

**SB 2144**  
**Senate Finance and Taxation Committee**  
**January 10, 2023**

Mr. Chairman and members of the Committee:

My name is Scott Wegner. I am a member of the law firm of Arntson Stewart Wegner PC. We serve as bond counsel to school districts.

SB 2144 deals with school district general obligation bonds:

A. General Obligation Bonds (N.D.C.C. Chapter 21-03)

- 1927
- requires voter approval (60% super majority)
- voters approval dollar amount of bonds
- unlimited excess mill levy authorized to pay bond debt service
- bonds have up to 20-year term
- amount of bonds subject to debt limit (5% of assessed value, 10% with voter appr)
- authorized for seven types of political subdivisions

B. SB 2144 Concerns

- school districts do not bond for routine repair and maintenance
- bond money is not set aside for future repairs and maintenance
- state and federal law contemplate expenditure of bond proceeds in 3 years  
(N.D.C.C. § 21-03-38.1, addressing bond funds not used within 3 years)
- school building fund levy is used for repairs and maintenance (up to 20 mills)  
(N.D.C.C. §§ 57-15-16, -17)
- does not work financially to bond for money that will not be used for years – cannot invest the bond money for more than the interest rate on the bonds, so will lose money
- Section 4: ballot form – confusing

I request a Do Not Pass recommendation.

Scott Wegner  
Arntson Stewart Wegner PC  
Bismarck and Fargo  
(701) 255.1008 / [swegner@aswbondlaw.com](mailto:swegner@aswbondlaw.com)