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March 26, 2025

Senator Nicole Grohoski, Chair
Representative Kristen Cloutier, Chair
Committee on Taxation
100 State House Station
Augusta, Maine 04333

Re: *L.D. 982, An Act to Establish Equal Tax Treatment for the Mi'kmaq Nation*

Greetings, Senator Grohoski and Representative Cloutier:

I am writing in support of L.D. 982, An Act to Establish Equal Tax Treatment for the Mi'kmaq Nation.

In 2022, the 130th Legislature enacted, and the Governor signed, legislation addressing various aspects of the jurisdictional relationship between the tribes in Maine and the State. P.L. 2021, ch. 681. This legislation was the result of many months of collaborative discussions between the tribes, the Governor's office, and my office. Among other things, the law provided significant state tax benefits to the Passamaquoddy Tribe, the Penobscot Nation, and the Houlton Band of Maliseet Indians. See *id.*, pts. B through H. The Mi'kmaq Nation, however, did not directly participate in the discussions during 2022, and the Nation was not included in that legislation's tax provisions.

In 2023, my office and the Governor's Office engaged in separate discussions with the Mi'kmaq Nation on various aspects of its jurisdictional relationship with the State. Those discussions were extremely productive and resulted in an agreement that was adopted by the Legislature as the Mi'kmaq Nation Restoration Act (MNRA), 30 M.R.S. §§ 7201-10. See P.L. 2023, ch. 369 (amending P.L. 1989, ch. 148). Legislation was proposed in the same session to

include the Nation in the beneficial tax provisions for tribes in Title 36, but that legislation died at the end of the 131st Legislature. See L.D. 1958 (131st Legis.).

The current bill would amend Title 36 to include the Mi'kmaq Nation and put the Nation on the same footing as the other tribes in Maine with respect to state taxation. There is no doubt in my mind that the Mi'kmaq Nation should be able to enjoy the same benefits as the three other tribes when it comes to sales tax, income tax, and other enumerated state taxes. I thus fully support this bill, and hope that you will as well.

There is one technical issue that needs to be addressed. As currently drafted, the bill proposes to add definitions of "Mi'kmaq Nation" and "Mi'kmaq Nation Trust Land" to 36 M.R.S. § 111 that vary from the definitions for the same terms in the MNRA. To prevent inconsistency and confusion, sections B-1 and B-2 should be amended to cross-reference 30 M.R.S. § 7203(4) and 30 M.R.S. § 7203(6), respectively. This is the same approach utilized for other tribes in 36 M.R.S. § 111, including subsections (2-A) through (2-D), that cross-reference terms in the Maine Implementing Act, 30 M.R.S. §§6210-14.

With that technical change, I urge you to vote Ought to Pass.

Sincerely,

A handwritten signature in black ink that reads "Aaron M. Frey". The signature is written in a cursive, slightly slanted style.

Aaron M. Frey
Attorney General