

STATE OF MAINE
Department of Public Safety
Gambling Control Board
87 State House Station
Augusta, Maine
04333-0087

JANET T. MILLS
GOVERNOR
MICHAEL SAUSCHUCK
COMMISSIONER

STEVEN SILVER
CHAIRMAN
MILTON CHAMPION
EXECUTIVE DIRECTOR

December 17, 2025

Governor Janet T. Mills 1 State House Station Augusta, ME 04333

Re: Support for Veto of LD 1164 – "An Act to Create Economic Opportunity for the Wabanaki Nations Through Internet Gaming"

Dear Gov. Mills,

At the December 16, 2025 meeting of the Maine Gambling Control Board, the Board unanimously voted 5-0 to write to you today to urge you to exercise your authority to veto LD 1164 when the legislature returns in January.

Although the Board has varying personal opinions about the general merits of legalizing Internet Gaming ("iGaming"), we are unified in our belief 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 and creates a monopoly that is harmful to consumers and the 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. As explained in more detail below, the Board urges you to veto LD 1164.

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, table games, and electronic table games to the Gambling Control Board. By doing so, Maine law gives Mainers a more representative governing body. LD 1164 divests the Board of authority over slots and table games 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 would 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.

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.

2. LD 1164 Will Lead To Job Losses

Legalizing iGaming does not create any new jobs in Maine. Rather, it will lead to **job losses**. Because iGaming is a mobile application, 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. During the Board's October meeting, representatives from Oxford Casino explained that approximately 120 Mainers will lose their jobs due to LD 1164's impact on that property alone. Hollywood Casino anticipates significant job losses as well. We cannot afford to put 100-200 Mainers out of work.

3. LD 1164 Will Increase Gambling Addiction

The Board strives to regulate gambling in Maine to provide a safe and fun form of entertainment with appropriate guardrails. Yet, we all know that gambling can be addictive. By 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 498 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 2023.¹

In Michigan, calls to the Problem Gambling hotline increased 267% once iGaming began.² New Jersey saw a 277% increase and Pennsylvania a 320% increase. This is not surprising, because

 $^{^{1}\ \}underline{https://time.com/6342504/gambling-addiction-sports-betting-college-students/}$

² 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

according to a panel at the Harvard School of Public Health, iGaming is **10 times more addictive** than other forms of gambling.³

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.⁴ Introducing one addictive product to fund treatment for other forms of addiction is an irony that should not be ignored.

4. 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. In 2024, 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 Gambling Addiction Prevention and Treatment Fund, E-9-1-1 Fund, a dairy stabilization tier program, Opioid Use Disorder Prevention and Treatment Fund, Maine Veterans' Homes Stabilization Fund, Fund for a Health Maine, and the School Revolving Renovation Fund. Those Funds are certainly worthy recipients.

However, in Maine, there are 19 different recipients of casino taxes including the Penobscot and Passamaquoddy tribes.⁵ LD 1164 has no plan for the loss of revenue to those recipients. At our October meeting, the Board reviewed a February 2025 report from the Innovation Group on the Economic Impacts of iGaming Expansion. That report determined that "brick-and-mortar casino revenue underperforms by 16.5% following iGaming introduction (15.8% netting out macroeconomic 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:

| Recipient | 2024 Total | Projected 16% Loss with Tribal Monopoly iGaming Plan |
|--|-----------------|--|
| General Fund | \$7,602,119.69 | - \$1,216,339.15 |
| Gambling Control Board Expenses | \$4,694,367.50 | - \$751,099 |
| Department of Education for Grades K- | \$22,656,037.62 | - \$3,624,966 |
| 12 | | |

³ Online gambling: The stakes for public health | Harvard T.H. Chan School of Public Health

⁴ https://apnews.com/article/sports-betting-compulsive-gambling-addiction-d4d0b7a8465e5be0b451b115cab0fb15

⁵ https://www.maine.gov/dps/sites/maine.gov.dps/files/inline-files/Annual%20Report%202024%20color.pdf

| Maine Maritime Academy | \$162,146.55 | - \$25,943 |
|--|----------------|-------------------------|
| Maine Community College System | \$3,013,745.16 | - \$482,199 |
| University of Maine System Scholarship | \$4,162,255.74 | - \$665,961 |
| Fund | | |
| Fund to Encourage Racing at Maine's | \$1,836,451.63 | - \$293,832 |
| Commercial Tracks | | |
| Harness Racing Purses | \$5,467,557.37 | - \$874,809 |
| Sire Stakes Fund | \$2,253,767.08 | - \$360,603 |
| Agricultural Fair Support Fund | \$2,253,767.08 | - \$360,603 |
| Fund to Stabilize Off Track Betting | \$459,112.91 | - \$73,458 |
| Penobscot and Passamaquoddy Tribes | \$3,406,176.39 | TBD because the Tribes |
| | | are the only iGaming |
| | | licensees under LD 1164 |
| Town of Oxford | \$1,991,506.01 | - \$318,641 |
| City of Bangor | \$661,302.15 | - \$59,086 |
| Oxford County | \$995,752.98 | - \$105,808 |
| Healthy Maine Fund | \$4,591,128.98 | - \$734,580 |
| Dairy Improvement fund | \$425,772.05 | - \$68,123 |
| Milk Pool | \$425,772.05 | - \$68,123 |
| Veterans' Assistance | \$202,189.24 | - \$32,350 |

Maine is a small state with only so many gaming dollars to spread out. If the casinos experience cannibalization, what is the plan to replace the millions of dollars lost to the casino tax cascade recipients? Without such a plan in place, LD 1164 should not move forward.

We understand that you have a difficult decision to make in January. However, after hearing from our current gaming licensees, we know that LD 1164 would cause significant harm to Mainers. Therefore, we the Maine Gambling Control Board, unanimously urge you to veto LD 1164.

Sincerely,

Steven J. Silver

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Chairman of the Board on behalf of Board Members, Noel March, Joseph Hanslip, Kelly Mackusick, and D'arcy Main-Boyington

cc: Ryan D. Fecteau, Speaker of the House (<u>ryan.fecteau@legislature.maine.gov</u>)
Mattie Daughtry, President of the Senate (<u>mattie.daughtry@legislature.maine.gov</u>)
Jeremy Kennedy, Chief of Staff (Jeremy.Kennedy@maine.gov)