Tax Expenditure Review Commission

Meeting Minutes

July 15, 2026
Hybrid Meeting – MN Capitol Room120/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)
Rep. Aisha Gomez (Ex Officio)
Sen. Amanda Hemmingsen-Jaeger
Sen. Mark Koran
Rep. Kristin Robbins
Rep. Andy Smith

Members Excused:
Commissioner Paul Marquart
Sen. Bill Weber

A quorum was present.

Review and Approval of June 17, 2026, Meeting Minutes

Co-Chair Greg Davids moved to approve the meeting minutes from June 17, 2026, as presented. The **Motion Prevailed**, the meeting minutes from June 17, 2026, were approved as presented.

Review and Vote on Previously Presented Tax Expenditure Evaluations

Christian Larson, Director with the LBO, provided an overview of Commission members' aggregated evaluations of the Small Winery Credit (TEB 7.2.03), which was presented to the Commission on December 10, 2025. Commission questions and discussion followed.

Motion: Co-Chair Davids moved to recommend the Small Winery Credit (TEB 7.2.03), be modified in accordance with the duties outlined in Minnesota Statutes, section 3.8855, subdivision 5(a)(9).

A roll call vote was taken.

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

There being 6 AYES, 0 NAYS, 1 ABSTAIN, and 2 EXCUSED, the **Motion Prevailed**, the recommendation to modify the Small Winery Credit (TEB 7.2.03) was adopted.

Christian Larson, Director with the LBO, provided an overview of Commission members' aggregated evaluations of the Interest on Contributions to a First Time Homebuyer Account Tax Expenditure (TEB 1.4.14) which was presented to the Commission on June 17, 2026. Commission questions and discussion followed.

Motion: Co-Chair Davids moved to recommend the Interest on Contributions to a First Time Homebuyer Account Tax Expenditure (TEB 1.4.14) be repealed in accordance with the duties outlined in Minnesota Statutes, section 3.8855, subdivision 5(a)(9).

A roll call vote was taken.

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

There being 6 AYES, 0 NAYS, 1 ABSTAIN, and 2 EXCUSED, the **Motion Prevailed**, the recommendation to repeal the Interest on Contributions to a First Time Homebuyer Account Tax Expenditure (TEB 1.4.14) was adopted.

Christian Larson, Director with the LBO, provided an overview of Commission members' aggregated evaluations of the Home Mortgage Interest Tax Deduction Expenditure (TEB 1.3.05), which was presented to the Commission on June 17, 2026. Commission questions and discussion followed.

Motion: Vice Chair Doron Clark moved to recommend the Home Mortgage Interest Tax Deduction Expenditure (TEB 1.3.05) be modified in accordance with the duties outlined in Minnesota Statutes, section 3.8855, subdivision 5(a)(9).

A roll call vote was taken.

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

There being 6 AYES, 0 NAYS, 1 ABSTAIN, and 2 EXCUSED, the **Motion Prevailed**, the recommendation to modify the Home Mortgage Interest Tax Deduction Expenditure (TEB 1.3.05) was adopted.

LBO Presentations of Tax Expenditure Evaluation Reports:

Annie Lemieux, Program Evaluator with the LBO, presented the Mortgage Registration Tax Expenditure Evaluations Report for Agricultural Loans (TEB 9.1.01) and Government Housing (TEB 9.1.02) and DEED Transfer Tax (TEB 10.1.01 – 10.1.06). Commission questions and discussion followed.

Thomas Raney, Program Evaluator with the LBO, and Joel Enders, Lead Budget Analyst with the LBO, presented the Open Space Property Tax Expenditure (TEB 13.2.03) Evaluation Report.

LBO Presentation of Initial Reviews and Proposed Objectives

Co-Chair Agbaje noted that the Initial Review presentations that were scheduled for the current meeting would be postponed to a future meeting due to time constraints.

Agenda Items for Next Meeting

Co-Chair Agbaje noted that the upcoming August 19, 2026, meeting would include time for Commission discussion and questions related to the Open Space Property Tax Expenditure (TEB 13.2.03) Evaluation Report and directed LBO staff to refrain from sending members the survey related to that report until after the August meeting and discussion. Co-Chair Agbaje also informed members that they would be hearing three new evaluations at the

August 19 meeting: Beginning Farmer Management Credit, Sales of Agricultural Assets to Beginning Farmers Credit, and Employer Transit Pass Credit.

Adjournment

There being no further business, the meeting adjourned at 1:26 PM.