

Department of Administration

Lottery Division

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Background

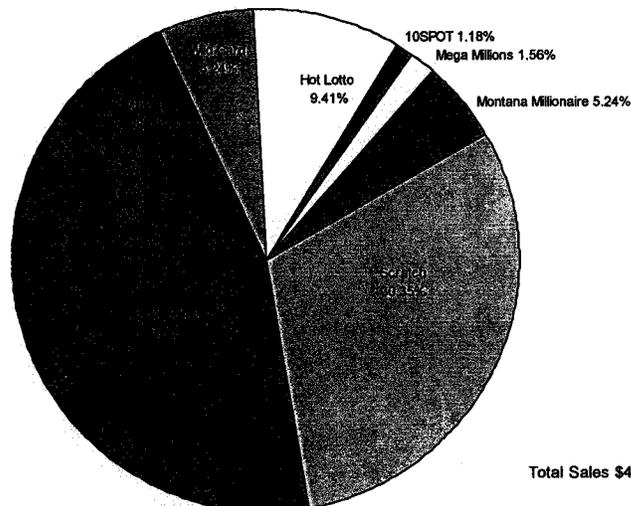
- The Montana Lottery began in November 1986 with Legislative Referendum 100, passed with 69% of the vote.
- **“The mission of the Montana Lottery is to maximize the transfer of its net revenue to the state’s General Fund by providing products that meet the expectations of consumers and the State of Montana while adhering to the highest standards of integrity, which is critical to maintaining public confidence in the agency and its products.”**

Background

- Lottery operations are entirely funded through the sales of scratch and lotto tickets.
- Since 1987, over \$173 million has been returned to the State of Montana and over \$381 million to players in prizes.
- 800 retailers sell Montana Lottery products throughout the state
- Retailers receive a 5% commission for each dollar sold plus a possible bonus commission of up to an additional 5% on scratch tickets.

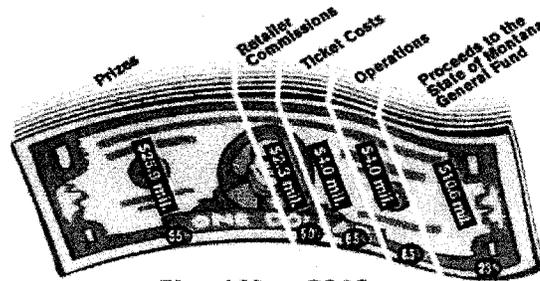
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FY 2010 Percent of Sales



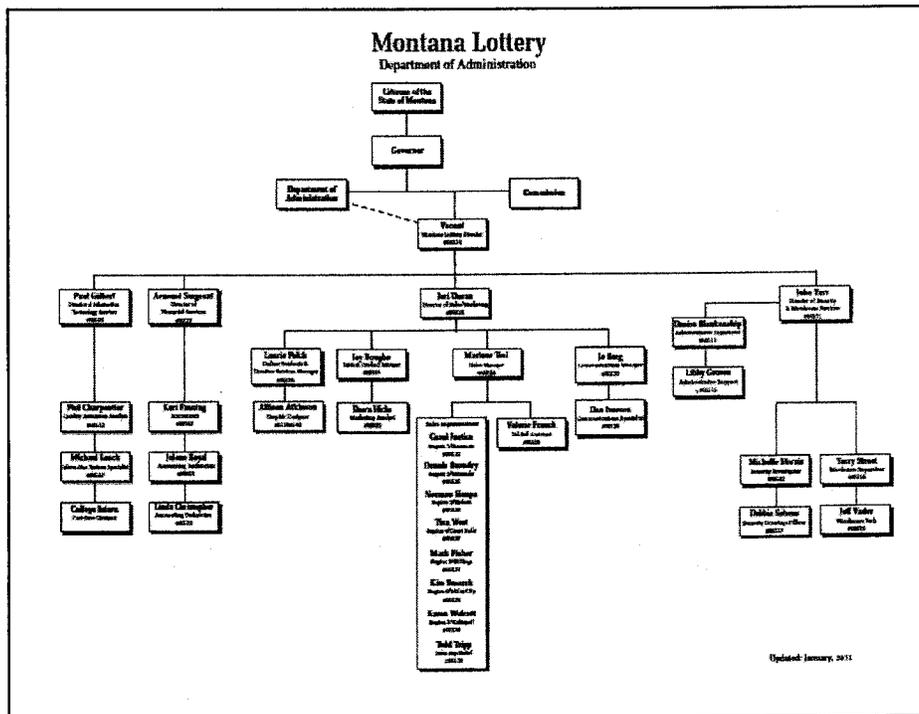
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Where the Money Goes



Fiscal Year 2010

- **Prizes:** by law a minimum of 45% of all sales must be paid in prizes
- **Retailer commissions:** 5% on all sales (up to 5% additional on Scratch)
- **Ticket costs:** printing Scratch tickets and fee-per-ticket to Lottery vendor
- **Operations:** Marketing, Security, Warehouse, Fiscal Management and IT
- **Proceeds to General Fund:** Net revenue transferred on a quarterly basis



Key Accomplishments

- Fiscal Year 2010 was very successful with record breaking sales of \$46.9 million and a transfer of \$10.6 million.
- Increase of 39% in total sales since 2005
- Increase of 71% in total transfer since 2005
- Increase of 38% in retailer network since 2007.

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