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Testimony in Support of *L.D. 1958, An Act to Provide the Mi'kmaq Nation with Sales Tax Revenue for Sales Occurring on Mi'kmaq Nation Territory*

Senator Grohoski, Representative Perry, and distinguished members of the Taxation Committee, my name is Aaron Frey, and I have the privilege of serving as Maine's Attorney General. I am here today to speak in support of *L.D. 1958, An Act to Provide the Mi'kmaq Nation with Sales Tax Revenue for Sales Occurring on Mi'kmaq Nation Territory*.

Last year, 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 authorized the Penobscot Nation and the Houlton Band of Maliseet Indians to receive revenue attributable to the amount of sales taxes collected by retailers with physical locations on each tribe's respective territories. *See id.*, pt. E, § 2. The Passamaquoddy Tribe has enjoyed this benefit since 1999. *See* P.L. 1999, ch. 477, § 1 (effective Sept. 18, 1999) (enacting 36 M.R.S. § 1815).

The Mi'kmaq Nation did not directly participate in the discussions during 2022, and it was not included in the legislation's tax provisions. Over the last several months, the Governor's office and my office have engaged in separate discussions with the Nation on various aspects of its jurisdictional relationship with the State. These discussions have been extremely productive, and we have either reached, or likely will reach, consensus on several important matters. L.D. 1958 is a product of our discussions. There is no doubt in my mind that the Mi'kmaq Nation should be on the same footing as other tribes when it comes to retaining revenue from sales collected by retailers with physical locations on the Nation's lands. 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 refers to sales occurring on "Mi'kmaq Nation territory." The bill should instead reference "Mi'kmaq Nation Trust Land" and include a definition for that phrase. I understand that the Nation intends to request an amendment to make this change.

I am confident that the discussions we have had (and will continue to have) with the Mi'kmaq Nation will result in further proposed legislation. For now, though, L.D. 1958 is a positive step, and I urge you to vote Ought to Pass.