

Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 2574 - Revenue Department's Technical Corrections II (LSB 6925 HV)
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Fiscal Note Version - New

Description

House File 2574 (Section 15) requires local assessors to pay attorney, appraisal, and other costs of the property owner when the Board of Review or court determines the value of a property to be below the value determined by the assessor by at least 10.0%.

Assumptions

1. On average, property owners prevailing in property tax appeals expend \$300 on legal fees, appraisal costs, and other expenses.
2. There are more than 5,000 property tax appeals per year that are decided in favor of the property owner and the original assessment was ruled to be at least 10.0% too high.

Fiscal Impact

Section 15 will require counties and cities to pay more than \$1.5 million per year in legal and other costs of property owner's that prevail on appeal to the Board of Review or the court. Local governments may attempt to mitigate the loss by adopting a more thorough and expensive assessment procedure.

If Section 15 is determined to be a State mandate under Chapter 25B, Code of Iowa, the counties and cities will not be obligated to pay the prevailing property owner's costs (see Section 25B.2(3), Code of Iowa).

Source

Iowa County and City Assessors

Dennis C Prouty

April 13, 2004

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
