

Senate Bill No. 750

AN ACT concerning

State Lottery - Agent's Commission

FOR the purpose of providing for certain bonus commissions for State lottery agents; and clarifying language.

May 27, 1980

Honorable James Clark, Jr.  
President of the Senate  
State House  
Annapolis, Maryland 21404

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed Senate Bill 750.

Senate Bill 750 increases the compensation to be received by daily lottery sales agents by an additional one half of one percent commission on claims paid, with a minimum commission of 25 cents per claim paid.

Currently, pursuant to statute, a daily lottery sales agent receives a commission of 5 percent of his annual gross sales. Additionally, the agent receives 20 cents per claim paid. The increased commission guaranteed under the provisions of this bill will create a reduction in State revenues of \$644,644 in fiscal year 1981 which is projected to grow to an approximate \$942,823 revenue reduction in fiscal year 1985.

Comparison of the lottery operations of other states indicates that Maryland agents receive substantially higher average net earnings. As the attached chart indicates the average daily lottery sales agent in Maryland earns in excess of \$20,000 each year in lottery commission. One of the concerns expressed by proponents of this legislation is the inability to generate sufficient revenue from lottery sales to pay claims. I am advised that the average pay out of a daily sales agent is only 50 percent of his receipts. However, when an agent has not collected an amount of money to equal a large payout occasioned by the drawing of a popular number, the Maryland State Lottery Agency currently reimburses the agents or deposits directly into an agent's bank account funds to cover expenditures.

Because of the high level of compensation currently paid to the agents, the number of persons seeking to become agents, and the many other programs worthy of scarce State

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