Tax Expenditure Review Commission

Meeting Minutes

August 19, 2026

Hybrid Meeting – MN Capitol Room120/Zoom

Co-Chair Greg Davids 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
Commissioner Paul Marquart

Members Excused:
Rep. Kristin Robbins
Rep. Andy Smith
Sen. Bill Weber

A quorum was present.

Review and Approval of July 15, 2026, Meeting Minutes

Vice Chair Doron Clark moved to approve the meeting minutes from July 15, 2026, as presented. The **Motion Prevailed**, the meeting minutes from July 15, 2026, were approved as presented.

Open Space Property Tax Expenditure Evaluation Report Review

Joel Enders, Lead Budget Analyst with the Legislative Budget Office (LBO) and Thomas Raney, Program Evaluator with the LBO, presented a review of the Open Space Property Tax Expenditure (TEB 13.2.03) Evaluation Report, which was presented in its entirety at the previous TERC meeting on July 15, 2026. Commission questions and discussion followed.

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 Agricultural Loans Tax Expenditure (TEB 9.1.01), which was presented to the Commission on July 15, 2026. Commission questions and discussion followed.

Motion: Co-Chair Esther Agbaje moved to recommend the Agricultural Loans Tax Expenditure (TEB 9.1.01), be continued in accordance with the duties outlined in Minnesota Statutes, section 3.8855, subdivision 5(a)(9).

Continued Commission discussion followed.

A roll call vote was taken.

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

There being 6 AYES, 0 NAYS, and 3 EXCUSED, the **Motion Prevailed**, the recommendation to continue the Agricultural Loans Tax Expenditure (TEB 9.1.01) was adopted.

Christian Larson, Director with the LBO, provided an overview of Commission members' aggregated evaluations of the Government Housing Programs Tax Expenditure (TEB 9.1.02) which was presented to the Commission on July 15, 2026. Commission questions and discussion followed.

Motion: Vice Chair Clark moved to recommend the Government Housing Programs Tax Expenditure (TEB 9.1.02) be continued in accordance with the duties outlined in Minnesota Statutes, section 3.8855, subdivision 5(a)(9).

Continued Commission discussion followed.

A roll call vote was taken.

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

There being 6 AYES, 0 NAYS, and 3 EXCUSED, the **Motion Prevailed**, the recommendation to continue the Government Housing Programs Tax Expenditure (TEB 9.1.02) was adopted.

Christian Larson, Director with the LBO, provided an overview of Commission members' aggregated evaluations of the Deed Transfer Tax Expenditure Bundle, which was presented to the Commission on July 15, 2026 and included the following Tax Expenditures: Property Partitioned Between Owners (TEB 10.1.01), Distribution by Personal Representative (TEB 10.1.02), Cemetery Lots (TEB 10.1.03), Exchange of Permanent School Fund Lands (TEB 10.1.04), Mortgage or Lien Foreclosure Sales (TEB 10.1.05), and Decree of Marriage Dissolution (TEB 10.1.06). Commission questions and discussion followed.

Motion: Co-Chair Davids moved to recommend the Deed Transfer Tax Expenditure Bundle (TEB 10.1.01, TEB 10.1.02, TEB 10.1.03, TEB 10.1.04, TEB 10.1.05, and TEB 10.1.06) be continued in accordance with the duties outlined in Minnesota Statutes, section 3.8855, subdivision 5(a)(9).

A roll call vote was taken.

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

There being 6 AYES, 0 NAYS, and 3 EXCUSED, the **Motion Prevailed**, the recommendation to continue the Deed Transfer Tax Expenditure Bundle (TEB 10.1.01, TEB 10.1.02, TEB 10.1.03, TEB 10.1.04, TEB 10.1.05, and TEB 10.1.06) was adopted.

LBO Presentations of Tax Expenditure Evaluation Reports:

Carlos Güereca, Lead Analyst with the LBO, and Vlad Fleurimond, Economist with the LBO, presented the Beginning Farmer Management Credit and Credit for Sale of Agricultural Assets Tax Expenditures (TEB 1.6.22 and 1.6.23) Evaluation Report. Commission questions and discussion followed. Jenny Heck, State Program Administrator with the Minnesota Department of Agriculture, answered additional Commission questions.

Carlos Güereca, Lead Analyst with the LBO, and Annie Lemieux, Program Evaluator with the LBO, presented the Employer Transit Pass Credit Tax Expenditures (TEB 1.6.04 and 2.6.02) Evaluation Report.

LBO Presentation of Initial Reviews and Proposed Objectives

Co-Chair Davids informed members that the Initial Review presentations that were scheduled for the current meeting would be postponed until a future meeting due to time constraints.

Agenda Items for Next Meeting

Co-Chair Davids noted that the upcoming September 23, 2026, meeting would include voting on recommendations for the three Tax Expenditure Evaluations discussed/presented at the current meeting (Open Space Property Tax Expenditure – TEB 13.2.03, Beginning Farmer Management Credit and Credit for Sale of Agricultural Assets Tax Expenditures – TEB 1.6.22 and 1.6.23, and Employer Transit Pass Credit Tax Expenditures – TEB 1.6.04 and 2.6.02). Co-Chair Davids also informed members that next meeting would include presentations of the postponed initial reviews from the current meeting.

Adjournment

There being no further business, the meeting adjourned at 1:30 PM.