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IOWA DEPARTMENT OF JUSTICE
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REVENUE DIVISION

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To: Jeffrey S. Thompson
From: Paxton J. Williams
Re: Executive Council Approval for Litigation Expense Fund
Date: August 30, 2022

As required by Iowa Code section 441.73, the Executive Council is to receive a report from the Department of Revenue regarding expenditures from the litigation expense fund for the second through fourth quarters of FYE June 30, 2022. This report details the amount expended in the second through fourth quarters of the 2022 fiscal year and seeks approval to expend amounts for the third and fourth quarters of the 2022 fiscal year and first quarter of the 2023 fiscal year.

The amount expended from the approved expenses through the 2022 fiscal year is as follows:

July 1 through September 30	\$ 9,159
October 1 through December 31	\$ 4,516

The amount expended in the third and fourth quarters of the 2022 fiscal year is as follows:

January 1 through March 31	\$ 1,734
April 1 through June 30	\$2,875

A total of \$62,267.16 was expended from the litigation fund during FYE 2019, leaving a carryover of \$606,998.49. This carryover amount, along with the approved transfer of \$40,000, left \$646,998.49 available in the litigation fund for FYE 2020. A total of \$32,351.28 was expended from the litigation fund during FYE 2020, leaving a carryover of \$614,647.21. The Department of Revenue did not request that any additional funds to be added to the Litigation Expense Fund for FYE 2021 and FYE 2022. The litigation fund was at \$591,355.21 at the start of FYE 2022. The Litigation Fund balance at the start of the FYE 2023 was \$573,071.21.

The funds expended for the second, third, and fourth quarters involved various matters handled by this office that pertained to a variety of central assessment valuation issues, including work related to four active protests, including coordination with outside counsel, review of discovery requests, and related work. The Department expects to

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incur costs in the first quarter of the 2023 fiscal year related to these protests, including work with outside counsel and expert witnesses, and the review and consideration of a variety of other central assessment valuation issues, particularly pipeline issues. Expenses necessary to cover these and other matters are not expected to exceed \$175,000 for the first quarter of the 2023 fiscal year.

Based on the above, the Department of Revenue requests authority from the Executive Council to expend the amounts incurred in the previous quarter, and \$175,000.00 to cover potential expenses for the first quarter of the 2023 fiscal year.

Please put this matter on the agenda for the Executive Council. Thank you.

PJW: cml

cc: Julie Roisen