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**Testimony of  
Matt Perdue  
North Dakota Farmers Union  
Before the  
Senate Industry, Business and Labor Committee  
February 9, 2021**

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Mr. Chairman and members of the committee,

Thank you for the opportunity to submit testimony on Senate Bill No. 2203. My name is Matt Perdue, and I am testifying on behalf of North Dakota Farmers Union's (NDFU) members.

NDFU opposes SB 2203, which would create a surcharge for employers with negative unemployment insurance balances. The legislation would have a disproportionate impact on seasonal employers, including farms, ranches and agricultural supply cooperatives.

Many farmers and ranchers rely on seasonal labor during the busy spring planting and harvest seasons. In addition to their own workforce needs, farmers increasingly depend on their farm supply cooperatives for custom fertilizer and pesticide applications. Seasonal workers at agricultural supply cooperatives are, in turn, critical to North Dakota's agricultural sector.

This surcharge proposal comes at a time when farmers and ranchers are facing unique workforce challenges. The COVID-19 pandemic disrupted farmers' and ranchers' access to H-2A workers. While the future remains uncertain, it is likely that more producers will fill their workforce needs with domestic workers in 2021. Altering unemployment insurance tax rates could constrain their ability to do so.

North Dakota's unemployment system is working. Positive balance employers already pay rates below the national average, and negative balance employers pay the highest premiums in the nation. Furthermore, unemployment insurance tax rates are based upon an employer's usage of the system. The current formula allows North Dakota to provide the fourth highest weekly benefit amount in the country, providing a critical safety net for working people.

We urge a "Do Not Pass" on SB 2203. Thank you for your consideration.

