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## State of Minnesota

## HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **1120**

02/13/2017 Authored by Swedzinski, Hamilton, Schomacker, Poppe, Poston and others  
The bill was read for the first time and referred to the Committee on Agriculture Policy  
03/16/2017 Adoption of Report: Amended and re-referred to the Committee on Agriculture Finance

1.1 A bill for an act  
1.2 relating to agriculture; establishing a shrimp production incentive program;  
1.3 appropriating money; requiring reports; proposing coding for new law in Minnesota  
1.4 Statutes, chapter 41A.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **[41A.21] SHRIMP PRODUCTION INCENTIVE.**

1.7 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this  
1.8 subdivision have the meanings given them.

1.9 (b) "Commissioner" means the commissioner of agriculture.

1.10 (c) "Feed" means pelletized material produced from agricultural sources.

1.11 Subd. 2. **Eligibility.** (a) A facility eligible for payment under this section must acquire  
1.12 at least 80 percent of feed from Minnesota. The facility must be located in Minnesota, must  
1.13 begin production at a specific location by June 30, 2025, and must not begin production  
1.14 before July 1, 2019. Eligible facilities include existing companies and facilities that are  
1.15 adding shrimp production capacity, or retrofitting existing capacity, as well as new companies  
1.16 and facilities. Eligible shrimp production facilities must produce at least 25,000 pounds of  
1.17 shrimp each quarter.

1.18 (b) No payments shall be made for shrimp production that occurs after June 30, 2030,  
1.19 for those eligible producers under paragraph (a).

1.20 (c) An eligible producer of shrimp shall not transfer the producer's eligibility for payments  
1.21 under this section to a facility at a different location.

2.1 (d) A producer that ceases production for any reason is ineligible to receive payments  
2.2 under this section until the producer resumes production.

2.3 Subd. 3. **Payment amounts; limits.** (a) The commissioner shall make payments to  
2.4 eligible producers of shrimp. The amount of the payment for each eligible producer's  
2.5 quarterly production is 69 cents per pound of shrimp produced at a specific location for five  
2.6 years after the start of production.

2.7 (b) Total payments under this section to an eligible shrimp producer in a quarter may  
2.8 not exceed the amount necessary for 2,000,000 pounds of shrimp produced. Total payments  
2.9 under this section to all eligible shrimp producers in a quarter may not exceed \$1,250,000.  
2.10 If the total amount for which all shrimp producers are eligible in a quarter exceeds the  
2.11 amount available for payments, the commissioner shall award payments on a pro rata basis  
2.12 within the limits of available funding.

2.13 (c) For purposes of this section, an entity that holds a controlling interest in more than  
2.14 one shrimp facility is considered a single eligible producer.

2.15 Subd. 4. **Claims.** (a) By the last day of October, January, April, and July, each eligible  
2.16 shrimp producer shall file a claim for payment for shrimp production during the preceding  
2.17 three calendar months. An eligible shrimp producer that files a claim under this subdivision  
2.18 shall include a statement of the eligible producer's total pounds of shrimp produced during  
2.19 the quarter covered by the claim. For each claim and statement of total pounds of shrimp  
2.20 filed under this subdivision, the pounds of shrimp produced must be examined by a certified  
2.21 public accounting firm with a valid permit to practice under chapter 326A, in accordance  
2.22 with Statements on Standards for Attestation Engagements established by the American  
2.23 Institute of Certified Public Accountants.

2.24 (b) The commissioner must issue payments by November 15, February 15, May 15, and  
2.25 August 15. A separate payment must be made for each claim filed.

2.26 Subd. 5. **Appropriation.** A sum sufficient to make the payments required by this section,  
2.27 not to exceed \$5,000,000 in a fiscal year, is annually appropriated from the general fund to  
2.28 the commissioner.

2.29 Subd. 6. **Report.** By January 15 each year, the commissioner shall report on the program  
2.30 under this section to the legislative committees with jurisdiction over agricultural policy  
2.31 and finance. The report shall include information on production and incentive expenditures  
2.32 under the program.