Tax Expenditure Review Commission

Meeting Minutes

September 11, 2025
Hybrid Meeting – MN Capitol 120/Zoom

Commissioner Paul Marquart called the meeting of the Tax Expenditure Review Commission (TERC) to order at 1:00 PM.

Members Present:
Commissioner Paul Marquart
Rep. Esther Agbaje
Sen. Doron Clark
Rep. Greg Davids
Rep. Aisha Gomez (Ex-Officio)
Sen. Mark Koran
Rep. Andy Smith

Members Excused:
Sen. Matt Klein
Sen. Ann Rest (Ex-Officio)
Rep. Kristin Robbins
Sen. Bill Weber

A quorum was present.

Election of Chair and Vice Chair

Commissioner Marquart noted that, per Minnesota Statutes 3.8855, the election of the TERC Chair and Vice Chair for the current biennium would now take place. The Commissioner also noted that, due to the current make-up of the House of Representatives, House Co-Chairs would be elected.

Rep. Agbaje moved to nominate Rep. Agbaje and Rep. Davids for the positions of Co-Chair. Both Rep. Agbaje and Rep. Davids accepted the nominations. No other nominations were made for the position of Co-Chair.

A roll call vote was taken.

AGBAJE/DAVIDS:	ABSTAIN:	EXCUSED:
Commissioner Marquart		Sen. Klein
Rep. Agbaje		Rep. Robbins
Sen. Clark		Sen. Weber
Rep. Davids		
Sen. Koran		
Rep. Smith		

There being 6 votes for AGBAJE/DAVIDS, 0 ABSTAINS, and 3 EXCUSED, the **Motion Prevailed**, Reps. Agbaje and Davids were elected TERC Co-Chairs.

Sen. Clark moved to nominate Sen. Klein for the position of Vice Chair. Rep. Smith nominated Sen. Clark for the position of Vice Chair. Sen. Clark accepted the nomination. Sen. Clark withdrew his nomination of Sen. Klein for the position of Vice Chair. No other nominations were made for the position of Vice Chair.

A roll call vote was taken.

CLARK:	ABSTAIN:	EXCUSED:
Commissioner Marquart	Sen. Clark	Sen. Klein
Rep. Agbaje		Rep. Robbins
Rep. Davids		Sen. Weber
Sen. Koran		
Rep. Smith		

There being 5 votes for CLARK, 1 ABSTAIN, and 3 EXCUSED, the **Motion Prevailed**, Sen. Clark was elected TERC Vice Chair.

Review and Approval of December 4, 2024 Meeting Minutes

The meeting minutes from December 4, 2024 were approved as presented.

Presentation and Review of 2025-26 TERC Binder Materials

Christian Larson, Director with the Legislative Budget Office and Kristi Schroedl, Deputy Director with the Legislative Budget Office, provided Commission members with a historical overview of the Tax Expenditure Review Commission, including statutory duties and work that has taken place in previous years. Commission questions and discussion followed. Rep. Gomez noted that several gambling-related tax expenditures had been miscategorized as belonging to the mortgage registry bundle on the 2025-2026 TERC Evaluation Schedule provided to Commission members. Deputy Director Schroedl stated that Legislative Budget Office staff will correct the error. Staff were also directed to follow up with members after the meeting to provide a status update on the 31 tax expenditure evaluations currently in process.

Minnesota Statutes 3.8855 Sub. 5 Compliance Discussion

Commissioner Marquart provided various options for Commission members' consideration when recommending whether a tax expenditure be continued, repealed, or modified. Commission questions and discussion followed. Commission members were directed to consider the options presented and be prepared to discuss them at the next TERC meeting.

Future Meetings

Co-Chair Agbaje noted that she and Co-Chair Davids would meet with staff to discuss the schedule and agenda for future meetings and would then follow up with other Commission members.

Adjournment

There being no further business, the meeting adjourned at 2:06 PM.