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## FISCAL TOPICS

Fiscal Services Division

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Des Moines, Iowa 50319

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## State Appeal Board

### Purpose and History

The State Appeal Board is comprised of the Auditor of State, Treasurer of State, and the Director of the Department of Management (DOM). The purpose of the Board is to approve or reject the payment of claims against the State or a State employee and to resolve local budget protests. The Board also ratifies payments associated with court judgments and settlements against the State.

### General Claims (Iowa Code Chapter [25](#))

Iowa Code chapter 25 specifies that when a claim is filed against the State and the Director of the DOM determines the State would be liable, the claim is referred to the State Appeal Board for consideration of payment. Iowa Code chapter 25 also specifies that the Board may approve or reject claims of less than five years involving the following: outdated warrants; outdated sales and use tax refunds; license refunds; additional agricultural land tax credits; outdated invoices; fuel and gas tax refunds; outdated homestead and veterans' exemptions; outdated funeral service claims; tractor fees; registration permits; outdated bills for merchandise; services furnished to the State; claims by any county or county official relating to the personal property tax credit; and refunds of fees collected by the State.

### Tort Claims (Iowa Code Chapter [669](#))

The State Appeal Board considers all monetary claims that involve property damage, personal injury, or wrongful death. All tort claims must be submitted to the State Appeal Board. All claims are reviewed and investigated by the Attorney General's Office, and the Office makes a recommendation regarding payment, denial, or dismissal for each claim.

### Local Government Budget Protests (Iowa Code Chapter [24](#))

The State Appeal Board hears testimony and resolves local budget protests filed by individuals or groups against a local government in accordance with Iowa Code chapter 24. Political subdivisions may request a suspension of the statutory property tax levy limitations if property tax valuations are reduced or there is an unusually low growth rate in the property tax base for the purpose of maintaining the current level of services.

### Expenditures — Actual vs. Budget

The majority of the expenditures approved by the State Appeal Board are paid through a General Fund standing unlimited appropriation. Due to the statutory functions of the Board and the nature of the appropriation, year-end expenditures are difficult to estimate for budgeting purposes due to the unpredictable nature of claims. **Table 1** shows the actual expenditures paid through the appropriation over the last 10 years. During this 10-year period, the average amount budgeted per year has totaled \$4.5 million. However, actual year-end expenditures have averaged \$10.6 million annually. When year-end expenditures exceed the amount budgeted, the year-end General Fund surplus is reduced, decreasing the amount of General Fund money that is transferred to the reserve funds.

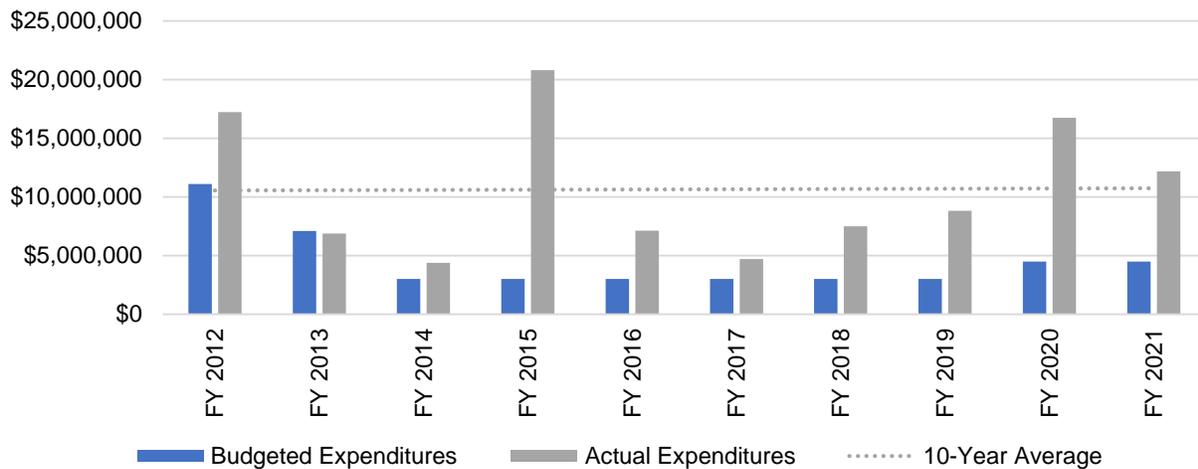
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### More Information:

State Appeal Board: [dom.iowa.gov/state-appeal-board](http://dom.iowa.gov/state-appeal-board)  
LSA Staff Contact: Maria Wagenhofer (515.281.5270) [maria.wagenhofer@legis.iowa.gov](mailto:maria.wagenhofer@legis.iowa.gov)

Of the last 10 fiscal years, there are three years that were significantly higher than the 10-year average: FY 2012, FY 2015, and FY 2020. In FY 2012, the expenses totaled \$17.2 million, largely due to the payment of claims involving the Iowa Film Office and several large claims associated with the Regents institutions and the University of Iowa Hospitals and Clinics. Appeal Board expenses in FY 2015 totaled \$20.8 million. Of the total, \$12.3 million was associated with two settlements involving Walsh Construction and the Iowa State Penitentiary at Fort Madison. Other sizable claims included a \$2.0 million payment related to the Iowa Film Office settlement and another \$3.5 million associated with the Regents institutions. In FY 2020, total expenses were \$16.7 million, which included a \$5.3 million payment to the University of Iowa’s Physicians Group for overpayment in a medical negligence settlement. Another sizable claim included a \$3.0 million payment associated with carbon monoxide exposure at a State-owned cabin.

**Table 1 – State Appeal Board Appropriations**



**Related Statutes**

Iowa Code chapters [25](#), [669](#), and [24](#).

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