

Montana Lottery

Lottery
Montana

Budget Presentation
Before the
General Government And Transportation Subcommittee
of the
Appropriations Committee
George Parisot, Director
January 2005

Program Description

- We design and market Lottery games that allow players to purchase chances to win prizes
- We deposit our net revenue in the state's general fund quarterly
 - net revenue is after prizes, sales commissions, ticket costs, and operating expenses


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In addition...

- In addition to being a net contributor to the general fund, the Lottery is also a contributor to economic development
 - Provided \$2.9 million in commissions this far through the biennium to over 600 retailers across the state that sell Lottery products
 - Provided \$28.7 million in commissions to retailers since 1987



FY 2006-2007 Goals

- to transfer \$15.4 million to the general fund
- to increase revenue by \$1.8 million in FY 2006 and by \$3.0 million in FY 2007
- to maintain hardware and software for the on-line gaming system
- to better identify retail locations as Lottery sales locations



Budget 2006/2007: Funding

- **DP 1502 – Commission Per Diem**
 - requesting a total of \$2,500 over the biennium to fund per diem for five meetings of the Montana Lottery Commission per year.
 - a minimum of quarterly Lottery Commission meeting are required by statute
 - this is not an increase but is a personal services request that is not carried over from the preceding biennium



Budget 2006/2007: Funding

- **DP 1503 – Operating System**
 - requesting authority for \$600,000 over the biennium to maintain the hardware and software for the on-line gaming system
 - by the end of the 2004/2005 biennium, the system will have been in use for seven years
 - the on-line gaming system is essential to the Lottery's entire sales and validation system



Budget 2006/2007: Funding

- DP 1507 – Vendor Fees

- requesting an increase of \$400,000 to fund payments to the vendor that operates and maintains the Lottery operating system.

- based on increasing revenue by \$1.8 million in FY 2006 and by \$3.0 million in FY 2007
 - the more tickets sold, the more in vendor fees paid
 - but the more profit as well



Budget 2006/2007: Funding

- DP 1507 – LFD Issue

- if sales don't increase as anticipated, any excess authority would be used only for *direct product expenses*



Budget 2006-2007: Funding

- The budget authority we're requesting will not reduce the general fund in any way.
- It should allow us to increase our transfers to the general fund.
 - In the next biennium and in subsequent years



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**Questions
&
Answers**