
 Administrative Hearings

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings) Dollars in Thousands	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	-	-	-
Pollution Control Agency					
General Fund	-	-	(9)	-	-
State Total					
Administrative Hearings	-	-	-	-	-
General Fund	-	-	(9)	-	-
Total	-	-	(9)	-	-
Biennial Total			(9)		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	-	-	-
Pollution Control Agency					
General Fund	-	-	-	-	-
Total	-	-	-	-	-

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Jordan Peoples **Date:** 3/19/2026 12:27:13 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2	Biennium			Biennium	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	-	-	-
Pollution Control Agency					
General Fund	-	-	(9)	-	-
Total	-	-	(9)	-	-
Biennial Total			(9)		-
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	1	-	-
Pollution Control Agency					
General Fund					
Expenditures	-	-	-	439	439
Absorbed Costs	-	-	(9)	-	-
Total	-	-	(8)	439	439
Biennial Total			(8)		878
2 - Revenues, Transfers In*					
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	1	-	-
Pollution Control Agency					
General Fund					
Revenues	-	-	-	-	-
Transfers In	-	-	-	439	439
Total	-	-	1	439	439
Biennial Total			1		878

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 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **3/19/2026 12:27:13 PM**
 Agency: **Pollution Control Agency**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	(9)	-	-	-
Total	-	-	(9)	-	-	-
Biennial Total			(9)			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Jordan Peoples **Date:** 3/19/2026 12:22:12 PM
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State Cost (Savings) Calculation Details

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State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	-	(9)	-	-
Total		-	-	(9)	-	-
Biennial Total				(9)		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund						
Expenditures	-	-	-		439	439
Absorbed Costs	-	-	(9)		-	-
Total		-	-	(9)	439	439
Biennial Total				(9)		878
2 - Revenues, Transfers In*						
General Fund						
Revenues	-	-	-		-	-
Transfers In	-	-	-		439	439
Total		-	-	-	439	439
Biennial Total				-		878

Bill Description

This bill directs the Environmental Quality Board (EQB) to amend rules requiring preparation of an Environmental Impact Statement for the construction of any animal feedlot facility with a capacity of 10,000 or more animal units, or the expansion of an existing facility to a cumulative total capacity of 10,000 or more animal units.

Rules may be adopted using the good-cause exemption.

Assumptions

The good-cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3) will be used to adopt rules required by this bill.

All costs associated with EIS preparation will be recovered from the project proposer(s) through income agreements, as authorized under Minn. Stat. § 15.061 and 116.03.

The FY26 hourly rate for EIS income agreements is \$107/hr.

EIS preparation includes staffing time for Environmental Review projects managers (2000 hours annually for two years); contracting staff to support interagency-agreements, RPFs, Professional/Technical (P/T) contracts, and execution of income agreements (1000 hours annually for two years); fiscal staff to support invoicing and accounts payable (100 hours annually for two years); and technical staff in the Feedlots Program (1000 hours annually for two years). Total hours billable on an annual basis are estimated to be: 4100 hours x \$107/hour = \$438,700.

MPCA will be the Responsible Governmental Unit (RGU) for preparation of EISs required by this bill.

MPCA will have one active EIS project for a large animal feedlot in FY28-29

Expenditure and/or Revenue Formula

Based on the Minnesota rulemaking manual's cost appendix, it is estimated that this rulemaking would take approximately 75 hours of program staff time; 6 hours of legal review by the Attorney General's office; and 4 hours of services from the Office of Administration Hearings, plus filing fees.

	Hours for Minor rule (ex. expedited process or short rule)	Cost
Program and Rules Staff (\$84.13/hour)	75	\$6310
Legal Review (\$178/hour)	6	\$1068
OAH Services (\$270/hour)	4	\$1080
OAH Filing Fee		\$50
State Register (\$140/page)		\$420

Based on these costs, the total estimated costs for this rulemaking would be \$8,928. The EQB is able to absorb these costs.

Long-Term Fiscal Considerations

MPCA will need to have staff capacity available to oversee these projects, including Environmental Review Unit project managers, Feedlots Program staff, contracting staff, fiscal staff, and leadership. All costs are reimbursable to the MPCA through income agreement, so the net fiscal impact is zero to the agency.

Local Fiscal Impact

NA

References/Sources

NA

Agency Contact: Anna Hotz (651-757-2488)

Agency Fiscal Note Coordinator Signature: Jill Morberg

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Chief Author: **Kristi Pursell**
 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **3/19/2026 12:27:13 PM**
 Agency: **Administrative Hearings**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Administrative Hearings	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Administrative Hearings	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Adam Bolling **Date:** 3/18/2026 11:20:56 AM
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State Cost (Savings) Calculation Details

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State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
Administrative Hearings	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total	-	-	-	-	-	-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Administrative Hearings	-	-	-	1	-	-
Total	-	-	-	1	-	-
Biennial Total	-	-	-	1	-	-
2 - Revenues, Transfers In*						
Administrative Hearings	-	-	-	1	-	-
Total	-	-	-	1	-	-
Biennial Total	-	-	-	1	-	-

Bill Description

HF3940 requires the Environmental Quality Board (Board) to amend rules to require preparation of an environmental impact statement for the construction of an animal feedlot facility with a capacity of 10,000 or more animals. This requirement also applies to the expansion of an existing facility to a total cumulative capacity of 10,000 or more animals.

Assumptions

The Court of Administrative Hearings (CAH) in consultation with Minnesota Management and Budget (MMB) assesses agencies the cost of services rendered to them. All agencies shall include in their budgets provisions for such assessments.

CAH has used the Board’s assumption that a noncontroversial procedural rulemaking will be needed to meet the requirements of HF3940. Based on past practices, CAH assumes that a noncontroversial procedural rulemaking under chapter 14 will require an estimated 4 hours of Administrative Law Judge (ALJ) time for activity related to rulemaking procedures. Of the total rulemaking amount estimated by the Board, \$1,080 is for the estimated 4 hours of ALJ time for a noncontroversial procedural rulemaking.

CAH currently bills ALJ time for rulemaking at the MMB-approved billable rate of \$270 per hour (see Minn. Stat. § 16A.126, subd. 1 (2023)).

Expenditure and/or Revenue Formula

Estimated 4 hours of ALJ time for rulemaking activities in FY27 related to implementing the requirements of this bill = 4 hours x \$270/hr = \$1,080 charged to the Board in FY2027 pursuant to the requirements of Minn. Stat. § 14.53.

Long-Term Fiscal Considerations

Costs associated with the rulemaking activities are a one-time occurrence.

Local Fiscal Impact

References/Sources

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