



**MARYLAND STATE  
LICENSED BEVERAGE ASSOCIATION**

150 E Main Street, Suite 104, Westminster, MD 21157

TO: The Honorable Ben Barnes, Chair  
Members, House Appropriations Committee  
The Honorable Speaker of the House Adrienne A. Jones (Administration)

FROM: J. Steven Wise  
Pamela Metz Kasemeyer  
Danna L. Kauffman  
Andrew G. Vetter  
410-244-7000

DATE: February 28, 2024

RE: **SUPPORT WITH AMENDMENT** – House Bill 352 – *Budget Reconciliation and Financing Act*

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The Maryland State Licensed Beverage Association (MSLBA), which consists of approximately 800 Maryland businesses holding alcoholic beverage licenses (restaurants, bars, taverns and package stores), **opposes the portion of this bill, which reduces lottery commissions.**

House Bill 352 will decrease the sales commissions paid to lottery agents from the current 6% down to 5.5%, as well as the cashing fee from 3% to 2%. Going back to 2005, agents were paid a sales commission of 5.5%. The General Assembly then increased the commission to 6%, effective upon the opening of the Horseshoe Casino in 2014, only to reduce it back to 5.5% before the higher rate ever really took effect. Just last year in 2023, the General Assembly finally returned the rate to 6%.

Agents are the backbone of the success of the Maryland Lottery. Found across the State in thousands of small businesses, lottery agents are the public face of the Lottery, interacting with customers, sometimes daily. The commission paid to agents reflects the important role they play in maintaining and growing the Lottery's customer base.

The performance of the Lottery and its returns to the State have been excellent through good and bad times, however the costs to agents of running their businesses have steadily risen. The State's minimum wage has gone up considerably, increasing labor costs, as have other costs of keeping small businesses open, such as electricity, health insurance, and more recently other supplies. The decrease proposed in the BRFA bill will have substantial economic impact on lottery agents and may reduce the amount of time and resources available to staff the lottery ticket counter, resulting in fewer sales and less revenue to the State.

The MSLBA asks you to amend House Bill 352 to restore the commission and the cashing fee for lottery retailers to their current levels.