

Sincerely,
Harry Hughes
Governor

House Bill No. 198

AN ACT concerning

State Lottery - Compensation of Agents

FOR the purpose of increasing the compensation received by lottery sales agents by a certain amount; and clarifying language.

May 27, 1980

Honorable Benjamin L. Cardin
Speaker of the House of Delegates
State House
Annapolis, Maryland 21404

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed House Bill 198.

House Bill 198 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 commissions. 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