



KIM REYNOLDS  
GOVERNOR

**OFFICE OF THE GOVERNOR**

CHRIS COURNOYER  
LT GOVERNOR

June 01, 2026

The Honorable Paul Pate  
Secretary of State of Iowa  
State Capitol  
Des Moines, Iowa 50319

Dear Mr. Secretary,

I hereby transmit:

House File 2771, an Act relating to and making appropriations involving state government entities associated with agriculture, natural resources, and environmental protection, and including contingent effective date provisions.

The above House File is hereby approved on this date.

Sincerely,

A handwritten signature in black ink that reads "Kim Reynolds".

Kim Reynolds  
Governor of Iowa

cc: Secretary of the Senate  
Clerk of the House



House File 2771

AN ACT  
RELATING TO AND MAKING APPROPRIATIONS INVOLVING STATE  
GOVERNMENT ENTITIES ASSOCIATED WITH AGRICULTURE, NATURAL  
RESOURCES, AND ENVIRONMENTAL PROTECTION, AND INCLUDING  
CONTINGENT EFFECTIVE DATE PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I  
DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP  
PART A  
GENERAL APPROPRIATIONS

Section 1. GENERAL FUND.

1. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of supporting the department, including its divisions, for administration, regulation, and programs; for salaries, support, maintenance, and miscellaneous purposes; and for not more than the following full-time equivalent positions:

.....	\$ 20,733,294
.....	FTEs 420.00

2. Of the amount appropriated in subsection 1, the following amount is transferred to Iowa state university of science and technology to be used for the university's midwest grape and wine industry institute:

..... \$ 325,000

3. The department shall submit a report each quarter of the fiscal year to the general assembly and the department of management. The report must describe in detail the expenditure of moneys appropriated in this section to support the department's administration, regulation, and programs.

Sec. 2. UNCLAIMED PARI-MUTUEL WAGERING WINNINGS — HORSE AND DOG RACING. There is appropriated from the moneys available under section 99D.13 to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of supporting the department's administration and enforcement of horse and dog racing law pursuant to section 99D.22, including for salaries, support, maintenance, and miscellaneous purposes:

..... \$ 305,516

Sec. 3. RENEWABLE FUEL INFRASTRUCTURE FUND — MOTOR FUEL INSPECTION. There is appropriated from the renewable fuel infrastructure fund created in section 159A.16 to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of the inspection of motor fuel, including salaries, support, maintenance, and miscellaneous purposes:

..... \$ 500,000

Sec. 4. SPECIAL APPROPRIATIONS FROM GENERAL FUND. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DAIRY REGULATION

a. For purposes of performing functions pursuant to section 192.109, including conducting a survey of grade "A" milk and certifying the results to the secretary of agriculture:

..... \$ 189,196

b. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

2. LOCAL FOOD AND FARM PROGRAM

a. For purposes of supporting the local food and farm program pursuant to chapter 267A:

..... \$ 125,000

b. The department shall enter into a cost-sharing agreement with Iowa state university of science and technology to support the local food and farm program coordinator position as part of the university's cooperative extension service in agriculture and home economics pursuant to chapter 267A.

c. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

3. AGRICULTURAL EDUCATION

a. For purposes of allocating moneys to an Iowa association affiliated with a national organization that promotes agricultural education providing for future farmers:

..... \$ 150,000

b. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

4. FOREIGN ANIMAL DISEASES AFFLICTING LIVESTOCK

For deposit in the foreign animal disease preparedness and response fund created in section 163.3B:

..... \$ 1,050,000

5. FARMERS WITH DISABILITIES PROGRAM

a. For purposes of supporting a program for farmers with disabilities:

..... \$ 230,000

b. The moneys appropriated in this subsection shall be used for the public purpose of providing a grant to a national

nonprofit organization with over 80 years of experience in assisting children and adults with disabilities and special needs. The moneys shall be used to support a nationally recognized program that began in 1986 and has been replicated in at least 30 other states, but is not available through any other entity in this state, and that provides assistance to farmers with disabilities in all 99 counties to allow the farmers to remain in their own homes and be gainfully engaged in farming through provision of agricultural worksite and home modification consultations, peer support services, services to families, information and referral, and equipment loan services.

c. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

6. LOESS HILLS DEVELOPMENT AND CONSERVATION FUND

a. For deposit in the loess hills development and conservation fund created pursuant to section 161D.2:

..... \$ 300,000

b. (1) Of the amount appropriated in this subsection, \$260,000 shall be allocated to the fund's hungry canyons account.

(2) Not more than 10 percent of the moneys allocated in this paragraph may be used for administrative costs.

c. (1) Of the amount appropriated in this subsection, \$40,000 shall be allocated to the fund's loess hills alliance account.

(2) Not more than 10 percent of the moneys allocated in this paragraph may be used for administrative costs.

7. SOUTHERN IOWA DEVELOPMENT AND CONSERVATION FUND

a. For deposit in the southern Iowa development and conservation fund created pursuant to section 161D.12:

..... \$ 100,000

b. Not more than 10 percent of the moneys appropriated in this subsection may be used for administrative costs.

8. GRAIN REGULATION

For the administration and enforcement of chapters 203

and 203C, including salaries, support, maintenance, and miscellaneous purposes:

..... \$ 350,000

9. CHOOSE IOWA FUND

a. For deposit in the choose Iowa fund created in section 187.201:

..... \$ 2,113,000

b. (1) Of the amount appropriated in this subsection, the department shall use at least \$500,000 to support the value-added agricultural grant program created in section 187.321.

(2) Of the amount appropriated in this subsection, the department may use up to \$1,113,000 to support the choose Iowa promotional program as provided in chapter 187, subchapter III, part 1.

(3) Of the amount appropriated in this subsection, the department shall use at least \$500,000 to support the dairy innovation and revitalization program created in section 187.311.

c. The department may increase or decrease the amount of moneys used to support a program described in paragraph "b" based on the amount of moneys awarded to persons participating in the program. The department shall publish a notice of the department's action to increase or decrease the amount on the department's internet site where the programs are advertised at least thirty days prior to the day that the department takes such action.

10. CHOOSE IOWA FOOD BANK PURCHASING PROGRAM

a. For purposes of supporting the choose Iowa food bank purchasing program to assist eligible participants in purchasing qualified food products pursuant to section 187.331:

..... \$ 200,000

b. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

PART B

CONTINGENT APPROPRIATIONS

Sec. 5. CHOOSE IOWA SCHOOL PURCHASING PROGRAM.

1. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of supporting the choose Iowa school purchasing program to assist eligible schools and school districts in purchasing qualified food products pursuant to section 187.307:

..... \$ 200,000

2. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 6. CONTINGENT EFFECTIVE DATE. This part of this division of this Act takes effect July 1, 2026, if 2026 Iowa Acts, House File 2748, or successor legislation, is enacted.

DIVISION II

DEPARTMENT OF NATURAL RESOURCES

Sec. 7. GENERAL FUND.

1. There is appropriated from the general fund of the state to the department of natural resources for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of supporting the department, including its divisions, for administration, regulation, and programs; for salaries, support, maintenance, and miscellaneous purposes; and for not more than the following full-time equivalent positions:

..... \$ 12,816,738

..... FTEs 1,145.95

2. Of the number of full-time equivalent positions authorized to the department pursuant to subsection 1, 50.00 full-time equivalent positions shall be allocated by the department for seasonal employees for purposes of providing maintenance, upkeep, and sanitary services at state parks. This subsection shall not impact conservation officer, park ranger, or park manager positions within the department.

3. The department shall submit a report each quarter of the fiscal year to the general assembly and the department of management. The report must describe in detail the expenditure of moneys appropriated under this section to support the department's administration, regulation, and programs.

Sec. 8. STATE FISH AND GAME PROTECTION FUND — REGULATION AND ADVANCEMENT OF OUTDOOR ACTIVITIES.

1. There is appropriated from the state fish and game protection fund created pursuant to section 456A.17 to the department of natural resources for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of supporting the regulation or advancement of hunting, fishing, or trapping, or the protection, propagation, restoration, management, or harvest of fish or wildlife, including for administration, regulation, law enforcement, and programs; and for salaries, support, maintenance, equipment, and miscellaneous purposes:

..... \$ 53,095,606

2. Notwithstanding section 455A.10, the department may use the unappropriated balance remaining in the state fish and game protection fund to provide for the funding of health and life insurance premium payments from unused sick leave balances of conservation peace officers employed in a protection occupation, as described in section 97B.49B, who retire.

3. Notwithstanding section 455A.10, the department may use the unappropriated balance remaining in the state fish and game protection fund for the fiscal year beginning July 1, 2026, and ending June 30, 2027, as is necessary to fund salary adjustments for departmental employees for which the general assembly has made an operating budget appropriation in subsection 1.

Sec. 9. GROUNDWATER PROTECTION FUND — WATER QUALITY. There is appropriated from the groundwater protection fund created in section 455E.11 to the department of natural resources for the fiscal year beginning July 1, 2026, and ending June 30, 2027, from those moneys that are not allocated pursuant to that section, the following amount, or so much thereof as is

necessary, to be used for the purposes designated:

For purposes of supporting the department's protection of the state's groundwater, including for administration, regulation, and programs, and for salaries, support, maintenance, equipment, and miscellaneous purposes:

..... \$ 3,455,850

Sec. 10. GROUNDWATER PROTECTION FUND — INTEREST AND EARNINGS — WATER QUALITY.

1. There is appropriated from interest and earnings on moneys in the groundwater protection fund created in section 455E.11 and accounts therein, as described in section 455E.11, subsection 1, paragraph "a", to the department of natural resources for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amounts, or so much thereof as is necessary, to be used for the purposes designated, in the following order of priority:

a. For purposes of water quality monitoring, including providing grants to organizations across the state of Iowa and, at the department's discretion, continuous monitoring:

..... \$ 300,000

b. For purposes of supporting the department's protection of the state's groundwater, including for administration, regulation, and programs, and for salaries, support, maintenance, equipment, and miscellaneous purposes:

..... \$ 176,150

2. Any awarding of a grant to an organization pursuant to subsection 1, paragraph "a", must be agreed to by the department of agriculture and land stewardship, the department of natural resources, and the college of agriculture and life sciences at Iowa state university of science and technology.

3. Notwithstanding subsection 1, the amounts appropriated in this section shall not exceed the total amount of interest and earnings on moneys in the groundwater protection fund and accounts therein accrued during the fiscal year beginning July 1, 2026. In addition, the amounts appropriated in this section shall only be made available after the maximum amount of such interest and earnings appropriated in this Act to the state university of Iowa is made available to the university.

Sec. 11. SPECIAL SNOWMOBILE FUND — SNOWMOBILE

PROGRAM. There is appropriated from the special snowmobile fund created under section 321G.7 to the department of natural resources for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of administering and enforcing the state snowmobile programs:

..... \$ 100,000

Sec. 12. SPECIAL APPROPRIATIONS FROM GENERAL FUND. There is appropriated from the general fund of the state to the department of natural resources for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. FLOODPLAIN MANAGEMENT AND DAM SAFETY

a. For purposes of supporting floodplain management and dam safety:

..... \$ 1,510,000

b. Of the amount appropriated in this subsection, up to \$400,000 may be used by the department to acquire or install stream gages for purposes of tracking and predicting flood events and for compiling necessary data to improve flood frequency analysis.

c. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

2. FORESTRY HEALTH MANAGEMENT

a. For purposes of providing for forestry health management programs:

..... \$ 525,000

b. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

3. STATE PARK OPERATIONS

For supporting operations at state parks, including

maintenance and repair of grounds and facilities:

..... \$ 1,000,000

4. STATE PARK MAINTENANCE

For structural and infrastructural repairs in state parks:

..... \$ 300,000

DIVISION III

IOWA STATE UNIVERSITY

Sec. 13. SPECIAL APPROPRIATIONS FROM GENERAL FUND. There is appropriated from the general fund of the state to Iowa state university of science and technology for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. VETERINARY DIAGNOSTIC LABORATORY — OPERATION

a. For purposes of supporting the college of veterinary medicine for the operation of the veterinary diagnostic laboratory, and for not more than the following full-time equivalent positions:

..... \$ 4,799,898

..... FTEs 51.00

b. (1) Iowa state university of science and technology shall not reduce the amount that it allocates to support the college of veterinary medicine from any other source due to the appropriation made in this subsection.

(2) Subparagraph (1) does not apply to a reduction made to support the college of veterinary medicine if the same percentage of reduction imposed on the college of veterinary medicine is also imposed on all of Iowa state university of science and technology's budget units.

2. VETERINARY DIAGNOSTIC LABORATORY — TRANSITION TO REFURBISHED FACILITY.

To assist the college of veterinary medicine veterinary diagnostic laboratory in installing and moving equipment into its refurbished facility:

..... \$ 122,000

3. MANAGEMENT OF PRIVATE FORESTS

a. For purposes of supporting the Iowa cooperative extension service in agriculture and home economics in providing technical support to landowners and loggers regarding

the management of private forests in northeast Iowa, and for not more than the following full-time equivalent positions:

.....	\$	150,000
.....	FTEs	1.00

b. The department of natural resources shall cooperate with the Iowa cooperative extension service in agriculture and home economics in administering this subsection.

4. LIVESTOCK DISEASE RESEARCH

a. For deposit in the livestock disease research fund created in section 267.8:

.....	\$	291,390
-------	----	---------

b. Moneys appropriated under this subsection shall be used by Iowa state university of science and technology to support animal disease research in areas of importance to livestock producers.

Sec. 14. IOWA NUTRIENT RESEARCH FUND — VETERINARY DIAGNOSTIC LABORATORY. Notwithstanding section 466B.46, there is appropriated from the Iowa nutrient research fund created in section 466B.46 to Iowa state university of science and technology for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of supporting the college of veterinary medicine for the operation of the veterinary diagnostic laboratory:

.....	\$	120,000
-------	----	---------

DIVISION IV

STATE UNIVERSITY OF IOWA

Sec. 15. IOWA'S CENTER FOR AGRICULTURAL SAFETY AND HEALTH (I-CASH).

1. There is appropriated from the general fund of the state to the state university of Iowa for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For supporting the operations of Iowa's center for agricultural safety and health, as part of the university's college of public health, and in cooperation with the department of agriculture and land stewardship, to anticipate,

recognize, and prevent occupational illness and injury among members of the agricultural community:

..... \$ 128,154

2. a. As a condition of the appropriation made in subsection 1, the state university of Iowa shall retain the director of Iowa's center for agricultural safety and health employed on the effective date of this division of this Act for at least the same number of hours for the fiscal year beginning July 1, 2026, as worked by the director during the fiscal year beginning July 1, 2025.

b. As a condition of the appropriation made in subsection 1, the state university of Iowa shall not reduce the amount allocated to support Iowa's center for agricultural safety and health from any other source due to the appropriation made in subsection 1.

3. If moneys appropriated in subsection 1 revert as required pursuant to section 8.33, the state university of Iowa shall transfer to the general fund of the state from any otherwise unencumbered or unobligated moneys from any other general fund appropriation or from any moneys available from other funding sources an amount equal to the amount appropriated in subsection 1 less any amount that reverted to the general fund of the state pursuant to section 8.33.

Sec. 16. IOWA GEOLOGICAL SURVEY — GROUNDWATER PLANNING AND RESOURCE ASSESSMENT PROJECT.

1. There is appropriated from the general fund of the state to the state university of Iowa for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of supporting a groundwater planning and resource assessment project to be administered by the Iowa geological survey of the state created pursuant to section 456.1:

..... \$ 122,000

2. The moneys appropriated in subsection 1 shall be used by the Iowa geological survey to map and assess the condition of this state's aquifers. The Iowa geological survey may measure the volume of groundwater that is available for various

uses, the current and predicted allocations of groundwater to support those uses, the recharge rate for the aquifers, and the development of models for budgeting this state's water resources.

3. Notwithstanding section 8.33, moneys appropriated in subsection 1 that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated in subsection 1.

Sec. 17. GROUNDWATER PROTECTION FUND — IOWA GEOLOGICAL SURVEY.

1. There is appropriated from interest and earnings on moneys in the groundwater protection fund created in section 455E.11 and accounts therein, as described in section 455E.11, subsection 1, paragraph "a", to the state university of Iowa for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

To support a groundwater planning and resource assessment project to be administered by the Iowa geological survey of the state:

..... \$ 78,000

2. Moneys appropriated in subsection 1 shall be used by the Iowa geological survey to map and assess the condition of this state's aquifers. The Iowa geological survey may measure the volume of groundwater that is available for various uses, the current and predicted allocations of groundwater to support these uses, the recharge rate for the aquifers, and the development of models for budgeting this state's water resources.

3. Notwithstanding subsection 1, the amount appropriated in this section shall not exceed the total amount of interest and earnings on moneys in the groundwater protection fund and accounts therein accrued during the fiscal year beginning July 1, 2026.

DIVISION V

ENVIRONMENT FIRST FUND — GENERAL APPROPRIATIONS

Sec. 18. DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP. There is appropriated from the environment first

fund created in section 8.57A to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. CONSERVATION RESERVE ENHANCEMENT PROGRAM (CREP)

a. For the conservation reserve enhancement program to restore and construct wetlands for the purposes of intercepting tile line runoff, reducing nutrient loss, improving water quality, and enhancing agricultural production practices:

..... \$ 1,000,000

b. Not more than 10 percent of the moneys appropriated in paragraph "a" may be used for costs of administration and implementation of soil and water conservation practices.

c. Notwithstanding section 8.57A, subsection 3, or any other provision of law to the contrary, the department may use moneys appropriated in this subsection, in combination with other appropriate environment first fund appropriations, for cost sharing to match United States department of agriculture, natural resources conservation service, wetlands reserve enhancement program (WREP) funding available to Iowa.

2. WATERSHED PROTECTION

a. For continuation of a program that provides multiobjective resource protections for flood control, water quality, erosion control, and natural resource conservation:

..... \$ 900,000

b. Not more than 10 percent of the moneys appropriated in paragraph "a" may be used for costs of administration and implementation of soil and water conservation practices.

3. CONSERVATION BUFFER STRIP PROGRAM

a. To encourage and assist farmers to establish and maintain conservation buffer strip practices and to work with them to enhance their revegetation efforts to improve water quality and habitat:

..... \$ 900,000

b. Not more than 10 percent of the moneys appropriated in paragraph "a" may be used for costs of administration and implementation of soil and water conservation practices.

4. SOIL AND WATER CONSERVATION

a. For use by the department in providing for soil and water conservation:

..... \$ 8,325,000

b. (1) Of the amount appropriated in paragraph "a", for transfer to the hungry canyons account of the loess hills development and conservation fund created in section 161D.2:

..... \$ 140,000

(2) Not more than 10 percent of the moneys transferred in subparagraph (1) may be used for administrative costs.

c. Of the remaining amount appropriated in paragraph "a", for use by the department in providing for soil and water conservation administration, the conservation of soil and water resources, or the support of soil and water conservation districts:

..... \$ 8,185,000

d. Of the amount appropriated in paragraph "c" that the department allocates to a soil and water conservation district, the first \$15,000 may be expended by the district for the purpose of providing financial incentives under section 161A.73 to establish management practices for the control of soil erosion on land that is row-cropped, including but not limited to nontill planting, ridge-till planting, and contouring strip-cropping. Of any remaining amount of that appropriation allocated by the department to a district, 30 percent may be expended by the district for that same purpose.

e. Not more than 5 percent of the moneys appropriated in paragraph "c" may be allocated for cost sharing to address complaints filed under section 161A.47.

f. Of the moneys appropriated in paragraph "c", 5 percent shall be allocated for financial incentives to establish practices to protect watersheds above publicly owned lakes of the state from soil erosion and sediment as provided in section 161A.73.

g. The department's division of soil conservation and water quality may allocate moneys appropriated in paragraph "c" to conduct research and demonstration projects to promote conservation tillage and nonpoint source pollution control practices.

h. The allocation of moneys as financial incentives as

provided in section 161A.73 may be used in combination with moneys allocated by the department of natural resources.

i. Not more than 15 percent of the moneys appropriated in paragraph "c" may be used for costs of administration and implementation of soil and water conservation practices.

5. SOIL AND WATER CONSERVATION — ADMINISTRATION

a. For use by the department for costs of administration and implementation of soil and water conservation practices:

..... \$ 3,800,000

b. Of the moneys appropriated in paragraph "a", \$150,000 is allocated to support field staff providing technical assistance.

Sec. 19. DEPARTMENT OF NATURAL RESOURCES. There is appropriated from the environment first fund created in section 8.57A to the department of natural resources for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. STATE PARK MAINTENANCE AND OPERATIONS

For regular maintenance and operations of state parks and staff time associated with these activities:

..... \$ 6,235,000

2. GEOGRAPHIC INFORMATION SYSTEM (GIS)

To provide local watershed managers with geographic information system data for their use in developing, monitoring, and displaying results of their watershed work:

..... \$ 195,000

3. WATER QUALITY MONITORING

For continuing the establishment and operation of water quality monitoring stations:

..... \$ 2,955,000

4. PUBLIC WATER SUPPLY SYSTEM ACCOUNT

For deposit in the public water supply system account of the water quality protection fund created in section 455B.183A:

..... \$ 500,000

5. REGULATION OF ANIMAL FEEDING OPERATIONS

For the regulation of animal feeding operations, including as provided for in chapters 459, 459A, and 459B:

..... \$ 1,320,000

6. FLOODPLAIN MANAGEMENT AND DAM SAFETY

For supporting floodplain management and dam safety:

..... \$ 375,000

7. AMBIENT AIR QUALITY

For the abatement, control, and prevention of ambient air pollution in this state, including measures as necessary to assure attainment and maintenance of ambient air quality standards from particulate matter:

..... \$ 425,000

Sec. 20. STATE UNIVERSITY OF IOWA — IOWA GEOLOGICAL SURVEY. There is appropriated from the environment first fund created in section 8.57A to the state university of Iowa for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. IOWA GEOLOGICAL SURVEY OPERATIONS

For purposes of supporting the operations of the Iowa geological survey of the state, including but not limited to providing analysis; data maintenance, collection, and compilation; investigative programs; and information for water supply development and protection:

..... \$ 200,000

2. WATER RESOURCE MANAGEMENT

For purposes of supporting the Iowa geological survey in measuring, assessing, and evaluating the quantity of water sources in this state and assisting the department of natural resources in regulating water quantity as provided in chapter 455B, subchapter III, part 4, pursuant to sections 455B.262B and 456.14:

..... \$ 495,000

Sec. 21. REVERSION.

1. a. Except as provided in paragraph "b", and notwithstanding section 8.33, moneys appropriated for the fiscal year beginning July 1, 2026, in this division of this Act that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year, or until the project for which the appropriation was made is completed, whichever is earlier.

b. Notwithstanding section 8.33, moneys appropriated for the fiscal year beginning July 1, 2026, in this division of this Act to the department of agriculture and land stewardship to provide financial assistance for the establishment of permanent soil and water conservation practices that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year beginning July 1, 2029.

2. Subsection 1 does not apply to moneys transferred pursuant to this division of this Act to the loess hills development and conservation fund created in section 161D.2, which shall not revert as provided in that section.

DIVISION VI

ENVIRONMENT FIRST FUND — SPECIAL APPROPRIATIONS

Sec. 22. WATER QUALITY INITIATIVE — DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP.

1. There is appropriated from the environment first fund created in section 8.57A to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For deposit in the water quality initiative fund created in section 466B.45, for purposes of supporting the water quality initiative administered by the division of soil conservation and water quality as provided in section 466B.42, including salaries, support, maintenance, and miscellaneous purposes:

..... \$ 2,375,000

2. a. The moneys appropriated in subsection 1 shall be used to support projects in subwatersheds as designated by the division that are part of high-priority watersheds identified by the water resources coordinating council established pursuant to section 466B.3.

b. The moneys appropriated in subsection 1 shall be used to support projects in watersheds generally, including regional watersheds, as designated by the division and high-priority watersheds identified by the water resources coordinating council established pursuant to section 466B.3.

3. In supporting projects in subwatersheds and watersheds as provided in subsection 2, all of the following apply:

a. The demonstration projects shall utilize water quality practices as described in the Iowa nutrient reduction strategy as defined in section 455B.171.

b. The division shall implement demonstration projects as provided in paragraph "a" by providing for participation by persons who hold a legal interest in agricultural land used in farming. To every extent practical, the division shall provide for collaborative participation by such persons who hold a legal interest in agricultural land located within the same subwatershed.

c. The division shall implement a demonstration project on a cost-share basis as determined by the division. However, except for edge-of-field practices, the state's share of the amount shall not exceed 50 percent of the estimated cost of establishing the practice as determined by the division or 50 percent of the actual cost of establishing the practice, whichever is less.

d. The demonstration projects shall be used to educate other persons about the feasibility and value of establishing similar water quality practices. The division shall promote field day events for purposes of allowing interested persons to establish water quality practices on their agricultural land.

e. The division shall conduct water quality evaluations within supported subwatersheds. Within a reasonable period after accumulating information from such evaluations, the division shall create an aggregated database of water quality practices. Any information identifying a person holding a legal interest in agricultural land or specific agricultural land shall be a confidential record under section 22.7.

4. The moneys appropriated in subsection 1 shall be used to support education and outreach in a manner that encourages persons who hold a legal interest in agricultural land used for farming to implement water quality practices, including the establishment of such practices in watersheds generally, and not limited to subwatersheds or high-priority watersheds.

5. The moneys appropriated in subsection 1 may be used to contract with persons to coordinate the implementation of

efforts provided in this section.

6. The moneys appropriated in subsection 1 may be used by the department to support urban soil and water conservation efforts, which may include but are not limited to management practices related to bioretention, landscaping, the use of permeable or pervious pavement, and soil quality restoration. The moneys shall be allocated on a cost-share basis as provided in chapter 161A.

7. Notwithstanding any other provision of law to the contrary, the department may use moneys appropriated in subsection 1 to carry out the provisions of this section on a cost-share basis in combination with other moneys available to the department from a state or federal source.

8. Not more than 10 percent of the moneys appropriated in this section may be used to pay for the costs of administering and implementing the water quality initiative by the department's division of soil conservation and water quality as provided in section 466B.42 and this section.

DIVISION VII

RESOURCES ENHANCEMENT AND PROTECTION — OPEN SPACES

Sec. 23. REAP — IN LIEU OF GENERAL FUND APPROPRIATION. In lieu of the standing appropriation in section 455A.18, there is appropriated from the environment first fund created in section 8.57A to the Iowa resources enhancement and protection fund for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amount, to be allocated as provided in section 455A.19:

..... \$ 12,000,000

Sec. 24. REAP — OPEN SPACES ACCOUNT — STATE PARK MAINTENANCE, OPERATIONS, AND FACILITY REFURBISHMENT.

Notwithstanding section 455A.19, subsection 1, paragraph "a", subparagraph (1), of the moneys allocated to the open spaces account of the Iowa resources enhancement and protection fund, up to \$1,000,000 may be used by the department of natural resources for state park maintenance, development, operations, and facility refurbishment for the fiscal year beginning July 1, 2026, and ending June 30, 2027.

DIVISION VIII

ANIMAL DISEASE PREPAREDNESS AND RESPONSE

Sec. 25. IOWA ANIMAL DISEASE PREVENTION FUND — DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP.

1. There is appropriated from the Iowa animal disease prevention fund created in section 165.18 to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. For purposes of purchasing and maintaining equipment to further the implementation of the foreign animal disease preparedness and response strategy developed under section 163.3C:  
..... \$ 150,000

b. For purposes of assisting in the development of vaccines against foreign animal diseases by a company based in Iowa that develops livestock and other animal vaccines:  
..... \$ 100,000

c. For deposit in the foreign animal disease preparedness and response fund created in section 163.3B:  
..... \$ 200,000

d. For purposes of upgrading information technology resources used by the department:  
..... \$ 160,000

2. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

DIVISION IX

WATER QUALITY FUNDING

Sec. 26. REBUILD IOWA INFRASTRUCTURE FUND — SPECIAL APPROPRIATIONS. There is appropriated from the rebuild Iowa infrastructure fund created in section 8.57 to the Iowa finance authority for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. a. For deposit in the water quality financial assistance fund created in section 16.134A for the purposes of supporting the wastewater and drinking water treatment financial

assistance program created in section 16.134:

..... \$ 8,000,000

b. The moneys appropriated in paragraph "a" shall be used to provide financial assistance, including grants, for projects designed to improve water quality by addressing point and nonpoint sources, with a higher prioritization provided to collaborative effort.

2. For deposit in the rural Iowa infrastructure bank program fund created in section 16.240, as enacted in this division of this Act:

..... \$ 10,000,000

Sec. 27. Section 16.134, subsection 4, paragraph i, Code 2026, is amended to read as follows:

i. An applicant shall not receive a grant that exceeds ~~five hundred thousand~~ one million dollars.

Sec. 28. Section 16.134A, subsection 3, Code 2026, is amended to read as follows:

3. ~~For~~ Except for moneys deposited in the fund for a specified purpose, for each fiscal year in the period beginning July 1, 2018 2026, and ending June 30, 2039, there is appropriated the following percentages of amounts from the balance of the fund for all of the following purposes:

a. ~~Forty percent to the Iowa finance authority to support the wastewater and drinking water treatment financial assistance program created in section 16.134~~ Five hundred thousand dollars to the department of natural resources for the purposes of water quality monitoring, including, at the department's discretion, continuous monitoring.

b. ~~Forty five percent to the Iowa finance authority to be credited to the water quality financing program fund created pursuant to section 16.153. The following percentages of moneys remaining in the fund for the following purposes:~~

(1) Sixty-five percent to the Iowa finance authority to support the wastewater and drinking water treatment financial assistance program created in section 16.134.

~~e.~~ (2) Fifteen percent to the division of soil conservation and water quality of the department of agriculture and land stewardship to support the water quality urban infrastructure program created in section 466B.44.

(3) Twenty percent to the division of soil conservation and water quality of the department of agriculture and land stewardship for deposit in the water quality initiative fund created in section 466B.45 to provide technical assistance and support conservation practices, including but not limited to buffers, cover crops, edge-of-field structures, grazing systems, and working lands, in counties located in the following United States geological survey hydrologic unit code 8 watersheds:

- (a) Boone.
- (b) East fork Des Moines.
- (c) Middle Des Moines.
- (d) North Raccoon.
- (e) South Raccoon.
- (f) Upper Des Moines.

Sec. 29. Section 16.152, Code 2026, is amended by adding the following new subsections:

NEW SUBSECTION. 5. The authority shall not initiate any new loans under this part after June 30, 2026. Any loan or interest payments received by the authority on or after July 1, 2026, shall be deposited in the water quality financial assistance fund created pursuant to section 16.134A for the purposes of supporting the wastewater and drinking water treatment financial assistance program created in section 16.134.

NEW SUBSECTION. 6. For the fiscal year beginning July 1, 2026, and ending June 30, 2027, the authority shall allocate a sum not to exceed twenty-five million dollars from any unencumbered or unobligated moneys in the water quality financing program fund to a regional water authority, with membership consisting of public utilities, as defined in section 476.1, rural water districts organized and existing under chapter 357A, and other governmental entities, which serves a population of at least six hundred thousand and is headquartered in the most populous county in the state based on the 2020 federal decennial census, for the purpose of constructing and installing additional nutrient removal technology. These moneys shall remain available for expenditure until June 30, 2029.

NEW SUBSECTION. 7. Any unencumbered or unobligated moneys in the water quality financing program fund created pursuant to section 16.153 remaining after July 31, 2026, are transferred to the water quality financial assistance fund created pursuant to section 16.134A, to be used for purposes specified in section 16.134A, subsection 3, paragraph "b", subparagraph (3). An amount equal to the amount of moneys obligated by the authority prior to July 1, 2026, shall remain in the water quality financing program fund.

NEW SUBSECTION. 8. This part is repealed on the date that all loans made pursuant to this part are paid in full. The authority shall notify the Iowa Code editor of this occurrence.

Sec. 30. NEW SECTION. 16.240 Rural Iowa infrastructure bank revolving loan program — fund.

1. As used in this section, "*small or medium sized community*" means a city with a population of eleven thousand or less.

2. The authority shall establish and administer a rural Iowa infrastructure bank revolving loan program. The purpose of the program is to provide loans to small or medium sized communities to upgrade water or wastewater infrastructure.


3. *a.* A small or medium size community shall apply to the authority for a loan under the program in a manner approved by the authority.

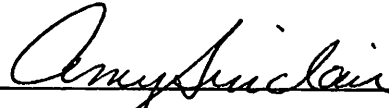
*b.* Loan agreements may contain terms and conditions the authority deems advisable, but the interest rate on any loan shall not exceed one percent.

4. A rural Iowa infrastructure bank program fund is created in the state treasury under the control of the authority and consisting of moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the authority for placement in the fund. Moneys in the fund are appropriated to the authority for the purpose of providing loans to small or medium sized communities under the program established in this section. Repayments of moneys loaned and recaptures of loans shall be deposited in the fund. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, interest or earnings on moneys in the fund shall be credited to the fund.

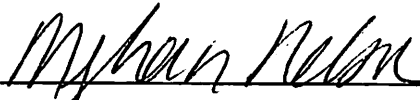
5. The authority may adopt rules pursuant to chapter 17A to administer this section.

Sec. 31. CODE EDITOR DIRECTIVE. The Code editor is directed to designate section 16.240, as enacted by this division of this Act, as chapter 16, subchapter X, part 12, entitled "Rural Iowa Infrastructure Bank Revolving Loan Program".

  
\_\_\_\_\_  
PAT GRASSLEY  
Speaker of the House

  
\_\_\_\_\_  
AMY SINCLAIR  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2771, Ninety-first General Assembly.

  
\_\_\_\_\_  
MEGHAN NELSON  
Chief Clerk of the House

Approved June 19, 2026

  
\_\_\_\_\_  
KIM REYNOLDS  
Governor