

**Testimony of Steve Silver, Chair of the Maine Gambling Control Board  
In Opposition To LD 1164 - “An Act to Create Economic Opportunity for the Wabanaki  
Nations Through Internet Gaming”**

**March 31, 2025**

Senator Hickman, Representative Supica, and Members of the Committee on Veterans and Legal Affairs, my name is Steve Silver. I am the Chair of the Maine Gambling Control Board and I am writing to voice my opposition to LD 1164 as it is currently written.<sup>1</sup>

Maine should consider legalizing Internet Gaming (“iGaming”). It is my personal belief that adult Mainers should be free to enjoy legal, regulated gaming in all its forms. But I also believe that any qualified operator should have the ability to obtain an iGaming license including the Wabanaki Nations. Cutting out Oxford and Hollywood Casinos entirely from offering iGaming is ill-advised in my opinion and creates a monopoly that is harmful to consumers and Maine workers employed by Oxford and Hollywood Casinos. Furthermore, removing casino games from the regulatory authority of the Gambling Control Board violates Maine law and renders the Board effectively useless. Below are the reasons why LD 1164 should not pass as currently written.

**1. Maine Law Vests Regulatory Authority of Casino Games to the Gambling Control Board, not the Director of the Gambling Control Unit**

LD 1164 puts all regulatory authority for iGaming in the hands of the Director of the Gambling Control Unit with no oversight by the Gambling Control Board. Yet, Maine law (Title 8, Chapter 31 § 1003) vests the power of regulating, supervising, and controlling the operation of slot machines and table games to the Gambling Control Board. By doing so, Maine law gives Mainers a more representative governing body since Board members must be appointed by the Governor and confirmed by the Senate with staggered terms. LD 1164 short circuits that democratic Board and divests the Board of authority over slots and table games (whether in physical or online form) in violation of Maine law.

Currently, the Gambling Control Board regulates, supervises, and controls the ownership and operation of slot machines and table games – *including electronic table games* at Maine’s two licensed casinos per Title 8, Chapter 31 § 1003. Additionally, Maine law tasks the Board with regulating advanced deposit wagering which is *wagering on horse races over the Internet*.

LD 1164 merely seeks to legalize betting via mobile device on the same slots and table games that already exist at casinos – which the Board already regulates in physical and electronic form. Regardless of the medium of those games, they fall under the Board’s authority. Moreover, the legislature already tasked the Board with regulating horse betting over the Internet, so why would this be any different?

Dividing up regulatory authority whereby the same game (blackjack, for example) is regulated by the Board in a casino, but the Unit on the Internet, makes no sense and will lead to potentially conflicting rules and regulations as we have seen from the sports betting rollout.

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<sup>1</sup> The views expressed herein are my own and not the Board’s.

## 2. LD 1164 Will Lead To Job Losses

Legalizing iGaming does not create any new jobs in Maine. Like we saw from the legalization of sports wagering, the two out-of-state corporate mobile operators partnered with Maine's tribes and merely turned on an existing application. That is the same that will happen with iGaming. There is no local job creation and no local infrastructure development.

However, Oxford and Hollywood Casinos employ nearly 1,000 Mainers. Legalizing iGaming *without* permitting Oxford and Hollywood to participate will lead to job cuts. I am willing to bet on it. Indeed, a February 2025 report by the Innovation Group<sup>2</sup> found that legalizing iGaming leads to significant job losses and predicts **378 jobs lost in Maine** if iGaming is legalized. If LD 1164 moves forward with a Tribal monopoly plan, it should include a relief fund for the nearly 400 employees likely to be affected by the drop in land-based casino revenue.

## 3. LD 1164 Will Increase Gambling Addiction

Although I am personally in favor of gaming expansion in Maine, we must all acknowledge that gambling can be addictive. By literally putting a casino in everyone's pocket where customers can gamble with credit cards, we can expect an increase in problem gambling issues in Maine.

In 2022 the Gambling Control Board recorded 133 Mainers who self-excluded from casino gambling prior to the legalization of sports wagering. Currently, there are 475 self-excluded patrons. That is a **275% increase** in just three years. iGaming will further exacerbate this problem.

In Connecticut – a state with both legalized sports wagering and iGaming – calls to the Connecticut Council on Problem Gambling's hotline **doubled** between 2019 and 2023.<sup>3</sup>

In Michigan, calls to the Problem Gambling hotline increased 267% once iGaming began.<sup>4</sup>

According to a panel at the Harvard School of Public Health, iGaming is **10 times more addictive** than other forms of gambling.<sup>5</sup>

Additionally, This problem skews younger due to the mobile nature of the gambling activity. For example, a Fairleigh Dickinson University Survey from September 2024 indicates that 10% of men ages 18 to 30 have a gambling problem, but only 3% of the general population does.<sup>6</sup> Introducing one addictive product to fund treatment for other forms of addiction is an irony this committee should not entertain.

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<sup>2</sup> [NAAiG-iGaming-Impact-Report-.pdf](#)

<sup>3</sup> <https://time.com/6342504/gambling-addiction-sports-betting-college-students/>

<sup>4</sup> [https://www.abc12.com/news/state/revenue-and-addiction-skyrocket-in-5-years-since-law-legalizing-online-gambling/article\\_9244fd66-a6cd-11ef-85b9-37e689ee3bfb.html](https://www.abc12.com/news/state/revenue-and-addiction-skyrocket-in-5-years-since-law-legalizing-online-gambling/article_9244fd66-a6cd-11ef-85b9-37e689ee3bfb.html)

<sup>5</sup> [Online gambling: The stakes for public health | Harvard T.H. Chan School of Public Health](#)

<sup>6</sup> <https://apnews.com/article/sports-betting-compulsive-gambling-addiction-d4d0b7a8465e5be0b451b115cab0fb15>

#### 4. Low Tax Rate Without Differentiation For Game Type Is Wrong

Casinos offer a variety of games from slots to table games like craps and roulette. The win rates vary substantially depending on the game. This is why Maine implemented a tiered taxation structure for casinos. Hollywood Casino pays a 40% tax on slot revenue and a 16% tax on table games. Oxford Casino pays a 46% tax on slot revenue and a 16% tax on table games. Yet, LD 1164 proposes a flat 16% tax with no differentiation between slots and table games. This is improper and irresponsible to the citizens of Maine who will lose out on the missed tax revenue.

In addition to those taxes, the casinos also must pay employees, property taxes, payroll taxes, and maintain physical buildings. Operating iGaming requires none of those expenses. The tribes will simply have their current out-of-state corporations operating sports betting turn on the iGaming application. There is no local investment required whatsoever. That is why the six current states with legalized iGaming use graduated tax rates ranging from 15% in West Virginia up to 54% for slots in Pennsylvania, with New Jersey, Connecticut, and Pennsylvania (for tables games and poker) applying rates of 16-18% and a graduated rate of 20-28% in Michigan depending on the game and revenue thresholds.<sup>7</sup> The National Council of Legislators from Gaming States (NCLGS) has recommended that states implement legislation with an iGaming tax rate between 15% and 25%. Why is Maine proposing the low end? Using a 16% flat tax copied from sports wagering is a handout to iGaming operators at the expense of Maine citizens.

#### 5. LD 1164 Will Cut Revenue for K-12 Education in Maine, Agricultural Fairs, Veterans' Assistance, and Many Other Worthy Causes

Oxford and Hollywood Casinos are major employers and taxpayers in Maine. However, by granting a tribal monopoly for mobile sports wagering, casino revenue has dropped, which leads to a loss in tax revenue for the state.

In 2023, Maine's casinos generated \$70,011,918 in tax revenue. But the launch of mobile sports wagering has cannibalized casino revenue. In 2024, total tax revenue from the casinos dropped to \$67,260,928. In the aggregate, the state ends up with more tax money because sports wagering generated about \$5 million tax revenue. However, the tax cascade recipients are different. This means certain funds and recipients lose money as gambling expands.

LD 1164 provides for taxes to go to the General Fund, Gambling Addiction Prevention and Treatment Fund, E-9-1-1 Fund, Opioid Use Disorder Prevention and Treatment Fund, Maine Veterans' Homes Stabilization Fund, and Emergency Housing Relief Fund. Those Funds are certainly worthy recipients.

However, in Maine, there are **19 different recipients** of casino taxes **including the Penobscot and Passamaquoddy tribes**.<sup>8</sup> LD 1164 has no plan for the loss of revenue to those recipients if Oxford and Hollywood casinos are excluded from offering iGaming. The Innovation Group report I referenced earlier determined that **“brick-and-mortar casino revenue underperforms by 16.5% following iGaming introduction (15.8% netting out macroeconomic**

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<sup>7</sup> <https://igaming.lnw.com/wp-content/uploads/2022/08/US-iGaming-State-Tax-Revenue-Potential-v3.pdf>

<sup>8</sup> <https://www.maine.gov/dps/sites/maine.gov.dps/files/inline-files/annual-report-2022.pdf>

factors). This figure derives from comparing the results of iGaming states, which saw an approximately 4.3% decline in land-based revenue, against those in non-iGaming states, which experienced approximately 12.2% growth over the last five years.”

For 2024, here is how much each recipient received from Oxford and Hollywood casinos combined and the predicted shortfall if iGaming is legalized in a tribal monopoly format:

| <b>Recipient</b>   | <b>2022 Total</b> | <b>Projected 16% Loss with Tribal Monopoly iGaming Plan</b> |
|--|-------------------|---|
| <b>General Fund</b>  | \$7,602,119.69    | - \$1,216,339.15  |
| <b>Gambling Control Board Expenses</b>                       | \$ 4,694,367.50   | - \$751,099   |
| <b>Department of Education for Grades K-12</b>               | \$22,656,037.62   | - \$3,624,966   |
| <b>Maine Maritime Academy</b>                                | \$162,146.55      | - \$25,943  |
| <b>Maine Community College System</b>                        | \$3,013,745.16    | - \$482,199   |
| <b>University of Maine System Scholarship Fund</b>           | \$4,162,255.74    | - \$665,961   |
| <b>Fund to Encourage Racing at Maine’s Commercial Tracks</b> | \$1,836,451.63    | - \$293,832   |
| <b>Harness Racing Purses</b>                                 | \$5,467,557.37    | - \$874,809   |
| <b>Sire Stakes Fund</b>                                      | \$2,253,767.08    | - \$360,603   |
| <b>Agricultural Fair Support Fund</b>                        | \$2,253,767.08    | - \$360,603   |
| <b>Fund to Stabilize Off Track Betting</b>                   | \$459,112.91      | - \$73,458  |
| <b>Penobscot and Passamaquoddy Tribes</b>                    | \$3,406,176.39    | N/A due to proposed iGaming monopoly                        |
| <b>Town of Oxford</b>  | \$1,991,506.01    | - \$318,641   |
| <b>City of Bangor</b>  | \$661,302.15      | - \$59,086  |
| <b>Oxford County</b>   | \$995,752.98      | - \$105,808   |
| <b>Healthy Maine Fund</b>                                    | \$4,591,128.98    | - \$734,580   |
| <b>Dairy Improvement fund</b>                                | \$425,772.05      | - \$68,123  |
| <b>Milk Pool</b>   | \$425,772.05      | - \$68,123  |
| <b>Veterans’ Assistance</b>                                  | \$202,189.24      | - \$32,350  |

Maine is a small state with only so many gaming dollars to spread out. If the casinos see cannibalization, what is the plan to replace the millions of dollars lost to the Department of Education for grades K-12? Do Oxford and Bangor now have to raise property taxes to make up for the six-figure shortfall? LD 1164 needs to include Oxford and Hollywood Casinos to maintain funding to these recipients or at least adopt a similar tax revenue cascade for iGaming. At a minimum, if LD 1164 moves forward as proposed, Oxford Casino should no longer have to pay 4% of slot revenue to the Penobscot and Passamaquoddy Tribes if the Tribes obtain a monopoly for iGaming.

Overall, LD 1164 needs more modification before moving forward. I urge you to adopt an open, free-market approach that includes the Tribes *and* the casinos while also reconsidering the proposed taxation and regulatory model.