



Chair Hickman, Chair Supica and members of the Veterans and Legal Affairs Committee, thank you for the opportunity to provide testimony in support of LD 1164. My name is Matt Scalf, I am a Government Affairs Manager at DraftKings.

DraftKings Inc. is a digital sports entertainment and gaming company with products that range across daily fantasy, regulated gaming, and digital media. Headquartered in Boston and launched in 2012, the Company operates iGaming pursuant to regulations in five states and in Ontario, Canada under its DraftKings brand and pursuant to regulations in three states under its Golden Nugget Online Gaming brand. DraftKings is committed to being a responsible steward of this new era in real-money gaming by developing and promoting educational information and tools to help all players enjoy our games responsibly.

In October 2023, we were proud to announce an agreement with the Passamaquoddy Tribe to launch mobile sports wagering in Maine. Building on that, we are proud to be testifying here today in support of the Passamaquoddy Tribe and online gaming that supports economic independence for Maine's tribal nations.

DraftKings is committed to giving back to tribal communities and we work with all of our tribal partners to support initiatives and events that are important to each of their communities. We celebrate and honor tribal heritage and traditions through sponsorship of local events and community days, including a Sipayik Passamaquoddy Days and an Elders Christmas Party. We have also learned as a company from the Passamaquoddy Tribe, with Chief Nicholas joining our CEO Jason Robins in a fireside chat for all employees.

Regulating online gaming provides new revenue for the state and other stakeholders while setting consumer protections and regulating an illegal activity that is flourishing across the country. Connecticut, a state roughly twice and a half times the size of Maine, generated more than \$81 million in iGaming taxes in 2024.¹ States that adopt a reasonable tax rate, like Connecticut currently at 18%, see positive revenue trends while creating a market well suited to eradicate the illegal market. Legalization of online gaming creates an opportunity to open new doors and fund important legislative priorities.

Online gaming also appeals to a different demographic than traditional casino patrons, as many persons likely to engage in online gaming are already doing so through the expansive options in the illegal market. In 2022, the American Gaming Association estimated that 30 percent of online gaming occurs illegally, and another 18 percent mix between legal (where available) and illegal sites. In fact, the AGA estimated that there was as much as \$338 billion in money illegally wagered annually². And this was before the current blitz of advertising from illegal offshore casinos and online sweepstakes casinos. Much like the successful sports wagering market in the Maine, legalizing online gaming can be effectively regulated and provide consumers guaranteed protections they do not receive in the illegal market.

To that point, legal, regulated online gaming companies take responsible gaming and consumer protections very seriously. DraftKings is committed to operating with integrity, offering a secure,

¹ <https://data.ct.gov/Government/Online-Casino-Gaming-Payments-to-State/se2q-sh9j?referrer=embed>

² <https://www.americangaming.org/wp-content/uploads/2022/11/Sizing-the-Illegal-and-Unregulated-Gaming-Markets-in-the-US.pdf>



regulated alternative to the illegal market while generating significant tax revenue. Responsible gaming is central to how we operate—we are dedicated to providing a responsible, fair, and transparent experience for all players. We continuously invest in technology, education, and industry collaborations to empower players with tools and resources that encourage players to set limits and play responsibly.

Maine has an opportunity to lead by legalizing online gaming. LD 1168 provides entertainment for your citizens and creates a new stream of revenue for the state's tribes and legislative priorities.

Thank you for your consideration.