Memo

Date: June 25, 2026

To: County Assessors
County Auditors
County Treasurers

From: Jon Klockziem, Property Tax Director

Cross-County Jurisdiction Levy Apportionment

Starting in 2027, the State Board of Equalization (SBE) will begin reviewing certain cross-county jurisdictions for potential orders. We are sharing information now to help you prepare for implementing those orders.

What is the State Board of Equalization?

The commissioner of revenue is the State Board of Equalization.

The powers of the SBE are to:

- Review, modify, and revise assessments for taxation
- Require reassessments where appropriate
- Apportion the levy in taxing jurisdictions that lie in two or more counties under certain circumstances

The purpose of the SBE is to:

- Evaluate the quality of assessments
- Ensure equalization
- Ensure parity between property types

What is changing?

Beginning in the 2027 assessment year, the orders issued by the State Board of Equalization for non-compliant levels of assessment will now include certain cross-county jurisdictions to balance non-compliant levels of assessment, as detailed below.

Why is it changing?

Levy apportionment is required by [Minnesota Statute 270.12, subdivision 3], under certain circumstances. Revenue is now confident that it has the necessary data to evaluate these circumstances.

The apportionment ensures that differences in ratio, and subsequently tax capacity, do not create tax burden inequities.

When is it changing?

The 2027 State Board of Equalization will issue orders to affected county auditors by June 30, 2027, for taxes payable in 2028.

What are the circumstances where the SBE could order a levy apportionment?

This process will apply to taxing jurisdictions that lie in two or more counties.

When the sales ratio studies prepared by Revenue show that the average level of assessment, or aggregate ratio, for the portions within each county of such a taxing jurisdiction differs by more than 5 percent, the SBE may order an apportionment of the levy.

When the difference is more than 10 percent, it shall order an apportionment of the levy.

The SBE will not order an apportionment if at least one statutory exception applies. The exceptions are:

- One of the jurisdictions that differs is less than 10% of the total adjusted net tax capacity (ANTC)
- Significant changes have been made that are not reflected in the ratio
- One class, for example Commercial/Industrial-class 3a, dominates in one county and not in another

Does this apply to all cross-county jurisdictions?

Yes, Minnesota Statute 270.12, subdivision 3 applies to all cross-county taxing jurisdictions.

How does this change affect county assessors?

County Assessors should work together to ensure the aggregate level of assessment within the acceptable range.

How does this change affect county auditors?

County auditors will need to implement the orders and adjust tax rates as needed. Orders must be implemented before submitting PRISM 2 and issuing proposed taxes notices in November. Revenue is working towards developing guidance on the process for county auditors to use if they receive a SBE order.

How will the orders be delivered to county auditors?

By email, the same method for delivering SBE orders currently.

What should I expect from Revenue?

Property Tax Division staff are continuing to refine the process and definitions. Documentation and training will be coming so assessors can recognize the situation, and auditors can implement any orders that are issued next year.

Is there anything else I should know?

This may require software programming. You should share this memo and future documentation with your tax software vendor.

How can I share my feedback or questions?

Property Tax Division staff want to hear your feedback and questions about this change. Email PropTax.Division@state.mn.us.