

HOUSE BILL 305

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1998 Regular Session
8r1204
CF 8r2269

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

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 27, 1998

CHAPTER _____

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~~ authorizing a licensed agent of the State
5 Lottery to receive a certain cashing fee for services rendered in cashing winning
6 tickets; requiring the Agency to pay a certain commission to licensed agents on
7 sales of instant tickets; repealing a certain limitation on bonuses and incentives
8 that may be paid to licensed agents provision of law requiring the State Lottery
9 Agency to appropriate funds for certain bonuses and incentives; and generally
10 relating to ~~compensation paid to~~ the compensation of licensed agents of the
11 State Lottery Agency.

12 BY repealing and reenacting, with amendments,
13 Article - State Government
14 Section 9-117
15 Annotated Code of Maryland
16 (1995 Replacement Volume and 1997 Supplement)

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

19 **Article - State Government**

20 9-117.

21 (a) (1) During a calendar year, ~~[-a licensed agent may not receive regular~~
22 ~~commissions that exceed]~~ ~~THE AGENCY SHALL PAY A LICENSED AGENT:~~

1 (4) 5% of the licensed agent's gross receipts from ticket sales made
2 during that year; ~~AND,~~

3 (2) ~~3% OF THE ON-LINE GAME PAYOUTS THAT ARE VALIDATED AND~~
4 ~~PAID THROUGH THE LICENSED AGENT'S LOTTERY TERMINAL. A LICENSED AGENT~~
5 MAY FURTHER RECEIVE A CASHING FEE NOT TO EXCEED 3% OF VALID PRIZES PAID
6 FOR SERVICES RENDERED IN CASHING WINNING TICKETS.

7 (3) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBSECTION,
8 THE AGENCY SHALL PAY A LICENSED AGENT A COMMISSION OF 5% OF THE
9 LICENSED AGENT'S GROSS RECEIPTS ON THE SALE OF INSTANT TICKETS.

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

12 (2) ~~†~~The total of the bonuses and incentives may not exceed one-half of
13 1% of the gross receipts from ticket sales for the year for which the bonuses or
14 incentives are awarded.

15 (3) ~~†~~ Lottery sales agents may not offer patrons inducements of alcoholic
16 beverages to purchase or redeem lottery tickets.

17 [(4)] (3) ~~For fiscal year 1988 and for all fiscal years thereafter, the~~
18 ~~Agency shall appropriate funds for the bonuses and incentives in the Agency's~~
19 ~~operating budget.~~

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

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

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

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

