

April 27, 2023

Executive Council of Iowa
State Capitol
LOCAL
ExecutiveCouncil@tos.iowa.gov

RE: Executive Council Approval for Litigation Expense Fund

Dear Executive Council:

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 third quarter of FYE June 30, 2023. This report details the amount expended in the third quarter of the 2023 fiscal year and seeks approval to expend amounts for the fourth quarter of the 2023 fiscal year.

The amount expended from the approved expenses through the third quarter of the 2023 fiscal year is as follows:

January 1 through March 31 \$51,872.22

The litigation fund had a balance of \$573,071.21 at the start of FYE 2023. The Department of Revenue did not request any additional funds to be added to the fund for the FYE 2023. After the expenditures for the second quarter, the litigation fund balance was \$567,272.33. After the expenditures for the third quarter of FYE 2023, the litigation fund balance is \$515,400.11.

The funds expended for the third quarter involved various matters of the Department of Revenue concerning central assessment valuation issues, including work related to six active appeals that require coordination with outside counsel and the Attorney General's Office, review of discovery requests, and related work. The Department expects to incur costs in the fourth quarter of the 2023 fiscal year related to these appeals, including work with outside counsel, expert witnesses, the Attorney General's Office, conducting discovery, other litigation expenses, and the review and consideration of a variety of other central assessment valuation issues. Expenses necessary to cover these and other matters are not expected to exceed \$120,000.00 for the fourth quarter of the 2023 fiscal year.

Based on the above, the Department of Revenue requests authority from the Executive Council to expend \$120,000.00 to cover potential expenses for the fourth quarter of the 2023 fiscal year.

Sincerely,



Alana Stamas
Chief Legal Officer
Legal Services and Appeals

cc: Samuel P. Langholz