

2025 Legislative Session Report

The 2025 legislative regular session concluded on May 19, without passage of the Legislative -Citizen Commission on Minnesota Resources (LCCMR) recommendations for funding from the Environment and Natural Resources Trust Fund (ENRTF). The Legislature returned for a one-day special session on June 9, passing the LCCMR recommendations, as part of the environment and natural resources omnibus bill. The regular session also included the passage of two other bills that may impact or be applicable to LCCMR funding procedures. The following is a summary of ENRTF and LCCMR-related bills, and links to other bills of interest.

ENRTF Appropriations

Article 2 of [M.L. 2025, 1st Special Session, Chapter 1](#) (S.F. 3), the environment and natural resources omnibus bill, contained LCCMR-related ENRTF appropriations as well as some carry forwards and corrections to previous years' appropriations. S.F. 3 passed the Senate 38-29, passed the House 105-26, and was signed by the Governor on June 14, 2025. See below for more details:

- 124 appropriations totaling \$103,326,000 from the ENRTF, as recommended by the LCCMR.
- 15 project extensions, as recommended by the LCCMR.
- 1 additional project extension (National Loon Center; M.L. 2019, 1st Special Session, Chp. 4, Art. 2, Sec. 2, Subd. 09e)
- Changes to the language for 2 prior years' appropriations, as recommended by the LCCMR.
- Lead organization changed for one appropriation from Bay West, LLC, to Freshwater Society at the request of both parties (Sec. 2, Subd. 04t).

Article 3 of [M.L. 2025, 1st Special Session, Chapter 1](#) (S.F. 3), the environment and natural resources omnibus bill, also appropriated \$28,180,000 from the ENRTF to the Minnesota Department of Natural Resources for the Community Grant Program. This appropriation is in addition to the LCCMR recommendations and did not impact the LCCMR recommendations. The LCCMR has no role in the Community Grant Program.

In addition to the enacted appropriations, six bills were introduced that proposed to use the ENRTF to fund projects not recommended by the LCCMR. None of the bills were passed by the Legislature:

[H.F. 1612](#) (Hansen, R.)/[SF 925](#) (Johnson Stewart; Hauschild; Westrom) - A bill for an act relating to natural resources; appropriating money for aggregate resource inventory.

Last Action (House): Bill returned to author

Last Action (Senate): Referred to Environment, Climate, and Legacy

[H.F. 2749](#) (Warwas; Zeleznikar; Davis; Wiener; Igo)/[S.F. 2397](#) (Wesenberg; Lieske) - A bill for an act relating to natural resources; appropriating money for a grant to Forgotten Heroes Ranges and Retreat.

Last Action (House): Referred to Environment and Natural Resources Finance and Policy

Last Action (Senate): Referred to Environment, Climate, and Legacy

[S.F. 2870](#) (Hoffman) - A bill for an act relating to environment; appropriating money to complete a regional Mississippi overpass multiuse trail bridge.

Last Action (Senate): Referred to Environment, Climate, and Legacy

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[S.F. 3534](#) (Abeler; Utke; Miller; Hoffman; Rarick) - A bill for an act relating to agriculture; appropriating money for the Slow the Spread program to manage spongy moth populations.

Last Action (Senate): Referred to Agriculture, Veterans, Broadband, and Rural Development

ENRTF/ LCCMR Policy

There were no enacted changes to ENRTF/LCCMR policy.

The following bills were introduced but were not passed by the Legislature:

[H.F. 277](#) (Heintzeman)/[S.F. 427](#) (Bahr) - A bill for an act relating to environment; requiring certain recipients of money appropriated from the environment and natural resources trust fund to perform criminal background checks on employees, volunteers, and contractors that work with children; proposing coding for new law in Minnesota Statutes, chapter 116P.

Last Action (House): Referred to Environment and Natural Resources Finance and Policy

Last Action (Senate): Referred to Environment, Climate, and Legacy

Other bills of interest

The impacts and applicability to LCCMR funding procedures of these changes are still being evaluated.

[ML 2025, Chapter 35](#)

- **Art. 3, Sec. 19. [299C.061] FINANCIAL CRIMES AND FRAUD SECTION.**

Requires state agencies to refer suspected fraudulent activity of \$100,000 or more involving state funded or administered programs or services, as defined in statute, to the Financial Crimes and Fraud Section within the Bureau of Criminal Apprehension for evaluation and investigation or appropriate referral.

Requires state agencies to report all suspected fraud incurred by the agency that involves state-funded or administered programs or services equaling \$10,000 or more to the Financial Crimes and Fraud Section by January 15 of each year for inclusion in a report.

[ML 2025, Chapter 39](#)

- **Art. 2, Sec. 22. [15.013] PROGRAM PAYMENTS WITHHELD; FRAUD.**

Authorizes the head of an agency to withhold payments to a program participant in a program administered by that agency for a period not to exceed 60 days if the agency head determines that a preponderance of the evidence shows that the program participant has committed fraud to obtain payments under the program.

Requires reporting of payments withheld to MMB by March 1, 2026, for a report to the legislature.

Sunsets July 1, 2027.

- **Art. 2, Sec. 23. [15.0573] REPORTING ALLEGED MISUSE OF PUBLIC RESOURCES OR DATA.**

Requires the commissioner or chief executive officer of each state department, board, commission, office, or other agency to ensure that employee and non-employee concerns about the misuse of public money, other public resources, or government data are promptly directed to one or more of the obligated officers identified in section 3.971, subdivision 9, or the Office of the Legislative

Auditor. The commissioner of management and budget must develop a policy to operationalize and standardize the process under this section across state agencies.

- **Art. 2, Sec. 39. Amendment to 16B.98.**

Requires state employees who discover evidence of violation of laws or rules governing grants to promptly report the violation or suspected violation to the employee's supervisor or manager, the commissioner or the commissioner's designee, or the legislative auditor. The supervisor, manager, commissioner, or commissioner's designee must notify the legislative auditor.

- **Art. 2, Sec. 40. Amendment to M.S. 16B.98.**

Grant agreements must require the grantee to clearly post on the grantee's website the names of, and contact information for, the organization's leadership and the employee or other person who directly manages and oversees the grant for the grantee.

If funding is canceled, withdrawn, or terminated, an agency may, at its option, suspend its performance until funding is restored.

- **Art. 2, Sec. 41. Amendment to M.S. 16B.98.**

All state agency staff assigned grant management responsibilities must complete initial grants management training before assuming grants management job duties and must complete continuing grants management training on an annual basis.

- **Art. 2, Sec. 42. Amendment to M.S. 16B.981.**

Amends timing for certain actions related to an agency's financial review of grantee or business subsidy recipients.

- **Art. 2, Sec. 43. Amendment to M.S. 16B.991.**

Amends the following statutory language:

A grant agreement must by its terms permit the commissioner to unilaterally terminate the grant agreement prior to completion if the commissioner determines that further performance under the grant agreement would not serve agency purposes or performance under the grant agreement is not in the best interests of the state.

- **Art. 2, 54 to 57. Amendments to M.S. 181.931 and 181.932.**

Defines the terms fraud and misuse. Prohibits discharging, disciplining, penalizing, interfering with, threatening, restraining, coercing, or otherwise retaliating or discriminating against a state employee regarding the employee's compensation, terms, conditions, location, or privileges of employment because that employee communicates information that the employee, in good faith, believes to be truthful and accurate, and that relates to state services, including the financing of state programs, services, or financing, including but not limited to fraud or misuse within state programs, services, or financing, to:

- (i) a legislator or the legislative auditor; or
- (ii) a constitutional officer;
- (iii) an employer;
- (iv) any governmental body; or
- (v) a law enforcement official.