

**STAFF AGENDA MEMORANDUM**

**TO:** Maryland Lottery and Gaming Control Commission

**FROM:** John Martin, Director

**DATE:** February 15, 2022

**SUBJECT:** Delegation to Staff  
Authority to Develop and Implement Retailer Bonus Programs

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**Summary:**

Lottery Law provides that the Commission may authorize the payment of special bonuses to licensed Lottery retailers and their employees, provided: (1) the total of the bonuses does not exceed one-half of 1% of the gross receipts from ticket sales for the year in which the bonuses are awarded; and (2) retailers do not offer alcoholic beverages to induce players to buy or redeem tickets. State Gov't, ("SG") § 9-117(b), Ann. Code of Md.

Agency Staff has substantial experience and expertise in determining and executing Lottery sales and marketing strategies. Staff's expertise includes coordinating Lottery retailer incentives and bonuses, with current Lottery product offerings, to maximize sales. Given the number of Lottery retailers statewide and the variety of Lottery product offerings at any given time, there is a need to expeditiously assess current sales trends to maximize Lottery sales by incentivizing retailers with an appropriate bonus plan.

The law authorizes only the Commission to authorize special retailer bonuses. Staff recommends that the Commission delegate this authority to Staff; without it, the full Commission would need to make all Lottery retailer special bonus determinations at its monthly meetings. The delegation would allow the sales and marketing teams to, without separate Commission approval, create and implement bonus programs for Lottery retailers, consistently apply bonus schedules, and timely award bonuses to Lottery retailers – all geared toward responsiveness to current sales trends and maximization of sales. Specifically, Staff would use the authority of this delegation to:

- 1) Authorize the payment of special bonuses to Lottery retailers and their employees;
- 2) Develop and implement Lottery retailer bonus programs;
- 3) Create Lottery retailer bonus schedules; and
- 4) Award special bonuses to Lottery retailers in accordance with the programs and schedules that Staff establishes.

**COMMISSION ACTION REQUESTED:**

MOTION to grant Staff's request for delegation of the Commission's authority under SG § 9-117(b) to: authorize the payment of special bonuses to Lottery retailers and their employees; develop and implement Lottery retailer bonus programs; create Lottery retailer bonus schedules; and award special bonuses to Lottery retailers in accordance with the programs and schedules that Staff establishes, without the necessity of separate Commission approval.

MOTION to request that the Secretary issue a written delegation to memorialize the Commission's action under this item, and that the written delegation include a statement that the Commission may revoke it at any time.

**STAFF RECOMMENDATION:**

Staff recommends that Commission approve the Motion.