Tax Expenditure Review Commission

Meeting Minutes

December 10, 2025
Hybrid Meeting – MN Capitol G3/Zoom

Co-Chair Esther Agbaje called the meeting of the Tax Expenditure Review Commission (TERC) to order at 12:00 PM.

Members Present:
Rep. Esther Agbaje (Co-Chair)
Rep. Greg Davids (Co-Chair)
Sen. Doron Clark (Vice Chair)
Commissioner Paul Marquart
Rep. Kristin Robbins
Rep. Andy Smith
Sen. Bill Weber
Rep. Aisha Gomez (Ex Officio)

Members Excused:
Sen. Matt Klein
Sen. Mark Koran

A quorum was present.

Review and Approval of November 5, 2025, Meeting Minutes

The meeting minutes from November 5, 2025, were approved as presented.

Review of Fillable Tax Expenditure Evaluation Form and Proposed Procedures

Co-Chair Agbaje presented the draft fillable tax expenditure evaluation form created by the Legislative Budget Office (LBO) at the Commission's direction, along with proposed procedures related to the evaluation process, for the Commission's consideration. Commission questions and discussion followed.

Rep. Robbins moved to adopt the draft 2025 TERC evaluation process form and corresponding procedures as presented to the Commission for consideration on December 10, 2025, subject to technical and conforming changes adopted by the Chair and Vice Chair received by December 19, 2025, in accordance with Minnesota Statute 3.8855.

A roll call vote was taken.

AYE:	NAY:	EXCUSED:
Rep. Agbaje (Co-Chair)		Sen. Klein
Rep. Davids (Co-Chair)		Sen. Koran
Sen. Clark (Vice Chair)		
Commissioner Marquart		
Rep. Robbins		
Rep. Smith		
Sen. Weber		

There being 7 AYES, 0 NAYS, and 2 EXCUSED, the **Motion Prevailed**, the draft 2025 TERC evaluation process form and corresponding procedures were adopted.

Credit for Small Brewers, Small Wineries, and Microdistilleries Tax Expenditures Evaluation Report Presentation

Jordan Peoples, Program Evaluator with the LBO, and Vlad Fleurimond, Economist with the LBO, presented the Credit for Small Brewers, Small Wineries, and Microdistilleries Tax Expenditures evaluation report. Commission questions and discussion followed.

Lawful Gambling Tax Expenditures Evaluation Report Presentation

Thomas Raney, Program Evaluator with the LBO, and Annie Lemieux, Program Evaluator with the LBO, presented the Lawful Gambling Tax Expenditures evaluation report. Commission questions and discussion followed.

Residential Heating Fuels, Residential Water Services, and Sewer Services Tax Expenditures Evaluation Report Presentation

Jordan Peoples, Program Evaluator with the LBO, and Carlos Güereca, Lead Analyst with the LBO, presented the Residential Heating Fuels, Residential Water Services, and Sewer Services Tax Expenditures evaluation report. Commission questions and discussion followed.

Agenda items for next meeting

Co-Chair Agbaje noted that there are two TERC meetings scheduled for January 2026 prior to the start of the 2026 legislative session. The Co-Chair reminded members that the first meeting will take place on Thursday, January 15, from 12:00-1:30pm and informed members that the Commission will vote to continue, repeal, or modify the tax expenditures that were presented at today's meeting. Co-Chair Agbaje also noted that the second

meeting would take place on Wednesday, January 28 from 12-1:30pm, and the focus of that meeting would be review and approval of the draft annual TERC report.

Adjournment

There being no further business, the meeting adjourned at 1:22 PM.