



WMDA/CAR Service Station  
and Automotive Repair Association

Chair: Senator Guy Guzzone, Vice Chair Senator Jim Rosapepe, Member of Budget, and Taxation Committee

RE: SB362-Budget Reconciliation and Financing Act of 2024

Position: Oppose Lottery Reduction in Fees

My name is Kirk McCauley, my employer is WMDA/CAR, we represent service stations, convenience stores and repair facilities across the state.

Page 26 of BRFA reduces lottery agent fee from 6% to 5.5% and cuts cashing commission from 3% to 2%.

4400 lottery agents divided \$219,856,683 in fees, if averaged would be close to \$50,000 per agent for the year (FY2023). (\$40.6 million). Sounds like a lot of money until you look at retailer's cost

In 2022 Hb1179 increased agent fees from 5.5% to 6% after being stuck at 5.5% for 8 years. Every conceivable cost for a retailer has increased, labor, taxes, Real estate. Retailers keep dedicated employees on terminal during busy times. Now the Governor wants to use small business for a piggy bank, which is just not fair. Lottery agents raised \$714,256,896 in net profit for Maryland and that average of \$50,000 per lottery agent most likely did not cover their costs.

The 3% cashing fee, cut to 2%, that's part of agents \$50,000, and the governor wants to cut it buy 33%, Lottery agents manage an incredible amount of cash, remember no credit cards to play lottery games. Cashing tickets, taking cash for every play comes with security concerns and risks. Lottery agents earn every bit of that 3% cashing and 6% selling.

Find the money elsewhere, sales tax increase that would spread it out to all would be one area, and I am sure you could find others.

Maryland lottery continues to grow, up 6% (\$40.6 million) in FY2023, equal parts lottery management and agents. Let's keep that formular working.

**Please Take Lottery Reduction Out of Budget Reconciliation and Financing Act of 2024 SB362**

Any questions can be addressed to Kirk McCauley, 301-775-0221 or [kmccauley@wmda.ne](mailto:kmccauley@wmda.ne)