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MARYLAND RETAILERS ASSOCIATION

The Voice of Retailing in Maryland



**HB1179 – State Lottery - Sales of Lottery Tickets and Tickets From Instant Ticket
Lottery Machines – Commissions.
Budget and Taxation Committee
March 30, 2022**

Position: Favorable

Background: HB1179 would increase the lottery agent sales commission from 5.5% to 6% of gross lottery sales.

Comments: The Maryland Retailers Association strongly supports HB1179, which would increase the lottery agent sales commission from 5.5% to 6% of gross lottery sales. The legislature supported this provision in the past with its inclusion in the gaming expansion legislation that passed in 2012. The 2014 BRFA ultimately ended this proposed increase before it could come to fruition.

As casino presence has increased in Maryland and particularly now after the beginning of sports betting in the state, small businesses that are licensed lottery agents risk lost revenue from lottery ticket sales commissions as Marylanders go elsewhere to spend their gaming dollars. HB1179 would allow these businesses to retain a higher commission from these sales, and indeed the fiscal note predicts that it would have a meaningful impact on small businesses.

With this in mind, we would urge a favorable report on HB1179. Thank you for your consideration.

HB1179 - Senate_FAV_MSLBA_Lottery Tickets - Commis

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Position: FAV



**MARYLAND STATE
LICENSED BEVERAGE ASSOCIATION**

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

TO: The Honorable Guy Guzzone, Chair
Members, Senate Budget and Taxation Committee
The Honorable Steve Johnson

FROM: J. Steven Wise
Pamela Metz Kasemeyer
Danna L. Kauffman

DATE: March 30, 2022

RE: **SUPPORT** – House Bill 1179 – *State Lottery – Sales of Lottery Tickets and Tickets From Instant Ticket Lottery Machines – Commissions*

The Maryland State Licensed Beverage Association (MSLBA), which consists of approximately 1,000 Maryland businesses holding alcoholic beverage licenses (restaurants, bars, taverns and package stores), **supports** House Bill 1179.

House Bill 1179 will increase the sales commissions paid to lottery agents from the current 5.5% up to 6%, returning it to the rate adopted by the General Assembly in 2012. 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 reflect the important role they play in maintaining and growing the Lottery's customer base.

Going back to 2005, agents were paid a sales commission of 5.5%. That amount was reduced to 5.0% in 2009 when the State and many residents fell on more difficult times, and they remained at that level through 2013. 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.

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 increase contained in House Bill 1179 will help offset those cost increases and ensure that lottery agents are able to devote the same amount of time and commitment to manning the lottery ticket counter as they have for many years.

The MSLBA asks you to support the commission increase contained in House Bill 1179.

For more information call:

J. Steven Wise
Pamela Metz Kasemeyer
Danna L. Kauffman
410-244-7000