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Lottery

Agency Profile 1

<http://www.mnlottery.com/>

AT A GLANCE

- Minnesota voters approved a Constitutional amendment to authorize a lottery in 1988.
- Sales began in April of 1990.
- Since then, the Lottery has raised \$4.36 billion dollars for the State, including:
 - \$2.40 Billion for the General Fund,
 - \$1.15 Billion for the Environment and Natural Resources Trust Fund,
 - \$352 Million for the Game and Fish Fund,
 - \$360 Million for the Natural Resources Fund/Special Revenue Fund, and
 - \$96 Million for other state payments and problem gambling

PURPOSE

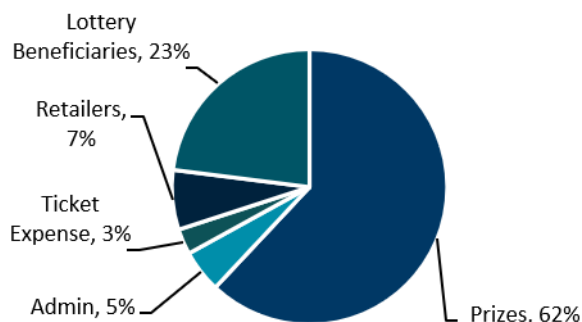
The Minnesota Lottery exists to provide revenue for state programs as identified by the Minnesota Constitution and the legislature. We do this by offering fun, innovative and secure games of chance to adults living in and visiting Minnesota.

We contribute to the State of Minnesota by:

- designing and marketing a mix of lottery games each year. We partner with 3,181 grocery stores, convenience stores and other retail locations to sell these games to the public. Last year, our retail partners earned approximately \$48 million in commissions and incentives.
- fulfilling our constitutional mandate as a funding mechanism for the Environmental and Natural Resources Trust Fund as well as the Game and Fish Fund, the Natural Resources Fund, and the Special Revenue Fund.
- keeping our expenses below the limit set by the legislature and answering directly to our customers' preferences for game design and product mix. Since we are an entirely self-funded agency – we do not receive an annual funding appropriation – sales of lottery tickets provide our operating expenses.

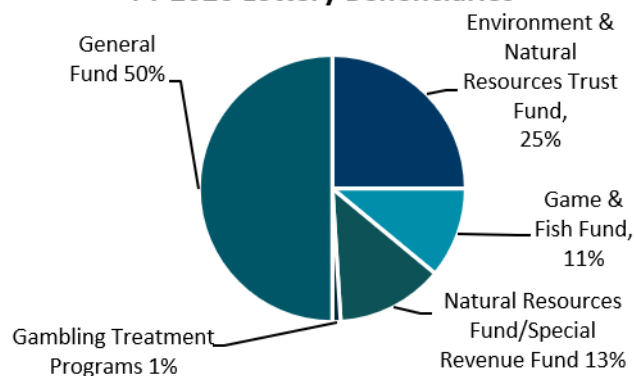
BUDGET

FY 2026 Lottery Revenue Distribution



(Percentages rounded)
Source: Minnesota State Lottery

FY 2026 Lottery Beneficiaries



(Percentages rounded)
Source: Minnesota State Lottery

In accordance with the Minnesota Constitution, 40 percent of net lottery proceeds are dedicated to the Environment and Natural Resources Trust Fund. The remaining 60 percent is dedicated to the General Fund by statute. In addition, revenue from a 6.5% in-lieu-of-sales tax on lottery tickets is divided by statute between the General Fund, the Game and Fish Fund, the Natural Resources Fund, and the Special Revenue Fund.

In fiscal year (FY) 2026, the Lottery generated \$730 million in total sales and other revenue. Of that amount, \$458 million (62%) was paid to players winning prizes; retailers earned \$48 million (7%); the cost of producing and distributing tickets was \$21 million (3%); administrative expenses totaled \$36 million (5%) and lottery beneficiaries received \$167 million (23%). Of that \$167 million, the General Fund received \$83 million (50%), \$2 million (1%) was designated for compulsive gambling treatment programs; the Environment and Natural Resources Trust Fund received \$42 million (25%), the Game & Fish Fund received \$18 million (11%), and the Natural Resources Fund and Special Revenue Fund combined received \$22 million (13%).

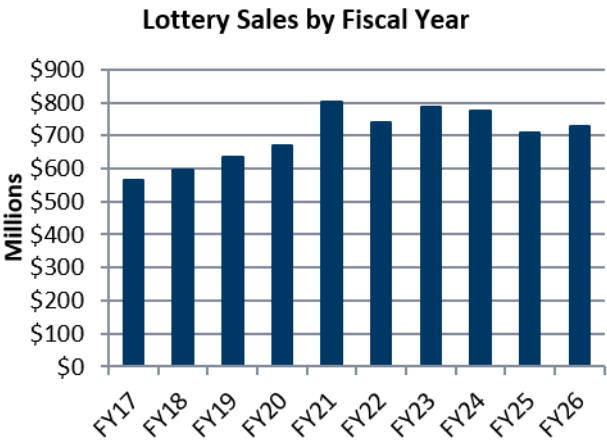
STRATEGIES

As a self-funded enterprise, we work to:

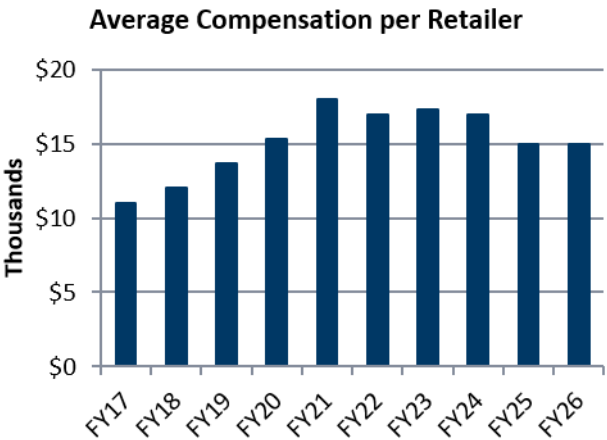
- Understand our customers by investing in market research, monitoring sales results of our products, talking with our business partners and listening to players and others who have questions, suggestions or concerns.
- Design lottery games that appeal to adults living in or visiting Minnesota who choose to play.
- Distribute those games by working with our retail business partners to sell our product.
- Support those products with appropriate advertising, promotions and incentives.

RESULTS

Part A: Performance Data

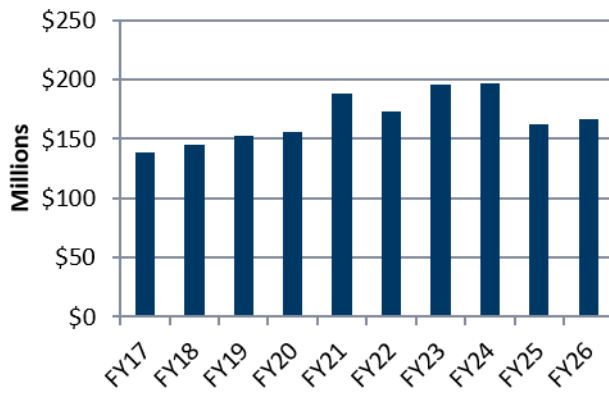


Sales have increased from \$564 million in FY 17 to \$728 million in FY 26 with the highest sales of \$803 million in FY21.



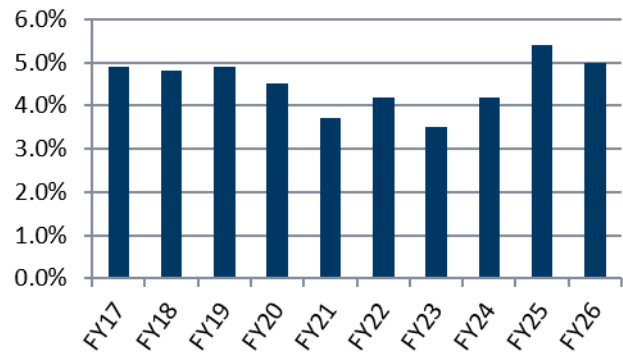
Retailer compensation has increased since FY 17. In FY 26, retailers earned \$48 million in total or, on average, \$15,170 each.

Revenue Raised for Minnesota



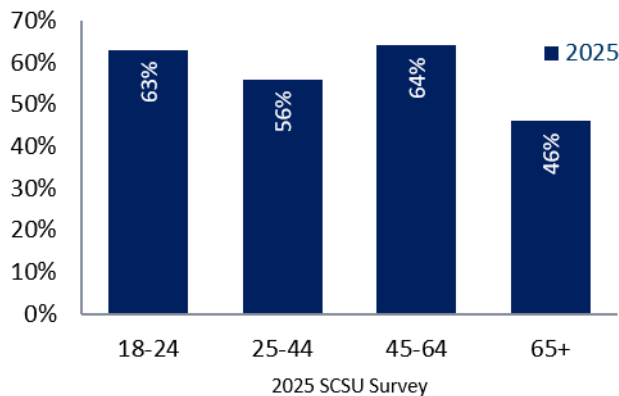
Our most important measure of success is contributions to the state. Revenue to the state has exceeded \$139 million every year starting in FY 17.

Administrative Expense as a Percent of Total Income



We have been able to increase sales and revenue while keeping our administrative expense close to five percent of total income.

Past Year Lottery Play by Age



The lottery conducted a survey in FY 25 that saw the above participation rates.

Part B: Evidence of Effectiveness

No evidence-based practices were identified.

Statutes governing the Minnesota Lottery are found in M.S. 349A.

<https://www.revisor.mn.gov/statutes/?id=349A>