

Tax Expenditure Review Commission

Meeting Minutes

September 18, 2024

Hybrid Meeting – MN State Capitol G-15/Zoom

Chair Ann H. Rest called the meeting of the Tax Expenditure Review Commission (TERC) to order at 10:30 AM.

Members Present:

Sen. Ann H. Rest (Chair)
Rep. Esther Agbaje (Vice-Chair)
Rep. Greg Davids
Rep. Steve Elkins
Rep. Aisha Gomez (ex-officio)
Rep. Jim Joy
Sen. Matt Klein
Commissioner Paul Marquart

Members Excused:

Sen. Steve Drazkowski
Sen. Bill Weber

A quorum was present.

Review and Approval of August 16, 2024 Meeting Minutes

The meeting minutes from August 16, 2024 were approved as presented.

Presentation and Discussion of Selected Tax Expenditures

1. Joel Enders, Lead Budget Analyst with the Legislative Budget Office, presented the tax expenditure initial review of the Power Line Credit – Minn. Stat. § 273.42 and 273.425 (TEB 13.10)

Eric Willette, Tax Research Director with MN Department of Revenue, addressed member questions.
2. Thomas Raney, Program Evaluator with the Legislative Budget Office, presented the tax expenditure initial review of the Agricultural Loan Exemption (Mortgage Registry Tax) – Minn. Stat. § 287.04(9), (TEB 9.01)
3. Annie Lemieux, Program Evaluator with the Legislative Budget Office, presented the tax expenditure initial review of the Government Housing Programs Exemption (Mortgage Registry Tax) – Minn. Stat. § 287.04(6), (TEB 9.02)

4. Laura Cecko, Budget Analyst with the Legislative Budget Office, presented the tax expenditure initial review of the Bookmobiles Exemption (Motor Vehicle Sales Tax) – Minn. Stat. § 297B.03(8), (TEB 5.10)
5. Laura Cecko, Budget Analyst with the Legislative Budget Office, presented the tax expenditure initial review of the Ready-Mixed Concrete Trucks (Motor Vehicle Sales Tax) – Minn. Stat. § 297B.03(9), (TEB 5.12)

Rep. Agbaje moved to adopt the proposed tax expenditure objective statements for those tax expenditures presented to the Commission for consideration on September 18, 2024 by the Legislative Budget Office, for the purpose of evaluating those tax expenditures, and direct the Legislative Budget Office to proceed with tax expenditure evaluations along with additional information, footnotes, and comments related to those tax expenditures discussed in accordance with Minn. Stat. § 3.8855 as well as provide the Legislative Budget Office the ability to make any technical corrections as proposed.

A roll call vote was taken.

AYE:

Sen. Rest (Chair)
Rep. Agbaje (Vice-Chair)
Rep. Davids
Rep. Elkins
Rep. Joy
Sen. Klein
Commissioner Marquart

NAY:

EXCUSED:

Sen. Drazkowski
Sen. Weber

There being 7 AYES, 0 NAYS, and 2 EXCUSED, the **Motion Prevailed**, the tax expenditure purpose statements were adopted.

Future Meetings

Chair Rest noted that the Commission's next meeting would take place sometime during the first week of December in order to facilitate approval of the 2024 TERC report. Chair Rest also noted that the December meeting would likely be fully remote due to technology upgrades scheduled to take place in both House and Senate hearing rooms at that time. LBO staff was directed to follow up with members to ascertain a specific date for the December meeting.

Adjournment

There being no further business, the meeting adjourned at 11:24 AM.