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STATE OF IOWA

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**Technical Update**

Special Appraiser's Fund

Chapter 441.50 of the Code of Iowa allows City and County Assessor Conference Boards to certify a levy to establish and fund a Special Appraiser's Fund and to periodically ("from time to time") transfer the unexpended balance in the Special Appraiser's Fund to the Assessment Expense Fund. Some Conference Boards have certified this special appraiser's levy annually and transferred the amount received to the Assessment Expense Fund to supplement operations.

According to a recently identified Attorney General's Opinion dated November 2, 1962, the special appraiser's levy can only be used "for employment and compensation of professional and expert appraisers, not local appraisers under the county assessor's direction." The Opinion concludes that if the Special Appraiser's Fund could be used for local appraisers to assist the county assessor, there would be no need for the fund since both funds could be used for the same purpose. Transfers "from time to time" indicates the transfers should be limited to transfers of unexpended balances remaining after completion of an allowable project funded with the special appraiser's levy. As a result, recurring transfers from the Special Appraiser's Fund to the Assessment Expense Fund to supplement routine office operations is not appropriate.

In June 2005, a Task Force including four assessors and representatives from the Department of Management, Department of Revenue, Attorney General's Office, Auditor of State and Iowa State Association of Counties met and discussed this issue. Possible next steps include requesting an updated Attorney General's opinion, seeking legislative change and restructuring assessor's offices to rely more on outside appraisers. However, no changes have occurred at this time.

Attached to this Technical Update is a sample comment for fiscal 2005 audits along with a copy of the 1962 Opinion. Audit program procedures are included in the 2005 County Audit Program Guide Supplement.

If you have any questions about this, please contact our office at 515-281-5834.

