

**Testimony of Nathan Schneider
Economic Development Association of North Dakota
In Support of HB 1168
Senate Finance and Taxation Committee
March 7, 2023**

Chairman Kannianen and members of the Senate Finance and Taxation Committee:

My name is Nathan Schneider. I serve as the vice president of the Bismarck Mandan Chamber EDC and sit on the board of directors for the Economic Development Association of North Dakota (EDND). On behalf of EDND, I would like to express our support of HB 1168, which reauthorizes a 21st-century manufacturing workforce incentive.

EDND represents more than 80 state organizations on the front line of economic development efforts in North Dakota. The organization's primary purpose is to promote new wealth creation throughout North Dakota, develop more vibrant communities and improve quality of life.

Workforce availability is the most significant challenge facing North Dakota businesses, limiting the growth potential of the state's economy. EDND supports the development of workforce attraction, development and retention strategies that address the needs of the state's companies. As of November 2022, North Dakota had an unemployment rate of 1.9 percent, and workforce is high on the priority list for businesses of every size.

Supporting automation through credit incentives has a long history in North Dakota, dating back to 2009. The credit was designed to support North Dakota manufacturing companies investing in technology to automate manufacturing processes. The program has been successful in helping North Dakota manufacturers gain market share and increase their competitiveness through automation.

In a climate where manufacturers can invest anywhere in the world, North Dakota may not be a top choice for businesses due to its lack of workforce and geography. This includes not only the attraction of new manufacturers but also the retention of companies already in the area supporting local communities and jobs. Investment in innovative equipment can mean the difference between retaining a business or having it close. Programs like this may prevent a business from moving elsewhere or the difference between status quo and expansion.

An amendment adding animal agriculture machinery to this bill opens this income tax credit to new businesses, allowing further growth and development in North Dakota. With this increased demand for the program, we encourage bringing the bill's fiscal note back to \$5 million to better position companies looking to this credit for expansion and growth.

We thank the committee for continuing to keep North Dakota globally competitive in recruiting and retaining viable businesses. We urge the committee to support the 21st-century manufacturing workforce incentive.