

**441.73 Litigation expense fund.**

1. A litigation expense fund is created in the state treasury. The litigation expense fund shall be used for the payment of litigation expenses incurred by the state to defend property valuations established by the director of revenue pursuant to [section 428.24](#) and [chapters 433, 434, 437, 437A, 437B, and 438](#), and for the payment of litigation expenses incurred by the state to defend the imposition of replacement taxes and statewide property taxes under [chapters 437A and 437B](#).

2. If the director of revenue determines that foreseeable litigation expenses will exceed the amount available from appropriations made to the department of revenue, the director of revenue may apply to the executive council for use of funds on deposit in the litigation expense fund. The initial application for approval shall include an estimate of potential litigation expenses, allocated to each of the next four succeeding calendar quarters and substantiated by a breakdown of all anticipated costs for legal counsel, expert witnesses, and other applicable litigation expenses.

3. The executive council may approve expenditures from the litigation expense fund on a quarterly basis. Prior to each quarter, the director of revenue shall report to the executive council and give a full accounting of actual litigation expenses to date as well as estimated litigation expenses for the remaining calendar quarters of the fiscal year. The executive council may adjust quarterly expenditures from the litigation expense fund based on this information.

4. The executive council shall transfer for the fiscal year beginning July 1, 1992, and each fiscal year thereafter, from funds established in [sections 425.1 and 426.1](#), an amount necessary to pay litigation expenses. The amount of the fund for each fiscal year shall not exceed seven hundred thousand dollars. The executive council shall determine annually the proportionate amounts to be transferred from the two separate funds. At any time when no litigation is pending or in progress the balance in the litigation expense fund shall not exceed one hundred thousand dollars. Any excess moneys shall be transferred in a proportionate amount back to the funds from which they were originally transferred.

[92 Acts, ch 1238, §37; 97 Acts, ch 23, §53; 98 Acts, ch 1194, §36, 40; 2002 Acts, ch 1150, §14; 2003 Acts, ch 145, §286; 2003 Acts, ch 178, §9; 2007 Acts, ch 185, §4; 2013 Acts, ch 94, §31, 35, 36](#)

2013 amendment to subsection 1 takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; [2013 Acts, ch 94, §35, 36](#)