



# HOUSE OF REPRESENTATIVES

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*Testimony of Rep. Quentin Chapman introducing*  
**L.D. 213, An Act to Increase the Sales Commission of Retailers Selling  
Lottery Tickets**  
*Before the Joint Standing Committee on Veterans and Legal Affairs*  
February 5, 2025

Senator Hickman, Representative Supica, and esteemed colleagues of the Veterans and Legal Affairs Committee, I am Quentin Chapman, proudly representing House District 88 in Auburn. I am proud to present L.D. 213, "An Act to Increase the Sales Commission of Retailers Selling Lottery Tickets."

The bill before you today would increase the profit percentages currently shared with Maine retailers. I am asking on behalf of the retailers to increase the profits to 10% for both instant and draw games.

Currently, retailers are given 7% on scratch tickets and 5% on draw games such as, Powerball, Megabucks or any other printed ticket games. The typical draw game is \$2. Leaving .10¢ for the retailer. The majority of transactions are credit/debit; people rarely carry cash. After paying processing fees of approximately 3%, the remaining .04¢ is divided up between electricity, wages, insurance and the multitude of other expenses that are incurred.

The cost of maintaining business is continually on the rise. However, the Maine State Lottery profit sharing with retailers has remained the same despite the disproportionate amount of time that is spent with a lottery customer and the inconvenience to other customers waiting in line, as I'm sure some of you have experienced. Most retailers sell lottery tickets as a benefit to their customers in hopes that the customer will spend money on other items.

The Maine State Lottery in all of its forms is very popular. It has become an expected item in any Maine store. In addition, it is always exciting for everyone when a customer has a win. However, a large number of merchants are cash only for Lottery, as it has become the loss leader in any store with its low profits.

The majority of retailers I interact with price items with profits remaining between 18% and 23%. The loss has caused some merchants to be cash only, not allowing credit/debit sales of lottery, thus avoiding processing fees in spite of merchant service agreements with the credit card companies. The Maine State Lottery does not require, although strongly encourages, merchants to have an oversized scratch lottery ticket dispenser on the retail counter, the most valuable space in any retail store. The ticket display/dispenser greatly obstructs cashiers view of the store and greatly disrupts visual contact for the customer with an employee.

With human nature being what it is, mistakes are made and not all draw tickets can be cancelled, while others can. Cashiers attempt to sell mistakes. In the majority of cases, the retailer pays for those mistakes in the end. Although infrequent, there are times when a cashier with nefarious intent prints and keeps tickets for their own personal use without paying for them.

As an example, if a cashier was to print and give away or keep \$10 worth of draw games a retailer would need to sell \$200 worth of tickets at 5% before breaking even. To exacerbate the problem, there is no way to view the full sales history on the "wave" machine that produces and prints the tickets. Leaving retailers wondering whether missing tickets were intentionally not paid for or human oversight unless many hours are spent researching.

Allow me to share one last example of making an already unprofitable item less profitable. A merchant had an employee give away, completely unintentionally, four \$5 instant scratch tickets. Profit on each ticket is .35¢, therefore a retailer needs to sell 57.14 \$5 tickets just to break even.

My proposal to increase retailer profits to 10% does not make up for the loss due to human interaction, nor should it. An increase does make the Maine State Lottery more, just a little more, palatable.

In conclusion, the Maine State Lottery disproportionately increases the amount of work and time in customer interactions, tracking and managing. It is obtrusive in its display and paraphernalia. Customers, storeowners and employees really enjoy playing the Maine Lottery and want to keep it readily available. It does not change the fact that lottery sales remain one of the lowest profitable items in a retail location. A profit increase would make it less burdensome and more equitable for retailers.

Thank you.

Quentin Chapman  
State Representative

|             |          |        |           |
|-------------|----------|--------|-----------|
| \$30 Ticket | Qty 25   |        |           |
|             | Cost     | Retail | \$ Earned |
| Book        | \$697.50 | \$750  | \$52.50   |
| Each        | \$23.25  | \$30   | \$2.10    |
| <br>        |          |        |           |
| \$25 Ticket | Qty 25   |        |           |
|             | Cost     | Retail | \$ Earned |
| Book        | \$581.25 | \$600  | \$18.75   |
| Each        | \$23.25  | \$25   | \$1.75    |
| <br>        |          |        |           |
| \$10 Ticket | Qty 50   |        |           |
|             | Cost     | Retail | \$ Earned |
| Book        | \$465    | \$500  | \$35      |
| Each        | \$9.30   | \$10   | .70¢      |
| <br>        |          |        |           |
| \$5 Ticket  | Qty 75   |        |           |
|             | Cost     | Retail | \$ Earned |
| Book        | \$348.75 | \$375  | \$26.25   |
| Each        | \$4.65   | \$5    | .35¢      |
| <br>        |          |        |           |
| \$3 Ticket  | Qty 100  |        |           |
|             | Cost     | Retail | \$ Earned |
| Book        | \$279    | \$300  | \$21      |
| Each        | \$2.79   | \$3    | .21¢      |
| <br>        |          |        |           |
| \$2 Ticket  | Qty 150  |        |           |
|             | Cost     | Retail | \$ Earned |
| Book        | \$279    | \$300  | \$21      |
| Each        | \$1.86   | \$2    | .14¢      |
| <br>        |          |        |           |
| \$1 Ticket  | Qty 300  |        |           |
|             | Cost     | Retail | \$ Earned |
| Book        | \$279    | \$300  | \$21      |
| Each        | .93¢     | \$1    | .07¢      |