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By: **Delegates C. Davis and C. Mitchell**  
Introduced and read first time: January 29, 1998  
Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **State Lottery - Compensation for Agents**

3 FOR the purpose of altering the method for computing compensation for licensed  
4 agents of the State Lottery Agency; repealing a certain limitation on bonuses  
5 and incentives that may be paid to licensed agents; and generally relating to  
6 compensation paid to licensed agents of the State Lottery Agency.

7 BY repealing and reenacting, with amendments,  
8 Article - State Government  
9 Section 9-117  
10 Annotated Code of Maryland  
11 (1995 Replacement Volume and 1997 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article - State Government**

15 9-117.

16 (a) During a calendar year, [a licensed agent may not receive regular  
17 commissions that exceed] THE AGENCY SHALL PAY A LICENSED AGENT:

18 (1) 5% of the licensed agent's gross receipts from ticket sales made  
19 during that year; AND

20 (2) 3% OF THE ON-LINE GAME PAYOUTS THAT ARE VALIDATED AND  
21 PAID THROUGH THE LICENSED AGENT'S LOTTERY TERMINAL.

22 (b) (1) The Commission may authorize the payment of special bonuses or  
23 incentives to licensed agents and their employees.

24 (2) [The total of the bonuses and incentives may not exceed one-half of  
25 1% of the gross receipts from ticket sales for the year for which the bonuses or  
26 incentives are awarded.

1                   (3)] Lottery sales agents may not offer patrons inducements of alcoholic  
2 beverages to purchase or redeem lottery tickets.

3                   [(4)] (3) For fiscal year 1988 and for all fiscal years thereafter, the  
4 Agency shall appropriate funds for the bonuses and incentives in the Agency's  
5 operating budget.

6       (c)        Unless otherwise expressly provided by a lease for premises on which  
7 lottery tickets are sold, whenever lottery tickets are sold by a licensed agent on  
8 premises subject to rent that is wholly or partially based on a percentage of gross  
9 sales or receipts, the tenant responsible for payment of the rent may calculate that  
10 portion of the rent arising from the sale of lottery tickets solely on the basis of:

11               (1)       the commission received by the licensed agent on the sale of those  
12 tickets; and

13               (2)       in the case of instant lottery tickets, the difference between the price  
14 paid by the licensed agent in purchasing the tickets from the Agency and the price for  
15 which they were sold by the agent.

16       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 October 1, 1998.