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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 \$4.0 billion dollars for the State, including:
 - \$2.2 Billion for the General Fund,
 - \$1.1 Billion for the Environment and Natural Resources Trust Fund,
 - \$315 Million for the Game and Fish Fund,
 - \$317 Million for the Natural Resources Fund, and
 - \$92 Million for other state payments and problem gambling

PURPOSE

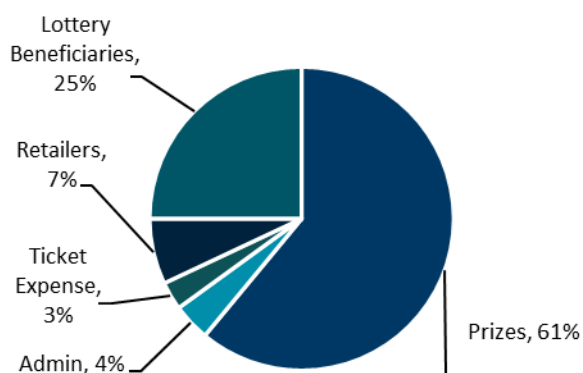
The Minnesota Lottery exists to provide revenue for state programs as identified by the Minnesota Constitution and the legislature. We do this by offering fun, innovative and secure games of chance to adults living in and visiting Minnesota.

We contribute to the State of Minnesota by:

- designing and marketing a mix of lottery games each year. We partner with 3,012 grocery stores, convenience stores and other retail locations to sell these games to the public. Last year, our retail partners earned approximately \$51 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 and the Natural Resources 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

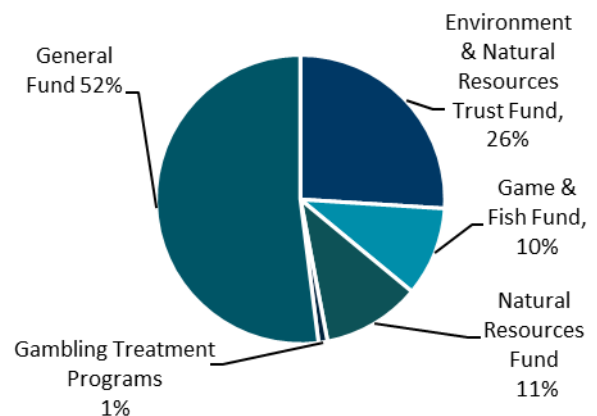
FY 2024 Lottery Revenue Distribution



(Percentages rounded)

Source: Minnesota State Lottery

FY 2024 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, and the Natural Resources Fund.

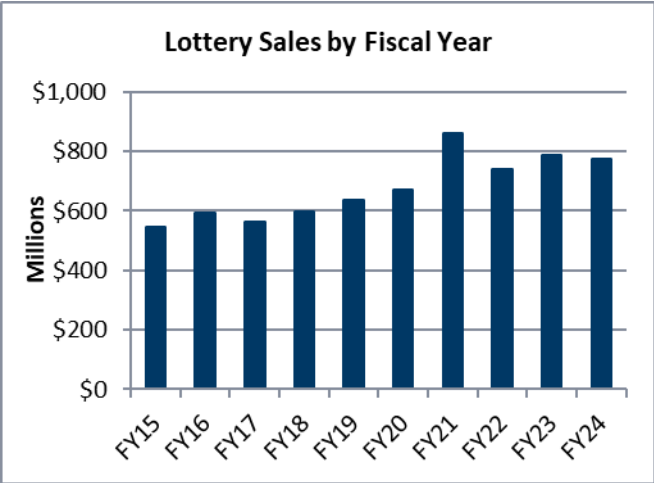
In fiscal year (FY) 2024, the Lottery generated \$779 million in total sales and other revenue. Of that amount, \$476 million (61%) was paid to players winning prizes; retailers earned \$51 million (7%); the cost of producing and distributing tickets was \$23 million (3%); administrative expenses totaled \$32 million (4%) and lottery beneficiaries received \$197 million (25%). Of that \$197 million, the General Fund received \$103 million (53%), including \$1.5 million designated for compulsive gambling treatment programs; the Environment and Natural Resources Trust Fund received \$51 million (26%), and the Natural Resources Fund and the Game & Fish Fund combined received \$43 million (21%).

STRATEGIES

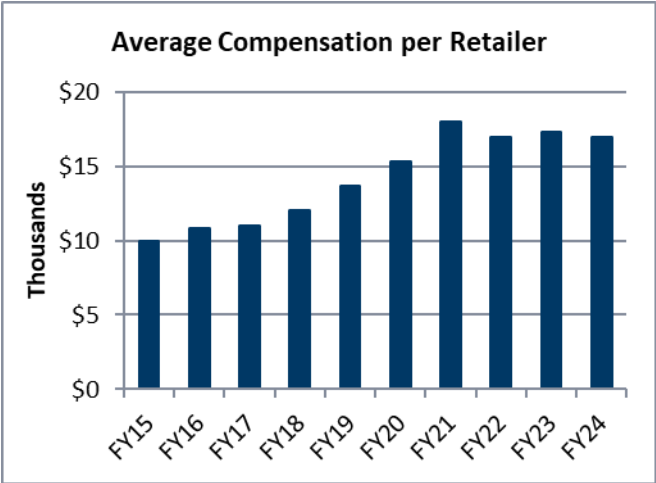
As a self-funded enterprise, we work to:

- 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.

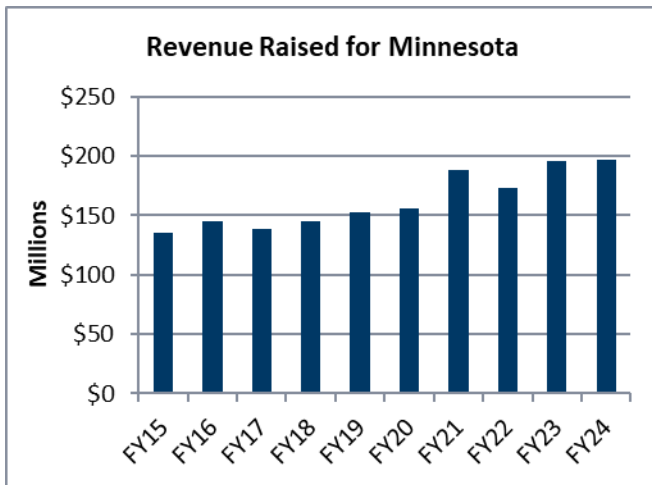
RESULTS



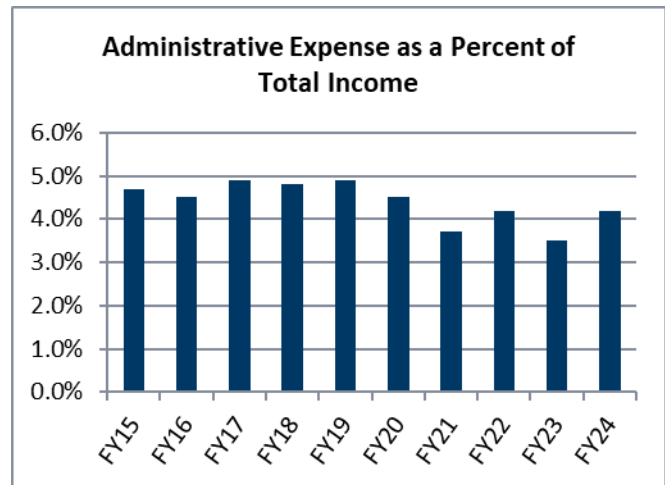
Sales have increased from \$547 million in FY 15 to \$776 million in FY 24.



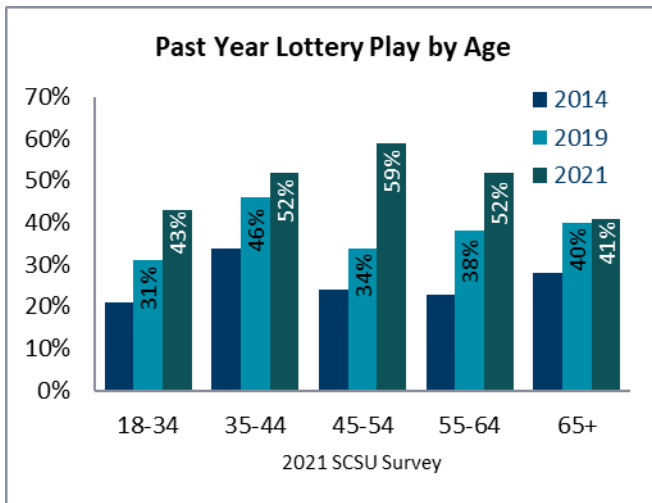
Retailer compensation has also been growing. In FY 24, retailers earned \$51 million in total or, on average, \$16,950 each.



Our most important measure of success is contributions to the state. Revenue to the state has exceeded \$136 million every year starting in FY 15. FY 24 saw the highest contributions to state programs in the Lottery's history at \$197 million.



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



The lottery saw participation rates increase across all age groups during the pandemic.

Statutes governing the Minnesota Lottery are found in M.S. 349A <https://www.revisor.mn.gov/statutes/?id=349A>.