

**Testimony of Chief William Nicholas Sr.
Passamaquoddy Tribe at Motahkomikuk (Indian Township)
Monday, March 31, 2025
Hearing before the Committee on Veterans and Legal Affairs**

**LD 1164, An Act to Create Economic Opportunity for the Wabanaki Nations
Through Internet Gaming**

Senator Hickman, Representative Supica, and Distinguished Members of the VLA Committee:

My name is William Nicholas Sr. I am the Chief of the Passamaquoddy Tribe at Motahkomikuk.

It's good to be back here today. Thank you for the opportunity to speak in support of LD 1164.

Maine is currently home to an illegal mobile gambling industry that is easily accessed by Mainers at any time, with no benefit to the state of Maine.

LD 1164 provides consumer protection and creates new governmental revenue, without raising taxes on citizens, by regulating what's now an ongoing illicit activity.

In a historically challenging budget year for ALL governments around the United States including the Maine and Passamaquoddy governments, tribal owned and operated internet gaming represents an ideal opportunity to raise both tribal and state governmental revenue for the benefit of all Mainers.

Last year, this committee worked hard to outline a reasonable path forward on this issue.

LD 1164 is an extension of that work, which is cosponsored by legislators from both sides of the aisle and from throughout the state.

This proposal also builds on Maine's current mobile gambling industry, which has generated tens of millions in state revenue already.

The additional internet gaming activities permitted under this proposal, like roulette and blackjack, would generate much needed governmental revenue for Wabanaki and State governments for the primary benefit of rural Maine.

The importance of this proposal is best understood by history.

The Wabanaki Nations were the first entities conducting gaming in Maine and then we were the first to be blocked out.

We were blocked from entering casino gaming at a time when tribes were beginning to grow gaming for the benefit of state and tribal economies around the country.

We've watched out of state corporations monopolize Maine's gaming industry for decades.

Those casinos deliver tens of millions of dollars to out-of-state corporations every year.

They pay some to the state, but we all know that most of the revenues go right to Las Vegas and Kentucky where they never help Mainers again.

Blocking Wabanaki Nations from building tribal governments and economies through tribal-state gaming compacts, like what's done in other states, has led to funding deficits that hurt the ability of Tribal Nations within Maine to provide critical services to our citizens.

The Passamaquoddy Tribe, like any other government, has the responsibility to provide its citizens with certain governmental services. We have an annual funding deficit to cover, even with federal funds and existing businesses.

With tariffs, trade wars and inflation, we, like the state, need increased revenues to run our government. Our costs are going up too.

Indian Township Tribal Government directly runs child welfare services; youth and rec; education programs; a health center; housing; public works; law enforcement; a Tribal Court, and many more critical programs.

We're currently trying to build 17 on reservation homes.

That's where the revenue from all current businesses go and where new revenues would go. Right back to serving the people.

Where the Tribe does not have the resources to provide services, its citizens go without or, alternatively, the State provides services and incurs the resulting financial burden.

LD 1164 represents an opportunity to help increase government revenue to cover these costs by regulating an illegal activity that's already here in Maine.

Like Maine's two casinos, Maine's illegal internet gaming operators are simply siphoning money out of the state, just through different customers who play games on apps instead of casinos.

Based on information from the American Gaming Association, the annual illegal internet gaming market in Maine is costing the state lost tax revenues of \$37 million per year.

The lost business opportunity for a legal and state regulated entity is in the tens if not hundreds of millions of dollars per year.

Those revenues should be benefiting Mainers, not shadowy offshore companies or whoever runs the many apps that are currently available for illegal internet gaming.

Rather than keeping these revenues in the dark, LD 1164 has the potential to bring significant revenue to the State and the Wabanaki Nations.

With online sports wagering up and running, we can build on the infrastructure that is already in place.

Under LD 1164, we will grow our online gaming business for the benefit of not just our community, but also for Maine as a whole, through direct and indirect benefits to the state and local economies.

For direct benefits, the proposed legislation provides that internet gaming operators (i.e., the Wabanaki Nations) will collect and distribute 16% of gross receipts to the state, which would be allocated toward various budget needs.

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In terms of indirect benefits, a stronger financial outlook in Motahkomikuk will have economic “spillover” in our neighbor communities in Washington, Penobscot and Somerset Counties.

LD 1164 has the ability to help improve the economies of small towns and even cities like Princeton, Baileyville, Calais, Jackman and Bangor.

These are all communities that could use more financial support.

In closing, it is my job to work alongside our Tribal Council to protect our community and our future.

This legislation will enhance our ability to serve our community and will also deliver financial relief to the State when its much needed.

Please support LD 1164 and vote it favorably out of committee.

Thank you for the opportunity to testify today. Woliwon.