Chief William Nicholas Sr. In Support of LD 785 and LD 395
Judiciary Committee – Feb. 19, 2026

- Good morning, my name is William Nicholas, Sr. I am Chief of the Passamaquoddy Tribe at Mohtakomikuk.

- I'm here on behalf of the Passamaquoddy Tribe to testify in support of both:

  - LD 785, An Act to Enact the Remaining Recommendations of the Task Force on Changes to the Maine Indian Claims Settlement Implementing Act; AND ALSO

  - LD 395, An Act to Restore Access to Federal Laws Beneficial to the Wabanaki Nations

- I'd like to begin by thanking Chair Carney, Chair Kuhn, and the rest of the Committee for your time.

- I'd also like to thank the legislature as a whole for its consideration of these important bills and for your support for Tribal legislation over the past several years.

- The Tribe always has been, and continues to be, in favor of a full recognition of the Wabanaki Nations' sovereignty, including access to all federal laws applicable to tribes.

- When the State Legislature convened the Task Force on Changes to the Settlement Act in 2019 to start a process aimed at that goal, the Passamaquoddy Tribe poured significant resources in both time and money into the process.

- We attended every meeting with Tribal leaders and attorneys, and the product of that work was LD 785.

- LD 395 also evolved out of that effort.

- The Tribe was and continues to be very proud of that effort and the work that's been done to advance Wabanaki sovereignty in the 6 years since then.

- As part of that investment, the Passamaquoddy Tribe is the only Wabanaki Nation to have seated a tribal-state representative in the legislature for each of those legislative sessions.

- Representative Aaron Dana sits on this committee now and former Chief Rena Newell sat on this committee before him.
- The Tribe wanted its representatives on this committee because this is where sovereignty issues have historically been addressed in the Legislature.
- It's always been about sovereignty for us. Pure and simple.
- Going into this Legislature, the Tribe designated pursuit of economic development as its top goal for 2025-26, given the most recent outcomes for sovereignty legislation in the state.
- That decision was not about taking the foot of the sovereignty gas pedal.
- Instead, it was about a shifting of gears out of recognition that legal sovereignty is most attainable when there is a strong economic foundation to work from.
- We are proud to say that we made major progress towards the goal of economic sovereignty through the Governor's decision to allow LD 1164 to become law.
- That outcome was the product of months of work between Tribal leaders, attorneys, and the Governor's office, and we are grateful for that successful and ongoing collaboration.
- Over the past couple of months, this tribal-state dialogue shifted to LD 785 and legal sovereignty related issues.
- Therefore, I'd like to focus my testimony today on the issues under current discussion among the Tribes and Governor's office, including three items that the legislature can easily accomplish during this session.
- These "low hanging fruit," so to speak, expand on the good work that the Wabanaki Nations and the State did through LD 585.
- Specifically, we're advocating for amendments to the tax code that would provide for three tax exemptions beyond what was included in LD 585.
- First, we're advocating for an amendment that would extend the income tax exemption to tribal members who work for one of the four Wabanaki Nations, regardless of where the tribal member lives.

- Under LD 585, tribal members who work for a tribe and live on tribal land are exempt from state income tax.
- The exemption brings some economic relief to our tribal member employees and is consistent with federal Indian law principles that apply in other parts of the country.
- However, there's no reason to limit the exemption to folks who live on tribal land. The work is being performed on tribal lands, so it doesn't make sense that a person's residence determines whether they're subject to the tax.
- Instead, the legislature should amend the tax code again to broaden the exemption to any income that a tribal member earns working for any of the Wabanaki Nations.
- This is a common sense change that would give more much-needed economic relief to our tribal member employees and is in line with how tribal member employees are taxed in other jurisdictions.
- Second, we're advocating for an amendment that would extend the tribal entity sales tax exemption to purchases occurring on certain tribal-owned fee land.
- Like the amendment that I discussed a minute ago, this amendment would expand on a change that LD 585 introduced.
- LD 585 created a sales tax exemption for sales sourced to a location on tribal land. In other words, state sales tax doesn't apply if the services or property are received on tribal lands.
- "Tribal land" under LD 585 is limited to tribal trust land, but we have limited ability to convert fee lands into trust lands for purposes of this exemption.
- Thus, we want to see an amendment that defines "tribal land" as including both trust land and certain fee lands that each Wabanaki Nation owns.
- The tribes would designate particular fee lands to be subject to the exemption – and those lands would be expressly called out in the legislation.

- The fee lands where the Tribe operates businesses near Jackman are one example of where this change in law could bring a benefit.
- These businesses are very close to our trust lands and support the Tribe's hunting and fishing activities in that region.
- It's consistent with the thinking behind LD 585 that the goods and services that these businesses purchases would be exempt from state sales tax.
- As some of you may be aware, it can be difficult for us to get land taken into trust because of federal red tape and because of limitations imposed under the Settlement Acts.
- This amendment would allow us to enjoy the tax benefit on lands where goods and services are frequently delivered – even if the lands are owned in fee and the Tribe hasn't been able to put them into trust yet, such as Moose River Junction.
- Lastly, we are advocating for an amendment that would create a sales tax exemption for purchases of manufactured homes by tribal members to be installed on tribal lands.
- This amendment would make clear that a manufactured home is subject to the tribal member exemption that LD 585 created.
- It would also clarify that the tax exemption applies even if a contractor or subcontractor purchased the manufactured home before the tribal member does.
- The idea here is to leave no question that these sales are exempt from the tax.
- The folks that are living in manufactured homes are more often than not facing some degree of economic hardship and may not have the means to get legal counsel or other assistance to contest the tax if they get a bill in the mail.
- In sum – at this time, we're advocating for a narrow set simple amendments that expand, or in one case clarify, the tax exemptions provided for in LD 585.
- Ultimately, our goal is to deliver an amendment to the committee in time for a work session on LD 785.

- So for now, we'll continue to do as we have and will continue to engage with both sides of the aisle and with the Governor's office on Wabanaki sovereignty legislation.
- There's a lot of good momentum right now and we want to keep that up.
- The amendments that I discussed today will maintain that momentum, foster collaboration between the State and the Wabanaki Nations, and allow us to keep making progress together.
- With that, I'll conclude my comments.
- Thank you all for your time.